The Senate Committee on Agriculture and Consumer Affairs offered the following substitute to HB 583:

A BILL TO BE ENTITLED AN ACT

1 To amend Chapter 2 of Title 26 of the Official Code of Georgia Annotated, relating to 2 standards, labeling, and adulteration of food, so as to authorize the production and sale of 3 cottage food items with certain exemptions, requirements, and disclosures; to provide for 4 definitions; to provide for inspections; to provide for a civil penalty; to provide for 5 conforming changes; to amend Chapter 60 of Title 36 of the Official Code of Georgia 6 Annotated, relating to general provisions applicable to counties and municipal corporations, 7 so as to prohibit local regulation of cottage food items; to provide for related matters; to 8 repeal conflicting laws; and for other purposes.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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SECTION 1.

11 Chapter 2 of Title 26 of the Official Code of Georgia Annotated, relating to standards,

12 labeling, and adulteration of food, is amended by adding a new article to read as follows:

"ARTICLE 19

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14	<u>26-2-470.</u>
15	As used in this article, the term:
16	(1) 'Commissioner' means the Commissioner of Agriculture.
17	(2) 'Cottage food item' means a non-potentially hazardous food or nonalcoholic beverage
18	intended for human consumption that is produced and, if packaged, packaged at the
19	residential property of the producer. The term 'cottage food item' shall not include
20	alcoholic beverages, foods containing cannabis, or raw milk.
21	(3) 'Cottage food operator' means a person who produces cottage food items at a
22	residential property for sale to consumers or sellers pursuant to this article.
23	(4) 'Cottage food production operation' means an individual, operating out of the
24	individual's home kitchen, who prepares, processes, packages, stores, and distributes
25	non-potentially hazardous foods for sale directly to a person, including online and by mail
26	order, or to any food sales establishment, as that term is defined in Code Section 26-2-21.
27	(5) 'Department' means the Department of Agriculture of this state.
28	(6) 'Home kitchen' means a kitchen primarily intended for use by the residents of a home.
29	(7) 'Non-potentially hazardous foods' means cottage food items that do not require
30	temperature control for safety because they are not capable of supporting the rapid
31	growth of pathogenic or toxigenic microorganisms or the growth and toxin production
32	of Clostridium botulinum. The term 'non-potentially hazardous foods' includes, but is not
33	limited to, baked goods such as loaf breads, rolls, biscuits and cakes, except those whose
34	fillings require refrigeration or have high moisture content; jams, jellies, and preserves,
35	except fruit butters when their commercial sterility may be affected by reduced sugar or
36	pectin levels; uncut fruits and vegetables; dried fruits; dry herbs, seasonings, and
37	mixtures; cereals, trail mixes, and granola; coated and uncoated nuts; vinegars and

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- 38 <u>flavored vinegars; dill pickles; confections; fudge; dry soup mixes; roasted coffee beans;</u>
- 39 dry pasta; and popcorn, popcorn balls, and cotton candy.
- 40 (8) 'Potentially hazardous foods' means cottage food items requiring temperature control
- 41 for safety because they are capable of supporting the rapid growth of pathogenic or
- 42 <u>toxigenic microorganisms or the growth and toxin production of Clostridium botulinum.</u>
- 43 (9) 'Produce' means to prepare a food item by cooking, baking, drying, mixing, cutting,
- 44 <u>dehydrating, growing, raising, or other process.</u>
- 45 (10) 'Producer' means a person who produces a cottage food item pursuant to this article.
- 46 (11) 'Seller' means any person, except a cottage food operator, who sells a cottage food
- 47 item to a consumer, including, but not limited to, an agent of the producer or a third-party
- 48 <u>vendor.</u>
- 49 (12) 'Third-party vendor' means a retail store, grocery store, restaurant, or other similar
 50 store.
- 51 <u>26-2-471.</u>
- 52 (a) It shall be unlawful for any person to operate as a cottage food operator not in
- 53 <u>compliance with this article.</u>
- 54 (b) This article shall not apply to a person who sells non-potentially hazardous foods at a
- 55 <u>bake sale affiliated with a nonprofit, charitable, or religious organization.</u>

56 <u>26-2-472.</u>

- 57 Cottage food production operations may only sell, or offer to sell, food items directly to a
- 58 person, including online and by mail order, or to retail food sales establishments, including
- 59 grocery stores and restaurants. Food produced from a cottage food production operation,
- 60 and in compliance with the requirements of this article, shall be considered to be from an
- 61 approved source, as required of a retail food sales establishment pursuant to department
- 62 regulations. Any retail food sales establishment, including any grocery store, that sells or

