

BILL ANALYSIS

C.S.H.B. 2844
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that mobile food vendors in Texas face a patchwork of inconsistent local regulations, permit requirements, and bureaucratic hurdles that vary widely from one jurisdiction to another. Even neighboring cities like Midland and Odessa--just a short drive apart--impose different rules on vendors. The bill author has further informed the committee that these disparities create substantial costs and barriers to entry for entrepreneurs, particularly small business owners and working Texans striving to earn a living through mobile food vending. C.S.H.B. 2844 seeks to address this issue by creating a uniform, statewide licensing system for mobile food vendors to ensure consistency across Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 of this bill.

ANALYSIS

Mobile Food Vendor Regulation

General Provisions

C.S.H.B. 2844 amends the Health and Safety Code to provide for the licensing, regulation, and inspection of mobile food vending operations by the Department of State Health Services (DSHS). For purposes of the bill's provisions, the bill defines the following terms:

- "applicant" as a person who applies to DSHS to receive a license to operate as a mobile food vendor;
- "food vending vehicle" as a motorized vehicle a mobile food vendor uses to sell food and beverages;
- "license holder" as a person who holds a mobile food vendor license issued under the bill's provisions;
- "local authority" as a municipality, county, public health authority, special purpose district or authority, or any other political subdivision of Texas;
- "mobile food vendor" as any person who dispenses food or beverages from a food vending vehicle for immediate service or consumption; and
- "prepackaged food" as any commercially labeled and processed food that is prepackaged to prevent direct human contact with the food product on distribution from the manufacturer, food facility, or other approved source.

Construction; Preemption

C.S.H.B. 2844 establishes that its provisions may not be construed to require a local authority to enter into a collaborative agreement with DSHS to conduct health inspections, adopt a program regulating mobile food vendors, or modify a local authority's existing regulation program for mobile food vendors, provided the local authority's regulations do not conflict with the bill's provisions. The bill preempts a local authority's power to prohibit or regulate mobile food vendors in a manner that conflicts with the bill's provisions.

Executive Commissioner Rules

C.S.H.B. 2844, effective September 1, 2025, authorizes the executive commissioner of the Health and Human Services Commission to adopt rules, not later than May 1, 2026, to implement the bill's provisions. The bill requires the rules to be narrowly tailored to address a demonstrable health or safety risk and prohibits the rules from doing any of the following:

- limiting the number of mobile food vendor licenses DSHS is authorized to issue;
- addressing the hours of operation for mobile food vendors;
- restricting a mobile food vendor's propane capacity below the capacity state law allows for commercial vehicles; or
- requiring a mobile food vendor to do the following:
 - operate outside a specific perimeter of a commercial establishment or restaurant;
 - obtain a license or permit for or perform a background or criminal history record check on the vendor's employees;
 - enter into any agreement with a commercial establishment or restaurant;
 - have an operational handwashing sink in the vehicle of a vendor who sells only prepackaged food;
 - associate with a commissary if the vehicle carries the equipment necessary to comply with state law;
 - provide the vendor's fingerprints as a condition of holding a mobile food vendor license;
 - install a global positioning system tracking device on the vehicle;
 - keep the vehicle in constant motion except when serving customers;
 - submit to an additional fire inspection a vehicle the vendor demonstrates has passed a state or local fire inspection within the preceding 12 months; or
 - submit to health inspections other than an inspection DSHS or a local authority under a collaborative agreement conducts, unless DSHS is investigating a reported foodborne illness.

License

License Required

C.S.H.B. 2844 requires a person to obtain a mobile food vendor license from DSHS to operate as a mobile food vendor in Texas. A separate mobile food vendor license is required for each food vending vehicle mobile food vendor operates. The bill establishes that a local authority may not prohibit the operation in its jurisdiction of a mobile food vendor who holds a mobile food vendor license and complies with all other state and local laws not in conflict with the bill's provisions.

Form of Application

The bill requires DSHS to prescribe a written application for a mobile food vendor license and to make the application available to applicants in person and on the DSHS website.

Application Requirements

C.S.H.B. 2844 requires an applicant for a mobile food vendor license to submit an application to DSHS on the form DSHS prescribes. The application must contain the following information:

- the applicant's name, address, and telephone number;
- the name, address, and telephone number of any associated entity or organization the applicant is representing and copies of documents verifying that relationship;
- the applicant's primary residences and business addresses during the 12 months preceding the date of the application;
- the food or beverages the applicant proposes to sell to enable DSHS to establish the applicant's food type classification;
- a statement of whether the applicant has previously been denied a mobile food vendor license or has had such a license suspended or revoked in another state or local jurisdiction and the reasons for any denial, suspension, or revocation; and
- for each food vending vehicle the applicant is applying for a license to operate:
 - the vehicle license number, description, identification number, and registration;
 - proof of vehicle insurance; and
 - a copy or proof of any additional commercial vehicle licenses or permits required by the state.

The bill requires an applicant to attest to the information submitted on the application and authorizes the applicant to submit one application for all food vending vehicles to be licensed. The bill prohibits a person from intentionally providing false information or intentionally omitting requested information on an application. DSHS may require an applicant to submit additional information. The bill establishes that an applicant's failure to submit a complete application may result in denial of a license.

Health Inspection

C.S.H.B. 2844 requires DSHS or a governmental entity acting under a collaborative agreement with DSHS, as provided under the bill's provisions and subsequently described, to conduct a health inspection of each of the applicant's food vending vehicles listed on the application not later than the 14th day after the date DSHS receives a complete mobile food vendor license application. The bill prohibits DSHS from issuing a license to an applicant whose vehicle does not pass a health inspection. The bill requires DSHS to ensure that an applicant's food vending vehicle is safe for preparing, handling, and selling food and that an applicant is in compliance with all applicable laws and the rules adopted under those laws.

Issuance of License; License Renewal

C.S.H.B. 2844 requires DSHS to issue a mobile food vendor license to an applicant who submits a complete application, pays any required fee, meets the DSHS licensing requirements, and whose food vending vehicle passes a health inspection. A license issued under this provision expires on the first anniversary of the date of issuance. Before expiration of a license, DSHS must send notice of the expiration to the mobile food vendor. The bill requires a mobile food vendor to submit a renewal application before the date the license expires but authorizes the vendor to continue to operate while the mobile food vendor's application for renewal is pending with DSHS.

License Not Transferable; Substitution of Vehicle

C.S.H.B. 2844 establishes that a mobile food vendor license issued under the bill's provisions is not transferable and does not authorize the activities of any person other than the person who holds the license. The sale of one food vending vehicle identified in a mobile food vendor license application, when replaced by another food vending vehicle, does not invalidate the license or require the issuance of a new license. The bill requires a license holder who replaces a food vending vehicle with another vehicle to provide to DSHS for the replacement vehicle the

information required in the application for a license under the bill's provisions and have the replacement vehicle inspected as required under the bill's provisions regarding health inspections. The health inspection must be conducted as soon as practicable but not later than the 14th calendar day after the date DSHS receives the information required under this provision. The bill requires the recipient of transferred mobile food vendor business assets to apply for and obtain a new mobile food vendor license before operating as a mobile food vendor.

Fees

C.S.H.B. 2844 authorizes DSHS to charge a fee for each mobile food vendor license application submitted and each license issued or renewed under the bill's provisions. DSHS may establish a schedule of fees based on the license classifications described by the bill. DSHS must set the fees in amounts reasonable in relation to the costs of administering the bill's provisions but not more than \$150. Moreover, DSHS may charge a fee for a health inspection of an applicant's food vending vehicle required under the bill's provisions, and the bill requires DSHS to set the fee in an amount that covers the cost of conducting such an inspection. The bill requires DSHS to charge a fee for a health inspection required under the bill's provisions at the time DSHS issues or renews a mobile food vendor license. DSHS must set this fee in an amount that is based on the average cost of conducting a health inspection multiplied by the number of annual health inspections required during the next year for the mobile food vendor classification type as described by the bill.

Mobile Food Vendor Guide

C.S.H.B. 2844 requires DSHS to develop a guide on the mobile food vendor licensing procedures and requires the guide to include instructions for obtaining, maintaining, and renewing such a license and a description of the DSHS standards for inspecting a food vending vehicle. DSHS must make the guide available at the DSHS office and on the DSHS website.

DSHS Database

C.S.H.B. 2844 requires DSHS to establish and maintain a statewide database for use by DSHS and local authorities that includes the names of mobile food vendors licensed under the bill's provisions, results of health inspections of mobile food vendors' food vending vehicles, including inspection reports, public complaints made against mobile food vendors, and itineraries of mobile food vendors submitted under the related bill provision authorizing a mobile food vendor to periodically submit to DSHS an itinerary of the locations of the mobile food vendor's food vending vehicles.

Mobile Food Vendor Operations

Compliance With State and Local Law

C.S.H.B. 2844 requires a mobile food vendor to comply with all state and local laws in the jurisdiction in which the vendor operates, including all fire codes and zoning codes.

Food Vending Vehicle Driver Requirements; Operational Standards

C.S.H.B. 2844 requires a person who drives a food vending vehicle to hold a current commercial driver's license issued under state law and requires a mobile food vendor to do the following:

- submit to and pass any required health inspection conducted under the bill's provisions; and
- display the mobile food vendor's mobile food vendor license and health inspection certificate in a conspicuous location for public view.

Food Safety

C.S.H.B. 2844 requires a mobile food vendor to comply with all laws and rules regarding food safety and requires at least one person working in a food vending vehicle to hold a current food safety certification from a food service program accredited under applicable state law.

Health Inspections

Mobile Food Vendor Classifications

C.S.H.B. 2844 requires the executive commissioner by rule to establish classifications of mobile food vendors for the purposes of conducting health inspections as follows:

- mobile food type I vendor for a vendor who dispenses prepackaged foods, does not dispense time or temperature control for safety beverages, or poses a low risk of harm to the public;
- mobile food type II vendor for a vendor who dispenses food that requires limited handling and preparation; and
- mobile food type III vendor for a vendor who prepares, cooks, holds, and serves food from a food vending vehicle.

The rules must specify the categories of foods or beverages that mobile food vendors in each classification may serve.

Changing Classifications

C.S.H.B. 2844 requires a mobile food vendor who seeks to serve food or beverages that may require the mobile food vendor's reclassification to notify DSHS of the nature of the food or beverages to be sold. DSHS, or a local authority in a collaborative agreement with DSHS under the bill's provisions, may conduct a health inspection and reclassify the vendor in accordance with the rules adopted under the bill's provisions establishing the classifications.

Inspections; Collaborative Agreement With Local Authority

C.S.H.B. 2844 requires DSHS, for the purposes of protecting public health and safety, to ensure ongoing, randomized inspections are conducted on each mobile food vendor based on the mobile food vendor's classification and health inspection grade. The bill authorizes DSHS, on request by a local authority, to enter into a collaborative agreement with the local authority for conducting health inspections and requires DSHS to reimburse the local authority acting under such an agreement for the cost of conducting a health inspection using money collected for health inspection fees under the bill's provisions.

Inspection Criteria and Grading

C.S.H.B. 2844 requires the executive commissioner by rule to establish statewide objective criteria and a score-based grading system for the conduct of health inspections of mobile food vendors by DSHS or a local authority acting under a collaborative agreement. The health inspection criteria must provide to a mobile food vendor a letter-grade of "A," "B," "C," or "F" that must be based on the score received during a health inspection. DSHS must provide a certificate of excellence to a mobile food vendor who receives two consecutive grades of "A." The bill requires DSHS to suspend the license of a mobile food vendor who receives a grade of "F" until the mobile food vendor corrects all violations discovered during the health inspection and is reinspected by DSHS or the local authority and receives a grade of "A," "B," or "C" for the reinspection.

Inspection Certificate

C.S.H.B. 2844 requires, on completion of a health inspection of a mobile food vendor, DSHS or the local authority operating under a collaborative agreement to issue a certificate to the vendor displaying the mobile food vendor's letter grade and any applicable achievement of excellence and record the grade in the DSHS database. A mobile food vendor must display the certificate received in a conspicuous location within view of customers on the mobile food vendor's food vending vehicle.

Frequency of Inspections

C.S.H.B. 2844 requires DSHS, or a local authority operating under a collaborative agreement, to conduct randomized health inspections of mobile food vendors based on the vendor's classification as follows:

- a mobile food type I vendor may be inspected only when DSHS or a local authority receives a public health or safety complaint regarding the vendor unless a health inspection reveals a violation, then the vendor is subject to health inspections at the frequency set for a mobile food type II vendor until the vendor obtains a certificate of excellence;
- a mobile food type II vendor must be inspected once each calendar year unless:
 - on a health inspection the vendor receives a certificate of excellence, then the vendor must subsequently be inspected at the frequency set for a mobile food type I vendor; and
 - the vendor holds a certificate of excellence and receives a score lower than an "A" on a health inspection, then the certificate of excellence is voided and the mobile food vendor must subsequently be inspected once each calendar year; and
- a mobile food type III vendor must be inspected twice each calendar year unless:
 - on a health inspection the vendor receives a certificate of excellence, then the vendor must be inspected at the frequency set for mobile food type II vendors; and
 - the vendor holds a certificate of excellence and receives a score lower than an "A" on a health inspection, then the certificate of excellence is voided and the vendor must subsequently be inspected three times each calendar year.

