1	TO THE HONORABLE SENATE:
2	The Committee on Health and Welfare to which was referred House Bill No.
3	401 entitled "An act relating to exemptions for food manufacturing
4	establishments" respectfully reports that it has considered the same and
5	recommends that the Senate propose to the House that the bill be amended by
6	striking out all after the enacting clause and inserting in lieu thereof the
7	following:
8	Sec. 1. LEGISLATIVE INTENT
9	It is the intent of the General Assembly that:
10	(1) Vermont enhance its food resiliency through increased supply and
11	distribution of locally produced food products;
12	(2) Vermonters have more access to the local food marketplace as both
13	producers and consumers;
14	(3) local food producers are able to meet the demand for Vermont-made
15	food products from visitors to the State;
16	(4) small-scale food producers, new business start-ups, and sole
17	proprietors benefit from raising the limit of the existing licensing exemption
18	for at-home bakery products to adjust for inflationary cost changes occurring
19	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. § 4301 is amended to read:
5	§ 4301. DEFINITIONS
6	(a) As used in this chapter:
7	* * *
8	(4) <u>"Cottage food operation" means a food manufacturing establishment</u>
9	where a cottage food product is produced.
10	(5) "Cottage food operator" means any person who produces or
11	packages cottage food products solely in the home kitchen of the person's
12	private residential dwelling.
13	(6) "Cottage food product" means food sold by a cottage food operator
14	that does not require refrigeration or time or temperature control for safety,
15	such as:
16	(A) nonpotentially hazardous baked goods;
17	(B) candy;
18	(C) jams and jellies;
19	(D) dry herbs;
20	(E) trail mix;
21	(F) granola;

1	(G) cereal;
2	(H) mixed nuts;
3	(I) flavored vinegar;
4	(J) popcorn;
5	(K) coffee beans;
6	(L) dry tea; and
7	(M) 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 food
20	processors, bakeries, cottage food operations, distributers, and warehouses. A
21	food manufacturing establishment shall not include a place where only maple

1	syrup or maple products, as defined in 6 V.S.A. § 481, are prepared for human
2	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	healthfulness.
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 the	
5	Department needs to determine the applicable categories or exemption	ns for
6	licenses. The following license fees shall be paid annually to the Dep	artment
7	at the time of making the application according to the following schee	dules:
8	* * *	
9	(3) Food manufacturing establishment — a fee for any person	or persons
10	that process food for resale to restaurants, stores, or individuals accord	ding 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 exempt p	oursuant
16	to section 4358 of this title	
17	(B) Food manufacturing establishment establishments; bake	eries
18	I — Home bakery;	\$100.00
19	II — Small commercial;	\$200.00
20	III — Large commercial;	\$350.00

1	(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 pursuant to this title shall provide documentation submit to the
16	Department a licensing exemption filing as required by rule. The licensing
17	exemption filing shall require the food manufacturing establishing to attest to
18	the completion of any training required by rule pursuant to section 4303 of this
19	<u>title.</u>
20	* * *

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.
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15	(Committee vote:)
16	
17	Senator
18	FOR THE COMMITTEE