- 63 offers to sell cottage food products must post signage according to specifications as 64 promulgated by the department indicating that cottage food products are not subject to 65 commercial food regulations or inspection. 66 26-2-473. 67 (a) Except as provided in subsection (c) of this Code section, a cottage food operator or 68 seller shall provide the following information to consumers of a cottage food item: 69 (1)(A) The business name, address, and telephone number of the cottage food operator; 70 or (B) A cottage food operator or seller may elect, in lieu of providing an address 71 pursuant to subparagraph (A) of this paragraph, to provide an identification number to 72 73 be provided by the department upon written request; and 74 (2) The following statement in at least 10 point font: 'This product was produced at a 75 residential property that is exempt from state inspection. This product may contain 76 allergens.' 77 (b) Such information shall be provided: 78 (1) On a label affixed to the package, if the cottage food item is packaged; 79 (2) On a label affixed to the container, if the cottage food item is offered for sale from 80 a bulk container; 81 (3) On a placard displayed at the point of sale, if the cottage food item is neither 82 packaged nor offered for sale from a bulk container; or 83 (4) On the webpage on which the cottage food item is offered for sale, if the cottage food 84 item is offered for sale on the internet. 85 (c)(1) If the cottage food item is sold by telephone or custom order, the seller may 86 choose not to display the information required by subsection (a) of this Code section but 87 shall disclose to consumers that the cottage food item:
- 88 (A) Is produced at a residential property that is exempt from state inspection; and

89	(B) May contain allergens.
90	(2) The seller shall have the information required by paragraphs (1) through (3) of
91	subsection (a) of this Code section readily available and shall provide it to consumers
92	upon request.
93	(d) In addition to the labeling requirements provided in subsections (a) and (b) of this
94	Code section, if the cottage food item is sold by a third-party vendor, the item shall be
95	displayed in a separate section of the store or in a separate display case from non-cottage
96	food items. The third-party vendor shall conspicuously label the separate section or display
97	case as containing cottage food items that are exempt from state inspection.
98	<u>26-2-474.</u>
99	The Commissioner shall be authorized to enforce the provisions of this article and shall
100	have the authority to adopt any rules or regulations necessary to carry out said enforcement.
101	Nothing in this article shall be construed to prevent the department from conducting an
102	investigation into a reported foodborne illness.
103	<u>26-2-475.</u>
104	Any person who willfully fails to comply with any provision of this article or violates any
105	rule or regulation adopted pursuant to this article shall be given a written warning. Upon

- 106 <u>a second or subsequent violation, such person shall be assessed a civil penalty of not more</u>
- 107 than \$75.00 per violation.
- 108 <u>26-2-476.</u>
- 109 (a) The department may inspect the residence of a cottage food operator to investigate a
- 110 consumer complaint, a report of foodborne illness, or other public health emergency.
- 111 (b) Such inspection shall be limited to the areas of the residence used by the cottage food
- 112 <u>operator.</u>

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- 113 (c) Except in emergency situations, the department shall schedule an inspection with the
- 114 cottage food operator in advance. A cottage food operator may request an administrative
- 115 warrant prior to an inspection.
- 116 <u>26-2-477.</u>
- 117 <u>Nothing in this article shall be construed to:</u>
- 118 (1) Exempt a cottage food operator or seller from any applicable federal law, including,
- 119 but not limited to, any federal law prohibiting the sale of certain food items in interstate
- 120 <u>commerce</u>;
- 121 (2) Preclude the production or sale of food items otherwise allowed by federal, state, or
- 122 <u>local law;</u>
- 123 (3) Preclude the sale of live animals or portions of live animals before slaughter for
 124 future delivery;
- 125 (4) Amend or otherwise alter any rule or regulation related to other goods and services
- 126 provided where cottage food items are produced or sold;
- 127 (5) Exempt a cottage food operator or seller from any applicable tax law;
- 128 (6) Exempt a cottage food operator or seller from any applicable fishing or hunting law;
- 129 <u>or</u>
- 130 (7) Exempt a cottage food operator or seller from any applicable law of another state.
- 131 <u>26-2-478.</u>
- 132 (a) In addition to the regulation of cottage food items under this article by the department
- 133 and the Commissioner, the governing authority of any county or municipality may elect to
- 134 prohibit or further regulate the production of cottage food items within its jurisdiction
- 135 through the adoption of an ordinance providing as much. Any such ordinance shall only
- 136 <u>be adopted at a hearing occurring at least 15 but not more than 45 days after a notice of the</u>
- 137 hearing is published within a newspaper of general circulation within the territorial

138 boundaries of the local government. Any such county or municipality may employ its local

- 139 board of health to assist in such matters.
- 140 (b) No ordinance authorized under subsection (a) of this Code section shall become
- 141 effective until the county or municipality notifies the Commissioner and the department of
- 142 such ordinance prior to the effective date of the required ordinance.
- 143 (c) Neither the Commissioner, nor the department, shall be responsible or liable for any
- 144 prohibition or regulation enacted by ordinance pursuant to subsection (a) of this Code

145 <u>section.</u>"

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SECTION 2.