Notice of Location for Inspections

C.S.H.B. 2844 requires a mobile food vendor to make available to DSHS a list of all locations at which the vendor operates. The bill authorizes a vendor to provide the list of locations through the vendor's social media or on the vendor's website. If the vendor does not provide the list of operating locations on social media or the vendor's website, the vendor must submit to DSHS in the form and manner DSHS prescribes a list of the locations at which the mobile food vendor operates.

Reimbursement of Inspection Fee

C.S.H.B. 2844 requires DSHS, on request of a mobile food vendor, to reimburse the vendor the portion of the fee charged for each health inspection required under the bill's provisions that was not conducted by DSHS or a local authority under a collaborative agreement during the time the vendor's license was valid. DSHS must reimburse the vendor not later than the 30th day after the date DSHS receives the vendor's request.

Investigation and Enforcement

C.S.H.B. 2844 authorizes DSHS or a local authority to investigate a mobile food vendor on reasonable suspicion the vendor is violating the law or on receipt of a health or safety complaint and requires DSHS to record a complaint in the state's mobile food vendor database. The bill

requires the local authority to report suspected violations of state law to DSHS and authorizes the local authority to recommend that DSHS suspend or revoke a mobile food vendor license. A mobile food vendor must cooperate with DSHS or a local authority during an investigation and failure to cooperate may result in suspension or revocation of a license. The bill prohibits its provisions from being construed to impede DSHS or a local authority when conducting an investigation of a reported foodborne illness.

License Denial, Suspension, or Revocation

C.S.H.B. 2844 authorizes DSHS to deny, suspend, or revoke a mobile food vendor license only if DSHS determines that material facts or conditions related to the applicant or application provide reasonable justification for the denial, suspension, or revocation of the license or if the applicant or license holder does any of the following:

- violates the bill's provisions, a rule adopted under the bill's provisions, or a DSHS order;
- obtains a license by means of fraud, misrepresentation, or concealment of a material fact;
- commits fraud or makes a misrepresentation or false statement in connection with the sale of food or beverages while operating as a mobile food vendor;
- is cited three or more times during a 12-month period for a violation of the bill's provisions or rules adopted under the bill's provisions; or
- receives a grade of "F" during a health inspection or a complaint made against the license holder is sustained.

Notice and Hearing

C.S.H.B. 2844 requires DSHS to provide written notice to an applicant or license holder that the applicant's mobile food vendor application has been denied or that the license may be suspended or revoked. The bill authorizes an applicant or license holder who receives such a notice from DSHS, not later than 14 calendar days after receiving it, to request a hearing in the form and manner DSHS prescribes. The bill requires DSHS to hold a hearing not later than 14 calendar days after the date DSHS receives a hearing request from a license holder and, following that hearing, to promptly issue an order that includes findings of fact and conclusions of law. The bill prohibits DSHS from suspending or revoking a license until DSHS issues the order, unless DSHS determines that the license holder's mobile food vendor operations pose an imminent threat to the public's health and safety.

C.S.H.B. 2844 requires DSHS to immediately provide notice to a license holder of a suspension or revocation of a license based on an imminent threat to the public's health and safety. Not later than 14 calendar days after the date of receiving notice from DSHS of a license suspension or revocation due to such a threat to public health and safety, the license holder may request a hearing in the form and manner DSHS prescribes. Accordingly, the bill requires DSHS to do the following:

- hold a hearing not later than seven calendar days after the date DSHS receives a license holder's request for hearing;
- give priority to a such a hearing over all other license denial, suspension, or revocation proceedings; and
- following the hearing, promptly issue an order that includes findings of fact and conclusions of law.

Right to Appeal

C.S.H.B. 2844 establishes that the suspension or revocation of a mobile food vendor license by DSHS and the appeal from that action are governed by the procedures for a contested case hearing under the Administrative Procedure Act.

Administrative Penalty

C.S.H.B. 2844 subjects a license holder who continues to operate after DSHS suspends or revokes the license holder's mobile food vendor license to an administrative penalty in an amount DSHS determines.

Other Provisions

C.S.H.B. 2844 repeals Section 437A.003, Health and Safety Code, which provides for a required permit for the operation of a mobile food service establishment issued by a county with a population of more than 2.1 million and in which certain airports are located.

C.S.H.B. 2844 applies to an ordinance, rule, regulation, policy, or procedure adopted before, on, or after the bill's effective date. The bill establishes that a mobile food vendor is not required to hold a mobile food vendor license before July 1, 2026.

