

By: Kolkhorst

S.B. No. 572

A BILL TO BE ENTITLED

1 AN ACT

2 relating to foods produced by a cottage food production operation
3 and a cottage food industry study.

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

5 SECTION 1. Section [437.001\(2-b\)](#), Health and Safety Code, is
6 amended to read as follows:

7 (2-b) "Cottage food production operation" means an
8 individual, operating out of the individual's home, who:

9 (A) produces at the individual's home, subject to
10 Section [437.0196](#):

11 (i) a baked good that is not a potentially
12 hazardous food, as defined by Section [437.0196](#);

13 (ii) candy;

14 (iii) coated and uncoated nuts;

15 (iv) unroasted nut butters;

16 (v) fruit butters;

17 (vi) a canned jam or jelly;

18 (vii) a fruit pie;

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

21 (ix) popcorn and popcorn snacks;

22 (x) cereal, including granola;

23 (xi) dry mix;

24 (xii) vinegar;

- 1 (xiii) pickled vegetables, including
2 pickled beets and carrots [pickles];
3 (xiv) mustard;
4 (xv) roasted coffee or dry tea; [~~or~~]
5 (xvi) a dried herb or dried herb mix; or
6 (xvii) subject to Section 437.01951:
7 (a) fermented products; or
8 (b) canned goods that are acidified or
9 low acid;

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

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

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

18 SECTION 2. Chapter 437, Health and Safety Code, is amended
19 by adding Sections 437.01951 and 437.01952 to read as follows:

20 Sec. 437.01951. APPROVAL REQUIRED FOR CERTAIN COTTAGE FOOD
21 PRODUCTS. (a) A cottage food production operation producing a
22 fermented product or a canned good that is acidified or low acid
23 shall, before making the product or good available for sale:

24 (1) submit to the department the recipe and a
25 description of the process used to produce the product or good; and

26 (2) obtain department approval to sell the product or
27 good.

1 (b) A recipe submitted to the department under this section
2 is a trade secret for purposes of Section 552.110, Government Code,
3 and is exempt from disclosure under Chapter 552, Government Code.

4 Sec. 437.01952. STUDY ON COMPETITIVENESS OF STATE'S COTTAGE
5 FOOD INDUSTRY. (a) The department, using existing resources,
6 shall study the competitiveness of this state's cottage food
7 industry. The study must:

8 (1) compare this state's cottage food industry laws to
9 the industry-related laws enacted by each state of the United
10 States; and

11 (2) determine:

12 (A) the specific areas in which this state's
13 cottage food industry laws are more or less restrictive than other
14 states' laws; and

15 (B) the effect of this state's laws on the
16 competitiveness of this state's cottage food industry.

17 (b) Not later than December 1, 2020, the department shall
18 submit to the legislature a report that includes the findings of the
19 study conducted under this section and the department's
20 recommendations for increasing the competitiveness of this state's
21 cottage food industry.

22 (c) This section expires September 1, 2021.

23 SECTION 3. Not later than January 1, 2020, the executive
24 commissioner of the Health and Human Services Commission shall
25 adopt rules to implement Section 437.01951, Health and Safety Code,
26 as added by this Act.

27 SECTION 4. This Act takes effect September 1, 2019.