S.B. No. 572

AN ACT

relating to the regulation of cottage food production operations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 437.001, Health and Safety Code, is amended by adding Subdivisions (1) and (3-c) and amending Subdivision (2-b) to read as follows:

(1)  "Acidified canned goods" means food with a finished equilibrium pH value of 4.6 or less that is thermally processed before being placed in an airtight container.

(2-b)  "Cottage food production operation" means an individual, operating out of the individual's home, who:

(A)  produces at the individual's home, subject to Section 437.0196:

(i)  a baked good that is not a time and temperature control for safety [~~potentially hazardous~~] food, as defined by Section 437.0196;

(ii)  candy;

(iii)  coated and uncoated nuts;

(iv)  unroasted nut butters;

(v)  fruit butters;

(vi)  a canned jam or jelly;

(vii)  a fruit pie;

(viii)  dehydrated fruit or vegetables, including dried beans;

(ix)  popcorn and popcorn snacks;

(x)  cereal, including granola;

(xi)  dry mix;

(xii)  vinegar;

(xiii)  pickled fruit or vegetables, including beets and carrots, that are preserved in vinegar, brine, or a similar solution at an equilibrium pH value of 4.6 or less [~~pickles~~];

(xiv)  mustard;

(xv)  roasted coffee or dry tea; [~~or~~]

(xvi)  a dried herb or dried herb mix;

(xvii)  plant-based acidified canned goods;

(xviii)  fermented vegetable products, including products that are refrigerated to preserve quality;

(xix)  frozen raw and uncut fruit or vegetables; or

(xx)  any other food that is not a time and temperature control for safety food, as defined by Section 437.0196;

(B)  has an annual gross income of $50,000 or less from the sale of food described by Paragraph (A);

(C)  sells the foods produced under Paragraph (A) only directly to consumers [~~at the individual's home, a farmers' market, a farm stand, or a municipal, county, or nonprofit fair, festival, or event~~]; and

(D)  delivers products to the consumer at the point of sale or another location designated by the consumer.

(3-c)  "Fermented vegetable product" means a low-acid vegetable food product subjected to the action of certain microorganisms that produce acid during their growth and reduce the pH value of the food to 4.6 or less.

SECTION 2.  Section 437.0193, Health and Safety Code, is amended by adding Subsection (d) to read as follows:

(d)  A cottage food production operation that sells frozen raw and uncut fruit or vegetables must include on the label of the frozen fruit or vegetables or on an invoice or receipt provided with the frozen fruit or vegetables when sold the following statement in at least 12-point font: "SAFE HANDLING INSTRUCTIONS: To prevent illness from bacteria, keep this food frozen until preparing for consumption."

SECTION 3.  Section 437.0194, Health and Safety Code, is amended to read as follows:

Sec. 437.0194.  CERTAIN SALES BY COTTAGE FOOD PRODUCTION OPERATIONS PROHIBITED OR RESTRICTED.  (a) A cottage food production operation may not sell any of the foods described in Section 437.001(2-b)(A)[~~:~~

[~~(1)  through the Internet;~~

[~~(2)  by mail order; or~~

[~~(3)~~]  at wholesale.

(b)  A cottage food production operation may sell a food described by Section 437.001(2-b)(A) in this state through the Internet or by mail order only if:

(1)  the consumer purchases the food through the Internet or by mail order from the operation and the operator personally delivers the food to the consumer; and

(2)  subject to Subsection (c), before the operator accepts payment for the food, the operator provides all labeling information required by Section 437.0193(d) and department rules to the consumer by:

(A)  posting a legible statement on the operation's Internet website;

(B)  publishing the information in a catalog; or

(C)  otherwise communicating the information to the consumer.

(c)  The operator of a cottage food production operation that sells a food described by Section 437.001(2-b)(A) in this state in the manner described by Subsection (b):

(1)  is not required to include the address of the operation in the labeling information required under Subsection (b)(2) before the operator accepts payment for the food; and

(2)  shall provide the address of the operation on the label of the food in the manner required by Section 437.0193(b) after the operator accepts payment for the food.

SECTION 4.  Chapter 437, Health and Safety Code, is amended by adding Sections 437.01951 and 437.01952 to read as follows:

Sec. 437.01951.  REQUIREMENTS FOR SALE OF CERTAIN COTTAGE FOODS. (a) A cottage food production operation that sells to consumers pickled fruit or vegetables, fermented vegetable products, or plant-based acidified canned goods shall:

(1)  use a recipe that:

(A)  is from a source approved by the department under Subsection (d);

(B)  has been tested by an appropriately certified laboratory that confirmed the finished fruit or vegetable, product, or good has an equilibrium pH value of 4.6 or less; or

(C)  is approved by a qualified process authority; or

(2)  if the operation does not use a recipe described by Subdivision (1), test each batch of the recipe with a calibrated pH meter to confirm the finished fruit or vegetable, product, or good has an equilibrium pH value of 4.6 or less.

