## [Third Reprint]

## SENATE, No. 73

# STATE OF NEW JERSEY

### 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

#### Sponsored by:

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#### **SYNOPSIS**

Establishes requirements for sale of cottage food products.

#### **CURRENT VERSION OF TEXT**

As reported by the Assembly Consumer Affairs Committee on December 6, 2021, with amendments.

(Sponsorship Updated As Of: 1/10/2022)

1 AN ACT concerning <sup>3</sup>[home baked goods] cottage foods<sup>3</sup> and supplementing Title 24 of the Revised Statutes.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

#### 1. As used in this act:

<sup>3</sup>["Baked goods" means ready-to-eat baked food <sup>1</sup>listed in subsection a. of section 4 of this act <sup>1</sup> that does not require further cooking or refrigeration for food safety, and which is not a potentially hazardous food. Baked goods may contain ingredients which constitute potentially hazardous food, provided that the baked good as presented for sale is not a potentially hazardous food. "Baked goods" <sup>1</sup>shall not <sup>1</sup> include <sup>1</sup>[, but are not limited to, bread, rolls, cakes, pies, pastries, candies, and cookies] any food listed in subsection b. of section 4 of this act.]

"Commissioner" means the Commissioner of Health.

operator prepared, which non-TCS foods shall include: baked goods, including bread, rolls, biscuits, cakes, cupcakes, pastries, and cookies; candy, including brittle and toffee; chocolate-covered nuts and dried fruit; dried fruit; dried herbs and seasonings, and mixtures thereof; dried pasta; dry baking mix; fruit jams, fruit jellies, and fruit preserves; fruit pies, fruit empanadas, and fruit tamales, other than pies, empanadas, and tamales made from pumpkin; fudge; granola, cereal, and trail mix; nuts and nut mixtures; nut butters; popcorn and caramel corn; roasted coffee and dried tea; sweet sorghum syrup; vinegar and mustard; waffle cones and pizzelles; and upon written application to the Public Health and Food Protection Program, other non-TCS food.

"Cottage food operator" means a person who holds a New Jersey
cottage food operator permit.

"Department" means the Department of Health 1.

<sup>3</sup>["Home baker" means a person who prepares baked goods <sup>2</sup>[in a kitchen in a private home that is not subject to regulation and inspection by the Department of Health] in accordance with the provisions of this act<sup>2</sup>.

"Potentially hazardous food" means a food that requires time or temperature control for safety to limit pathogenic microorganism growth or toxin formation]

"Major food allergen" means any of the following and any protein derived from the following, but does not include any highly refined oil derived from, or any ingredient derived from a highly

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined  $\underline{thus}$  is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SHH committee amendments adopted June 11, 2020.

<sup>2</sup>Senate floor amendments adopted June 29, 2020.

<sup>&</sup>lt;sup>3</sup>Assembly ACO committee amendments adopted December 6, 2021.

- refined oil derived from, the following: milk; eggs; fish; crustacean shellfish; tree nuts; wheat; peanuts; and soybeans. "Major food allergen" does not include any ingredient that is exempt under the petition or notification process specified in the "Food Allergen Labeling and Consumer Protection Act of 2004," Pub. L. 108-282.
  - "Public Health and Food Protection Program" means the Public Health and Food Protection Program operated by the Department of Health or a successor program.

"TCS food" means a food that requires time control, temperature control, or both, for safety to limit pathogenic microorganism growth or toxin formation<sup>3</sup>.