Said chapter is further amended in Article 2, relating to adulteration and misbranding of food,
by revising paragraph (5) of subsection (a) of Code Section 26-2-21, relating to definitions,
as follows:

150 "(5) 'Food sales establishment' means retail and wholesale grocery stores; retail seafood 151 stores and places of business; food processing plants, except those food processing plants 152 which are currently required to obtain a license from the Commissioner under any other 153 provision of law; bakeries; confectioneries; fruit, nuts, and vegetable stores or roadside 154 stands; wholesale sandwich and salad manufacturers, including vending machines and 155 operations connected therewith; and places of business and similar establishments, 156 mobile or permanent, engaged in the sale of food primarily for consumption off the 157 premises. Within a food sales establishment, there may be a food service component, not 158 separately operated, which may serve customers on site. This food service component 159 shall be considered as part of the food sales establishment. This Such term shall not 160 include:

- 161 (A) The food sales component of any food service establishment defined in Code162 Section 26-2-370;
- 163 (B) Food service establishments as defined in Code Section 26-2-370;

164 (C) Establishments engaged in the sale of food primarily for consumption off the 165 premises if such sale is an authorized part of and occurs upon the site of a fair or 166 festival which:

- 167 (i) Is sponsored by a political subdivision of this state; and
- 168 (ii) Lasts 120 hours or less;

(D) Establishments engaged in the boiling, bottling, and sale of sugar cane syrup or
sorghum syrup within this state, provided that such bottles contain a label listing the
producer's name and street address, all added ingredients, and the net weight or volume
of the product; or

173 (E) Nonprofit food sales and food service provided under a permit issued pursuant to

174 Article 14 of this chapter:

175 (F) Cottage food operators as provided for in Code Section 26-2-471; or

176 (G) A person selling non-potentially hazardous foods, as defined in Code

177 <u>Section 26-2-470, at a bake sale affiliated with a nonprofit, charitable, or religious</u>
178 organization."

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SECTION 3.

180 Said chapter is further amended in Article 6, relating to meat, poultry, and dairy processing
181 plants, by revising paragraph (3) of Code Section 26-2-200, relating to definitions, as
182 follows:

183 "(3) 'Meat, poultry, or dairy processing plant' means: any abattoir, slaughterhouse, 184 poultry killing or processing plant, milk depot, milk processing plant, or any other 185 establishment for the killing, storage, dressing, manufacture, preparation, or processing 186 of any animal, fowl, or dairy product or any by-product thereof for human consumption. 187 Such term shall not include cottage food operators as provided for in Code 188 Section 26-2-471." 189 **SECTION 4.** 190 Said chapter is further amended in Article 13, relating to food service establishments, by 191 revising paragraph (2) of Code Section 26-2-370, relating to definitions, as follows: 192 "(2) 'Food service establishment' means establishments for the preparation and serving of meals, lunches, short orders, sandwiches, frozen desserts, or other edible products 193 194 either for carry out or service within the establishment. Such term includes restaurants; 195 coffee shops; cafeterias; short order cafes; luncheonettes; taverns; lunchrooms; places 196 which retail sandwiches or salads; soda fountains; institutions, both public and private; 197 mobile food service establishments: industrial cafeterias: catering establishments: and 198 similar facilities by whatever name called. Within a food service establishment, there 199 may be a food sales component, not separately operated. This food sales component shall 200 be considered as part of the food service establishment. Such term shall not include: 201 (A) A food sales establishment, as defined in Code Section 26-2-21, except as 202 otherwise stated in this paragraph; 203 (B) The food service component of any food sales establishment defined in Code 204 Section 26-2-21; 205 (C) Any outdoor recreation activity sponsored by the state, a county, a municipality, 206 or any department or entity thereof, any outdoor or indoor (other than school cafeteria 207 food service) public school function, or any outdoor private school function;

(D) Any organization which is operating on its own property or on the property of a 208 209 party that has provided written consent for the use of such property for such purpose 210 and which is exempt from taxes under paragraph (1) of subsection (a) of Code 211 Section 48-7-25 or under Section 501(d) or paragraphs (1) through (8) or 212 paragraph (10) of Section 501(c) of the Internal Revenue Code for the purpose of 213 operating a house or other residential structures where seriously ill or injured children 214 and their families are provided temporary accommodations in proximity to their

215	treatment hospitals and where food is prepared, served, transported, or stored by
216	volunteer personnel;

(E) Establishments for the preparation and serving of meals, lunches, short orders,
sandwiches, frozen desserts, or other edible products if such preparation or serving is
an authorized part of and occurs upon the site of an event which:

- 220 (i) Is sponsored by a political subdivision of this state;
- (ii) Is held on the property of such sponsor or on the property of a party that hasprovided written consent for use of such property for such event; and
- 223 (iii) Lasts 120 hours or less; or
- (F) Nonprofit food sales and food service provided under a permit issued pursuant to
- Article 14 of this chapter; or
- 226 (G) Cottage food operators as provided for in Code Section 26-2-471."
- 227 SECTION 5.

228 Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to general

229 provisions applicable to counties and municipal corporations, is amended by adding a new

- 230 Code section to read as follows:
- 231 ″<u>36-60-30.</u>
- 232 Except as authorized under and in accordance with Code Section 26-2-478, no county or

233 <u>municipality shall prohibit or regulate cottage food items as such term defined in Code</u>

234 Section 26-2-470. No county or municipality shall prohibit commercial delivery

235 companies from delivering cottage food items."

SECTION 6.

237 All laws and parts of laws in conflict with this Act are repealed.