(b)  A cottage food production operation may not sell to consumers pickled fruit or vegetables, fermented vegetable products, or plant-based acidified canned goods before the operator complies with Subsection (a).

(c)  For each batch of pickled fruit or vegetables, fermented vegetable products, or plant-based acidified canned goods, a cottage food production operation must:

(1)  label the batch with a unique number; and

(2)  for a period of at least 12 months, keep a record that includes:

(A)  the batch number;

(B)  the recipe used by the producer;

(C)  the source of the recipe or testing results, as applicable; and

(D)  the date the batch was prepared.

(d)  The department shall:

(1)  approve sources for recipes that a cottage food production operation may use to produce pickled fruit or vegetables, fermented vegetable products, or plant-based acidified canned goods; and

(2)  semiannually post on the department's Internet website a list of the approved sources for recipes, appropriately certified laboratories, and qualified process authorities.

(e)  The department shall develop and implement a process by which an individual may request that the department approve an additional source for recipes under Subsection (d). The process must allow an individual to submit with the individual's request documentation supporting the request.

(f)  A source for recipes approved by the department under Subsection (d) must be scientifically validated and may be from a government entity, academic institution, state extension service, or other qualified source with:

(1)  expert knowledge of processing requirements for pickled fruit or vegetables, fermented vegetable products, or acidified canned goods; and

(2)  adequate facilities for scientifically validating recipes for pickled fruit or vegetables, fermented vegetable products, or acidified canned goods.

(g)  This section does not apply to pickled cucumbers.

(h)  For purposes of this section, "process authority" means a person who has expert knowledge acquired through appropriate training and experience in the pickling, fermenting, or acidification and processing of pickled, fermented, or acidified foods.

Sec. 437.01952.  REQUIREMENTS FOR SALE OF FROZEN FRUIT OR VEGETABLES. A cottage food production operation that sells to consumers frozen raw and uncut fruit or vegetables shall:

(1)  store and deliver the frozen fruit or vegetables at an air temperature of not more than 32 degrees Fahrenheit; and

(2)  label the fruit or vegetables in accordance with Section 437.0193(d).

SECTION 5.  Section 437.0196, Health and Safety Code, is amended to read as follows:

Sec. 437.0196.  TIME AND TEMPERATURE CONTROL FOR SAFETY [~~POTENTIALLY HAZARDOUS~~] FOOD; PROHIBITION FOR COTTAGE FOOD PRODUCTION OPERATIONS; EXCEPTION. (a) In this section, "time and temperature control for safety [~~"potentially hazardous~~] food" means a food that requires time and temperature control for safety to limit pathogen growth or toxin production.  The term includes a food that must be held under proper temperature controls, such as refrigeration, to prevent the growth of bacteria that may cause human illness.  A time and temperature control for safety [~~potentially hazardous~~] food may include a food that contains protein and moisture and is neutral or slightly acidic, such as meat, poultry, fish, and shellfish products, pasteurized and unpasteurized milk and dairy products, raw seed sprouts, baked goods that require refrigeration, including cream or custard pies or cakes, and ice products.  The term does not include a food that uses time and temperature control for safety [~~potentially hazardous~~] food as ingredients if the final food product does not require time or temperature control for safety to limit pathogen growth or toxin production.

(b)  Except as otherwise provided by this chapter, a [~~A~~] cottage food production operation may not sell to consumers time and temperature control for safety [~~customers potentially hazardous~~] foods.

SECTION 6.  As soon as practicable after the effective date of this Act:

(1)  the executive commissioner of the Health and Human Services Commission shall adopt rules as necessary to implement the changes made by this Act; and

(2)  the Department of State Health Services shall approve sources for recipes for pickled fruit or vegetables, plant-based acidified canned goods, and fermented vegetable products and post a list of sources, appropriately certified laboratories, and qualified process authorities on the department's Internet website as required by Section 437.01951, Health and Safety Code, as added by this Act.

SECTION 7.  This Act takes effect September 1, 2019.

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I hereby certify that S.B. No. 572 passed the Senate on April 23, 2019, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 23, 2019, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 572 passed the House, with amendments, on May 21, 2019, by the following vote: Yeas 141, Nays 1, two present not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Chief Clerk of the House

Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor