

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Environmental Health Division

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Wesley Nicks, REHS, Director of Environmental Health

DATE: April 9, 2013

SUBJECT: Establishing Fees for State-Mandated Cottage Food Operations Program

ACTION REQUESTED:

1. Conduct a public hearing, and
2. Adopt a resolution pursuant to Placer County Code Section 2.116.100 that sets the amount of the fees that the Environmental Health Division can charge for the new State-mandated Cottage Food Operations program.

BACKGROUND:

Assembly Bill (AB) 1616 authored by Assembly Member Gatto, was signed into law by Governor Brown on September 21, 2012, and became effective on January 1, 2013. The bill allows individuals to prepare and or package certain foods in private-home kitchens. AB 1616 creates a two-tier cottage food operator (CFO) registration and permitting system to be enforced by local county or city environmental health agencies: 1) "Class A" Cottage Food operators are those operations that sell CFO prepared foods directly to the public (at the home where the Cottage Food Operation is located or at a community event), and 2) "Class B" Cottage Food operators are those operations that sell CFO prepared foods either indirectly through restaurants and stores, or both directly to the public as well as indirectly to the public via sale to retail food facilities such as restaurants and markets. There are different requirements for "Class A" and "Class B" Cottage Food Operations. "Class A" Cottage Food Operations must submit a completed self-certification checklist approved by the local environmental health agency when they submit their registration application. "Class B" operations must submit a permit application and be inspected prior to obtaining a permit from the local environmental health agency. All Cottage Food Operations must be registered or permitted by the local environmental health agency before commencing business.

All Cottage Food Operations will have to meet specified requirements pursuant to the California Health and Safety Code related to preparing foods that are on the approved food list, completing a food processor training course within three months of registering, implementing sanitary operations, creating State and Federal compliant labels, and operating within established gross annual sales limits.

The Environmental Health Division will inspect the permitted or registered area of the private home in which the Cottage Food Operation prepares, handles, or stores food: (1) prior to issuing a permit to "Class B" CFOs, and (2) on the basis of a consumer complaint where there is reason to suspect that adulterated or otherwise unsafe food has been produced by the Cottage Food Operation, or in an incident that the Cottage Food Operation has violated provisions of law related to Cottage Food Operations.

The fees included in the fee resolution are based on the projected time required to perform each State-mandated action (registration, inspection, plan check, etc.). The projected staff activity times and subsequent fees have been compared with the proposed or adopted fees in other counties and the proposed Placer County fees are equal to or less than the average fees in the comparison counties.

Information about the program has been posted on the Department website and outreach with the local community interested in this program is ongoing. Applications for this program are being received by Environmental Health at this time, and guidance to anyone who wishes to start a Cottage Food Operation is available.

A Notice of Public Hearing for this hearing was published in the March 29th, 2013 Auburn Journal and the Tahoe World.

FISCAL IMPACT:

Projected annual fees of \$80 for the registration of Class "A" operations and \$240 for the permitting of Class "B" operations are designed for full cost recovery for this program.

A copy of the Cottage Food Operations fee study is on file with the Clerk of the Board.

Attachments:

Resolution – Adoption of Fees for the Cottage Food Operations Program

Exhibit A – Cottage Food Operations Program Fee Schedule

Exhibit B – Cottage Food Fee Comparison from Other Jurisdictions

Exhibit C – List of Approved Food Categories

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resolution No: _____

**Adoption of a Resolution to Establish Fees
for the Cottage Food Operations Program**

Ord. No.: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest: _____
Clerk of said Board

WHEREAS, pursuant to the Cottage Food Operations Act (AB 1616, Health and Safety Code Section 114365 et seq.), the Placer County Environmental Health Division, is responsible for registering or permitting cottage food operations to allowing each to commence business, and

WHEREAS, pursuant to Government Code Section 51035(a)(3) allows the local agency to set a fee(s) for the reasonable costs to implement AB 1616, and

WHEREAS, pursuant to Section 2.116.100 of the Placer County Code, such fees shall be imposed by the adoption of a resolution of the Board of Supervisors; and

WHEREAS, the County has undertaken a study to determine such costs based upon the salary costs of County staff and the time spent by County staff on activities related to the program based upon estimates developed by County staff in Placer County and other comparable counties, and

WHEREAS, the County has determined the proposed fee amount does not exceed the estimated reasonable cost of administering the program and providing the services for which the fee will be utilized,

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Placer does hereby adopt the fees as set forth in Exhibit A, attached hereto, for implementation of the Cottage Food Operations Act within the Placer County areas of authority.

