

1 H.401

2 Introduced by Representatives Cooper of Pownal, Bartley of Fairfax, Bos-Lun
3 of Westminster, Bosch of Clarendon, Boutin of Barre City,
4 Burtt of Cabot, Carris-Duncan of Whitingham, Coffin of
5 Cavendish, Cole of Hartford, Dobrovich of Williamstown,
6 Duke of Burlington, Durfee of Shaftsbury, Eastes of Guilford,
7 Graning of Jericho, Greer of Bennington, Hunter of
8 Manchester, Keyser of Rutland City, Lalley of Shelburne,
9 Lipsky of Stowe, McGill of Bridport, Micklus of Milton,
10 Morgan, L. of Milton, Mrowicki of Putney, Nelson of Derby,
11 Nigro of Bennington, O'Brien of Tunbridge, Olson of
12 Starksboro, Priestley of Bradford, Sibilia of Dover, Surprenant
13 of Barnard, Sweeney of Shelburne, Wells of Brownington, and
14 White of Bethel

15 Referred to Committee on

16 Date:

17 Subject: Health; food manufacturing establishments; licensing fees;
18 exemptions

19 Statement of purpose of bill as introduced: This bill proposes to exempt a
20 food manufacturing establishment with gross annual receipts of less than
21 \$30,000.00 from licensing fees. It further proposes to exempt from licensing

1 requirements an individual manufacturing and selling bakery products from
2 the individual's own home kitchen where the individual has gross annual
3 receipts of less than \$30,000.00.

4 An act relating to exemptions for food manufacturing establishments

5 It is hereby enacted by the General Assembly of the State of Vermont:

6 ~~Sec. 1. LEGISLATIVE INTENT~~

7 ~~It is the intent of the General Assembly that:~~

8 ~~(1) Vermont enhance its food resiliency through increased supply and~~
9 ~~distribution of locally produced food products;~~

10 ~~(2) Vermonters have more access to the local food marketplace as both~~
11 ~~producers and consumers;~~

12 ~~(3) local food producers are able to meet the demand for Vermont-made~~
13 ~~food products from visitors to the State;~~

14 ~~(4) small-scale food producers, new business start-ups, and sole~~
15 ~~proprietors benefit from raising the limit of the existing licensing exemption~~
16 ~~for at-home bakery products to adjust for inflationary cost changes occurring~~
17 ~~since the initial statutory enactment, and~~

1 ~~(5) supply chain costs and inflationary considerations be addressed to~~
2 bring risk management thresholds more in line with the economic conditions at
3 the time of initial statutory enactment.

4 Sec. 2. 18 V.S.A. § 4353 is amended to read:

5 § 4353. FEES

6 (a) The Commissioner may establish by rule any requirement the
7 Department needs to determine the applicable categories or exemptions for
8 licenses. The following license fees shall be paid annually to the Department
9 at the time of making the application according to the following schedules:

10 * * *

11 (3) Food manufacturing establishment — a fee for any person or
12 persons that process food for resale to restaurants, stores, or individuals
13 according to the following schedule:

14 (A) Food manufacturing establishments; nonbakeries

15 I — ~~Gross receipts of \$10,001.00 to \$50,000.00; \$175.00~~

16 H I — Gross receipts of over \$50,000.00; \$275.00

17 HH II — Gross receipts of ~~\$10,000.00~~ \$30,000.00 or less are
18 exempt pursuant to section 4358 of this title

19 (B) Food manufacturing establishment; bakeries

20 I — Home bakery with gross receipts over \$30,000.00;

21 \$100.00

- 1 ~~II Small commercial with gross receipts over~~
2 ~~\$30,000.00; \$200.00~~
3 ~~III – Large commercial with gross receipts over~~
4 ~~\$30,000.00; \$350.00~~
5 ~~IV – Gross receipts of \$30,000.00 or less are exempt~~
6 ~~pursuant to section 4358 of this title~~

7 * * *

8 Sec. 3. 18 V.S.A. § 4358 is amended to read:

9 § 4358. EXEMPTIONS

10 * * *

11 (b) The provisions of this subchapter shall not apply to an individual
12 manufacturing and selling bakery products from ~~his or her~~ the individual's
13 own home kitchen whose average gross retail sales do not exceed ~~\$125.00 per~~
14 ~~week~~ \$30,000.00 per year.

15 * * *

16 Sec. 4. EFFECTIVE DATE

17 ~~This act shall take effect on July 1, 2025.~~

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly that:

*(1) Vermont enhance its food resiliency through increased supply and
distribution of locally produced food products;*

(2) Vermonters have more access to the local food marketplace as both producers and consumers;

(3) local food producers are able to meet the demand for Vermont-made food products from visitors to the State;

(4) small-scale food producers, new business start-ups, and sole proprietors benefit from raising the limit of the existing licensing exemption for at-home bakery products to adjust for inflationary cost changes occurring since the initial statutory enactment; and

(5) supply-chain costs and inflationary considerations be addressed to bring risk management thresholds more in line with the economic conditions at the time of initial statutory enactment.

Sec. 2. 18 V.S.A. § 4353 is amended to read:

§ 4353. FEES

(a) The Commissioner may establish by rule any requirement the Department needs to determine the applicable categories or exemptions for licenses. The following license fees shall be paid annually to the Department at the time of making the application according to the following schedules:

* * *

(3) Food manufacturing establishment — a fee for any person or persons that process food for resale to restaurants, stores, or individuals according to the following schedule:

(A) Food manufacturing establishments; nonbakeries

~~*I — Gross receipts of \$10,001.00 to \$50,000.00; \$175.00*~~

~~*H I — Gross receipts of over \$50,000.00 \$30,000.00;*~~
~~*\$275.00*~~

~~*II — Nonhome-operated food service establishment*~~
~~*with gross receipts of \$30,000.00 or less;*~~
~~*\$175.00*~~

~~*III — Gross Home-operated food service establishment*~~
~~*with gross receipts of \$10,000.00 \$30,000.00 or less*~~
~~*are exempt pursuant to section 4358 of this title*~~

(B) Food manufacturing establishment; bakeries

~~*I — Home bakery with gross receipts over \$30,000.00;*~~
~~*\$100.00*~~

~~*II — Small commercial; \$200.00*~~

~~*III — Large commercial; \$350.00*~~

~~*IV — Nonhome-operated bakery with gross receipts of*~~
~~*\$30,000.00 or less; \$50.00*~~

~~*V — Home-operated bakery with gross receipts of*~~
~~*\$30,000.00 or less are exempt pursuant to section*~~
~~*4358 of this title*~~

* * *

Sec. 3. 18 V.S.A. § 4358 is amended to read:

§ 4358. EXEMPTIONS

* * *

(b) ~~The provisions of licensure requirements and related licensure fees in this subchapter shall not apply to an individual manufacturing and selling bakery products from his or her own home kitchen~~ a food manufacturing establishment operating from a home kitchen whose average gross retail sales ~~do not exceed \$125.00 per week~~ are less than or equal to \$30,000.00 per year.

* * *

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2025.