

BILL ANALYSIS

Senate Research Center
86R9708 SRA-F

S.B. 932
By: Hughes
Health & Human Services
3/27/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Farmers' markets are a central component of local communities. However, permit fees impose a financial burden on many small farmers and local food producers who run small businesses with low profit margins. The fees discourage local farmers from participating in farmers' markets, particularly smaller markets in less affluent areas. The fees also discourage value-added and prepared food producers from participating in the markets, thereby reducing the market's long-term viability.

S.B. 932 provides a reasonable solution by capping the health permit fees imposed on farmers selling directly to consumers and other farmer's market vendors at \$50 per year, per jurisdiction. This supports small farms and food businesses, as well as helping to make local foods more available at lower cost.

The legislation is supported by the Farm and Ranch Freedom Alliance, the Sustainable Food Center in Austin, and thousands of producers and consumers of local goods throughout the state of Texas.

As proposed, S.B. 932 amends current law relating to the regulation of certain direct sales of food to consumers and a limitation on the fee amount for certain permits.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 437, Health and Safety Code, by adding Section 437.0065, as follows:

Sec. 437.0065. PERMITS FOR CERTAIN FARMERS AND FOOD PRODUCERS. (a) Defines "farmers' market."

(b) Provides that this section applies only to a permit issued under this chapter (Regulation of Food Service Establishments, Retail Food Stores, Mobile Food Units, and Roadside Food Vendors) to a farmer for the sale of food directly to consumers at a farmers' market, a farm stand, or the farmer's farm and to an individual who prepares food for sale at a farmers' market.

(c) Provides that a permit issued under Section 437.003 (County Authority to Require Permit), 437.004 (Public Health District Authority to Require Permit), 437.0055 (Permit From Department Required in Areas Not Regulated by County or Public Health District), or 437.0201 (Regulation of Food at Farmers' Markets Under Temporary Food Establishment Permits) to a person described by Subsection (b) is required to be valid for a term of not less than one year, is authorized to impose an annual fee in an amount not to exceed \$50 for the issuance renewal, and is required to cover sales at all locations within the jurisdiction of the permitting authority.

SECTION 2. Amends Section 437.020(b), Health and Safety Code, as follows:

(b) Includes Section 437.0065 among the sections creating an exception to the provision that this chapter does not regulate the provision of samples of food or the sale of food to consumers at a farm or farmers' market and that a rule adopted under state law is prohibited from regulating such provision or sale.

SECTION 3. Amends Section 437.0201(b), Health and Safety Code, as follows:

(b) Authorizes the Department of State Health Services (DSHS) or a local health department to issue a temporary food establishment permit to a person who sells food at a farmers' market, subject to Section 437.0065, rather than authorizes DSHS or a local health department to issue a temporary food establishment permit to a person who sells food at a farmers' market without limiting the number of days for which the permit is effective to the number of days during which the farmers' market takes place.

SECTION 4. Repealer: Section 437.0201(c) (relating to expiration and renewal of permits), Health and Safety Code.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2019.