BE IT FURTHER RESOLVED by the Board of Supervisors of the County of Placer that said fees shall be adjusted annually in accordance with Section 2.116.100 of the Placer County Code.

BE IT FURTHER RESOLVED by the Board of Supervisors of the County of Placer that said fees shall take effect from the date of adoption of this resolution.

EXHIBIT A

Cottage Food Operations Program Fee Schedule

Program Element (1)	Program Description	Annual Fee
1641	Class "A" Operation - Direct Sales	\$ 80.00
1643	Class "B" Operation – Direct and Indirect Sales	\$ 240.00

Footnotes:

(1) Program Elements are internal database tracking numbers

EXHIBIT B

Cottage Food Operations Program - Fee Schedule Comparison
Cottage Food Fee Comparison

<u>County</u>	<u>Class A</u>	<u>Class B</u>
1. Alameda	\$ 150	\$ 225
2. Berkeley	\$ 170	\$ 425
3. Contra Costa	\$ 95	\$ 304
4. Humboldt	\$ 63	\$ 189
5. Inyo	\$ 50	\$ 146
6. Kern	\$ 75	\$ 75
7. Kings	\$ 125	\$ 285
8. Lake	\$ 165	\$ 165
9. Long Beach	\$ 40	\$ 150
10. Los Angeles	\$ 65	\$ 194
11. Marin	\$ 108	\$ 276
12. Mariposa	\$ 57	\$ 171
13. Merced	\$ 59	\$ 236
14. Mono	\$ 81	\$ 162
15. Napa	\$ 119	\$ 238
16. Riverside	\$ 145	\$ 290
17. Sacramento	\$ 107	\$ 227
18. San Bernardino	\$ 162	\$ 183
19. San Francisco	\$ 100	\$ 350
20. San Joaquin	\$ 125	\$ 250
21. San Luis Obispo	\$ 99	\$ 198
22. San Mateo	\$ 153	\$ 306
23. Santa Clara	\$ 219	\$ 635
24. Tulare	\$ 175	\$ 291
25. Ventura	\$ 108	\$ 198
AVERAGE	\$ 112.60	\$ 246.76

EXHIBIT C

FOOD CATEGORIES ALLOWED IN A HOME BASED BUSINESS PER AB 1616 aka HOMEMADE FOOD ACT:

Only foods that are listed below are approved for preparation, handling, or packaging by COTTAGE FOOD OPERATION'S (CFO). These are foods do not require refrigeration to keep them safe from bacterial growth, which could potentially make people sick. The CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH) will establish and maintain a list of approved cottage food categories on their website and will establish a process by which new foods can be added to the list and other foods can be challenged and removed.

- Baked goods without cream, custard, or meat fillings, such as breads, biscuits, churros, cookies, pastries and tortillas
- Candy, such as brittle and toffee
- Chocolate- covered non-perishable foods, such as nuts and dried fruit
- Dried fruit
- Dried Pasta
- Dry baking mixes
- Fruit pies, fruit empanadas, and fruit tamales
- Granola, cereals and trail mixes
- Herb blends and dried mole paste
- Honey and sweet sorghum (molasses) syrup
- Jams, jellies, preserves, and fruit butter that comply with the standard described in Part 150 of Title 21 of the Code of Federal Regulations (these should be fruit products to assure that they are not potentially hazardous foods).
- Nut mixes and nut butters
- Popcorn
- Vinegar and mustard
- Roasted coffee and dried tea
- Waffle cones and pizzelles (Italian waffle cookies)