1	H.401
2	An act relating to exemptions for food manufacturing establishments
3	It is hereby enacted by the General Assembly of the State of Vermont:
4	Sec. 1. LEGISLATIVE INTENT
5	It is the intent of the General Assembly that:
6	(1) Vermont enhance its food resiliency through increased supply and
7	distribution of locally produced food products;
8	(2) Vermonters have more access to the local food marketplace as both
9	producers and consumers;
10	(3) local food producers are able to meet the demand for Vermont-made
11	food products from visitors to the State;
12	(4) small-scale food producers, new business start-ups, and sole
13	proprietors benefit from raising the limit of the existing licensing exemption
14	for at-home bakery products to adjust for inflationary cost changes occurring
15	since the initial statutory enactment; and
16	(5) supply-chain costs and inflationary considerations be addressed to
17	bring risk management thresholds more in line with the economic conditions at
18	the time of initial statutory enactment.
19	Sec. 2. 18 V.S.A. § 4301 is amended to read:
20	§ 4301. DEFINITIONS
21	(a) As used in this chapter:
22	* * *

1	(4) "Cottage food operation" means a food manufacturing establishment
2	where a cottage food product is produced.
3	(5) "Cottage food operator" means any person who produces or
4	packages cottage food products solely in the home kitchen of the person's
5	private residential dwelling or a kitchen on the person's personal property.
6	(6) "Cottage food product" means food sold by a cottage food operator
7	that does not require refrigeration or time or temperature control for safety,
8	such as:
9	(A) nonpotentially hazardous baked goods;
10	(B) candy;
11	(C) jams and jellies;
12	(D) dry herbs;
13	(E) trail mix;
14	(F) granola;
15	(G) cereal;
16	(H) mixed nuts;
17	(I) flavored vinegar;
18	(J) popcorn;
19	(K) coffee beans;
20	(L) dry tea;

1	(M) nome-canned pickles, vegetables, or fruits having an equilibrium
2	pH value of 4.6 or lower or a water activity value of 0.85 or less that are made
3	using recipes:
4	(i) approved by the National Center for Home Food Preservation;
5	<u>or</u>
6	(ii) reviewed by a food processing authority for safety; and
7	(N) any other good defined by the Commissioner in rule or policy.
8	(7) "Department" means the Department of Health.
9	(5)(8) "Establishment" means food manufacturing establishments, food
10	service establishments, lodging establishments, children's camps, seafood
11	vending facilities, and shellfish reshippers and repackers.
12	(6)(9) "Food" means articles of food, drink, confectionery, or condiment
13	for human consumption, whether simple, mixed, or compound, and all
14	substances and ingredients used in the preparation thereof.
15	(7)(10) "Food manufacturing establishment" or "food processor" means
16	all buildings, rooms, basements, cellars, lofts, or other premises or part thereof
17	used, occupied, or maintained for the purpose of manufacturing, preparing,
18	packing, canning, bottling, keeping, storing, handling, serving, or distributing
19	food for sale. A food manufacturing establishment shall include includes food
20	processors, bakeries, cottage food operations, distributers, and warehouses. A
21	food manufacturing establishment shall does not include a place where only

1	maple syrup or maple products, as defined in 6 V.S.A. § 481, are prepared for
2	human consumption.
3	(8)(11) "Food service establishment" means entities that prepare, serve,
4	and sell food to the public, including restaurants, temporary food vendors,
5	caterers, mobile food units, and limited operations as defined in rule.
6	(9)(12) "Lodging establishment" means a place where overnight
7	accommodations are regularly provided to the transient, traveling, or
8	vacationing public, including hotels, motels, inns, and bed and breakfasts.
9	"Lodging establishment" shall does not include short-term rentals.
10	(10)(13) "Salvage food" means any food product from which the label
11	on the packaging has been lost or destroyed or that has been subjected to
12	possible damage as the result of an accident, fire, flood, or other cause that
13	prevents the product from meeting the specifications of the manufacturer or the
14	packer but is otherwise suitable for human consumption.
15	(11)(14) "Salvage food facility" means any food vendor for which
16	salvage food comprises 50 percent or more of gross sales.
17	(12)(15) "Seafood vending facility" means a store, motor vehicle, retail
18	stand, or similar place from which a person sells seafood for human
19	consumption.
20	(13)(16) "Shellfish reshipper and repacker" means an establishment
21	engaging in interstate commerce of molluskan shellfish.

1	(14)(17) "Short-term rental" means a furnished house, condominium, or
2	other dwelling room or self-contained dwelling unit rented to the transient,
3	traveling, or vacationing public for a period of fewer than 30 consecutive days
4	and for more than 14 days per calendar year.
5	* * *
6	Sec. 3. 18 V.S.A. § 4303 is amended to read:
7	§ 4303. RULEMAKING
8	(a) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to
9	establish minimum standards for the safe and sanitary operation of food or
10	lodging establishments or children's camps or any combination thereof and for
11	their administration and enforcement. The rules shall require that an
12	establishment be constructed, maintained, and operated with strict regard for
13	the health of the employees and the public pursuant to the following general
14	requirements:
15	* * *
16	(7) There shall be training requirements for food manufacturing
17	establishment operators and employees to ensure cleanliness, sanitation, and
18	<u>healthfulness.</u>
19	(8) The Commissioner may adopt any other minimum conditions
20	deemed necessary for the operation and maintenance of a food or lodging
21	establishment in a safe and sanitary manner.

1	* * *	
2	Sec. 4. 18 V.S.A. § 4353 is amended to read:	
3	§ 4353. FEES	
4	(a) The Commissioner may establish by rule any requirement th	e
5	Department needs to determine the applicable categories or exempt	ions for
6	licenses. The following license fees shall be paid annually to the D	epartment
7	at the time of making the application according to the following sch	nedules:
8	* * *	
9	(3) Food manufacturing establishment — a fee for any person	n or persons
10	that process food for resale to restaurants, stores, or individuals according	ording to
11	the following schedule:	
12	(A) Food manufacturing establishments; nonbakeries	
13	I — Gross receipts of \$10,001.00 to \$50,000.00;	\$175.00
14	II — Gross receipts of over \$50,000.00;	\$275.00
15	III — Gross receipts of \$10,000.00 or less are exemp	t pursuant
16	to section 4358 of this title	
17	(B) Food manufacturing establishment establishments; ba	keries
18	I — Home bakery;	\$100.00
19	II — Small commercial;	\$200.00
20	III — Large commercial;	\$350.00

I	(C) Food manufacturing establishments; cottage food operations—
2	Gross receipts of \$30,000.00 or less from the sale of cottage food products are
3	exempt pursuant to section 4358 of this title.
4	* * *
5	Sec. 5. 18 V.S.A. § 4358 is amended to read:
6	§ 4358. EXEMPTIONS
7	* * *
8	(b) The provisions of obligation to obtain a license and the associated
9	licensure fees in this subchapter shall not apply to an individual manufacturing
10	and selling bakery products from his or her own home kitchen whose a cottage
11	food operation or other food manufacturing establishment that is exempt due to
12	its average gross retail sales do not exceed \$125.00 per week being below the
13	listed thresholds in section 4353 of this title.
14	(c) Any Annually, a food manufacturing establishment claiming a licensing
15	exemption <u>pursuant to this title</u> shall provide documentation <u>submit to the</u>
16	Department a licensing exemption filing as required by rule. The licensing
17	exemption filing shall require the food manufacturing establishment to attest to
18	the completion of any training required by rule pursuant to section 4303 of this
19	title.
20	* * *

AS PASSED BY HOUSE AND SENATE 2025

	H	.40	1
Page	8	of	8

1	Sec. 6. RULEMAKING
2	Pending the adoption of permanent rules pursuant to 3 V.S.A. chapter 25 to
3	implement the provisions of this act, the Commissioner of Health shall adopt
4	emergency rules pursuant to 3 V.S.A. § 844, which shall be deemed to meet
5	the emergency rulemaking standard in 3 V.S.A. § 844(a).
6	Sec. 7. EFFECTIVE DATE
7	This act shall take effect on July 1, 2025