

**LEGISLATIVE DIGEST**

[Health, Business and Tax Regulations Code - Cottage Foods]

**Ordinance amending the Health Code, by adding Section 452.1, to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code, by adding Section 249.1A, to establish annual fees for Cottage Food Operations; and making environmental findings.**

Existing Law

Existing law exempts private homes from the definition of a food facility, and prohibits food stored or prepared in a private home from being used or offered for sale in a food facility.

Amendments to Current Law

The proposed ordinance updates the San Francisco Health Code to comply with the newly enacted state law cottage food provisions in the California Retail Food Code. The ordinance would regulate a cottage food operation within a private home, by establishing a registration system for Class A operations, and a permit procedure for Class B operations.

Under California Health & Safety Code section 113758, cottage food operations are separated into two classifications: Class A and Class B. Class A operations may engage only in direct sales (a transaction between the cottage food operator and a consumer), while Class B operations may engage in direct and indirect sales (involving a third-party retailer). All cottage food operations must meet specified requirements relating to training, sanitation, preparation, labeling, and permissible types of sales, and would be subject to inspection under certain circumstances.

As required by state law, both Class A and Class B cottage food operators must complete a food handling/processing course, prepare only foods approved by the California Department of Public Health, label cottage food products in accordance with state and federal regulations, meet the food preparation and sanitation requirements set forth in California Health & Safety Code section 114365, *et seq.*, comply with all applicable zoning requirements, and obtain all necessary business licenses and permits.

Additionally, Class A operations shall register annually with the San Francisco Department of Public Health and pay the annual registration fee. Class B operations shall obtain a permit from the San Francisco Department of Public Health, to be renewed annually, and pay the initial application fee and annual permit fees.

All cottage food operations may be suspended or permanently closed for violation of state law.