EFFECTIVE DATE

Except as otherwise provided, July 1, 2026.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2844 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute clarifies that the bill's provisions apply to mobile food vendor licenses and not mobile food vending licenses, as in the introduced. The substitute omits the provisions from the introduced that did the following:

- established that the purposes of the bill's provisions are to foster opportunities for small businesses and stimulate innovation, increase consumer access to desired local foods, and simplify and standardize mobile food vending regulations;
- explicitly authorized a mobile food vendor to operate as follows:
 - on public property, if the food vending vehicle is parked at least 20 feet away from a street intersection;
 - on any legal parking space, including a metered space located on a public right-of-way, if the mobile food vendor pays the required fees for parking in the space; and
 - on private property if the property is located in an area in which food service establishments are authorized to operate and the mobile food vendor has permission from the property owner or the property owner's designee to operate on the property; or located in a residential area and the mobile food vendor is invited by a resident to operate on the resident's property for the purpose of serving food to the resident or the resident's guests;
- for the aforementioned purpose, defined "public property" as real property owned by a governmental entity including all rights-of-way other than public sidewalks and rights-of-way in public parks;
- established that a mobile food vendor is subject to the same parking rules and restrictions as a commercial vehicle when operating on public property;
- prohibited a mobile food vendor from obstructing the passage of pedestrians or vehicles along any street, sidewalk, or parkway;
- prohibited the executive commissioner's rules from requiring a mobile food vendor to:
 - obtain any additional permits from a local authority, unless the mobile food vendor seeks to operate in a public park governed by the local authority;

- maintain insurance that names a local authority as an additional insured unless the mobile food vendor is attending an event sponsored by the local authority or operating in a local public park; and
- obtain a bond that names a local authority as a beneficiary unless the mobile food vendor is attending an event sponsored by the local authority or operating in a local public park;
- required a mobile food vendor to:
 - maintain in good operating order each food vending vehicle the mobile food vendor uses;
 - when operating on public property, position a food vending vehicle in such a manner as to face the service window toward the sidewalk or away from the street;
 - provide a waste receptacle for customers that is clearly marked and request customers use the waste receptacle; and
 - collect, remove, and dispose of all refuse within 25 feet of the mobile food vendor's operating area at the conclusion of service;
- authorized a mobile food vendor operating at a temporary mass gathering that occurs over multiple days to operate in a stationary manner for the duration of the temporary mass gathering, not to exceed three consecutive days, without moving or changing location, if the mobile food vendor maintains sanitary conditions;
- authorized a local authority to take certain actions to regulate a mobile food vending license holder in accordance with the introduced version's bill provisions;
- made provisions of current law relating to food handler certification and mobile food service establishments operating in certain counties in specific locations inapplicable to a mobile food vendor licensed under the bill's provisions;
- updated regulatory provisions to reflect the removal of mobile food units or mobile food establishments from regulation under provisions regulating food service establishments, retail food stores, mobile food units, and roadside food vendors; and
- repealed the statutory provision providing for documentation regarding required daily cleaning and other services performed on a mobile food unit in certain populous counties.

The substitute revises the introduced version's of the bill's provisions regulating mobile food vendors, as follows:

- with respect to the prohibition against the rules adopted by the executive commissioner requiring a mobile food vendor to enter into any agreement with a commercial establishment or restaurant in order to operate, as in the introduced, removes the specification that the agreement is with such a establishment or restaurant in order to operate;
- with respect to the prohibition against the rules adopted by the executive commissioner requiring a mobile food vendor to have a handwashing sink in the vehicle of a vendor who sells only prepackaged food, includes a specification that the sink must be operational;
- removes the specification that an applicant must attest to the information on a submitted application under oath;
- with respect to a license holder who replaces a food vending vehicle with another vehicle, clarifies that the license holder must provide to DSHS for the replacement vehicle required information and have the replacement vehicle inspected, whereas the introduced did not make that clarification; and
- whereas the introduced required DSHS to set the fees in amounts that are reasonable in relation to the costs of administering the provision governing such fees, the substitute instead requires DSHS to do so in relation to the costs of administering the bill's provisions.

The introduced included a provision requiring a mobile food vendor to comply with all state and local laws in the jurisdiction in which the mobile food vendor operates, including all fire codes and zoning codes, that do not conflict with the bill's provisions. The substitute omits the provision restricting the applicability of that requirement to laws that do not conflict with those provisions.

The introduced repealed provisions relating to the following:

- a required individual medallion for mobile food units in certain populous counties; and
- daily cleaning requirements for mobile food units in certain populous counties.

The substitute does not repeal these provisions.

The substitute repeals a provision relating to the permit required for the operation of a mobile food service establishment that is issued by a county with a population of more than 2.1 million and in which certain airports are located. The introduced did not repeal this provision.