- <sup>3</sup>[2. A home baker may sell baked goods prepared by the home baker in a kitchen in a private home, provided the following requirements are met:
- a. The baked goods shall not be sold or offered for sale except at the home baker's home, a consumer's home, a farmer's market, a farm stand, or a county, municipal, or nonprofit fair, festival, or event. A home baker shall not sell or offer for sale baked goods over the Internet, wholesale, or to a commercial retailer for resale;
- b. The gross income generated by the home baker from the sale of baked goods shall not exceed \$50,000 per year;
- c. The home baker, and any person assisting the home baker in the preparation of baked goods, shall possess a current, valid food handler's certificate issued by <sup>1</sup>[a food handler certification agency approved by the Commissioner of Health] the department <sup>1</sup> pursuant to subsection a. of section 3 of this act;
- d. <sup>1</sup>[A clearly-visible placard shall be placed at the point of sale, which shall state in clear, legible print that the baked goods were prepared in a kitchen that is not subject to regulation and inspection by the Department of Health] The home baker shall display the baker's current, valid food handler certification issued pursuant to subsection a. of section 3 of this act at the point of sale<sup>1</sup>;
- e. Baked goods shall be packaged in a manner that prevents or reduces the risk of contamination, unless the size, shape, or other characteristics of a baked good makes such packaging impractical or unnecessary; and
- f. Each baked good sold or offered for sale shall include a label containing the following information:
- (1) the name of the home baker <sup>1</sup>, the home baker's food handler certification number, <sup>1</sup> and the address where the baked good was prepared;
- 44 (2) the name of the baked good, including a description of the 45 type or nature of the baked good if not apparent from the name;

- 1 (3) any major food allergens used as an ingredient in the baked 2 good, including, but not limited to, eggs, nuts, wheat, soy, dairy, 3 and peanuts; and
  - (4) the following statement: "This food <sup>1</sup>[is made] <u>was</u> <u>prepared</u> in a <sup>1</sup>[home] kitchen that <sup>2</sup>[is] <u>may</u> not <sup>2</sup><u>be</u> subject to <sup>2</sup>[regulation and] <u>regular</u> inspection by <sup>2</sup>[the Department of Health] health authorities ."]<sup>3</sup>

- **1** The Commissioner of Health shall promulgate a list of food handler certification agencies that are approved to issue food handler certificates to home bakers and other persons for the purposes of this act. The Department of Health shall have no other authority to regulate or inspect home bakers or the sale or production of baked goods prepared by home bakers (1) An
- application for a food handler certification authorizing the individual to sell baked goods prepared in a kitchen in a private home pursuant to this act shall be submitted to the department for approval. The application shall include:
  - (a) the nature and type of each baked good that the home baker intends to prepare and sell;
  - (b) an acknowledgement that the home baker will only be authorized to prepare and sell those home baked goods expressly included in an approved food handler certification, and that the home baker's food handler certification may be revoked upon a third or subsequent finding that the home baker has sold baked goods not included in the baker's food handler certification;
  - (c) an attestation that the home baker will report income as required under State and federal law; and
  - (d) an attestation that the home baker will comply with all applicable State and federal labor laws.
  - (2) There shall be no limit on the number or types of baked goods that may be authorized under a single food handler certification, provided that the baked goods are limited to those expressly authorized pursuant to subsection a. of section 4 of this act. A home baker seeking to prepare and sell a baked good not authorized under the home baker's current food handler certification may submit an application for an amended food handler certification or include the additional baked goods in an application to renew a food handler certification. The fee to apply for an amended food handler certification shall be \$50 or the actual administrative costs of processing the application, whichever is less. A home baker may apply to amend a food handler certification no more than once per certification period.
- 44 (3) Upon approval of an application for initial or renewed 45 certification as a food handler, the home baker shall pay a 46 certification fee of \$300 to the department.

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(4) A food handler certification issued pursuant to this section shall be valid for one year and shall be renewable upon application to the department. The department shall provide the home baker with at least one written notification of the renewal deadline no less than 30 days prior to expiration of the home baker's current food handler certification. The failure to submit a renewal application prior to the expiration date shall result in immediate termination of the food handler certification upon the expiration date, and the home baker shall be prohibited from selling baked goods prepared in a kitchen in a private home unless the home baker applies, and is approved, for a new food handler certification 1.

b. The local board of health having jurisdiction in the municipality in which the home baker resides or in which the home baker prepares, offers for sale, or sells baked goods shall <sup>1</sup>conduct an inspection of the kitchen that will be used by each applicant for a food handler certification prior to issuance of the certification, and shall have the authority to conduct an inspection of [the] baked goods or the place in which the baked goods are prepared <sup>1</sup>[upon reasonable belief or credible report that the baked goods, or the conditions under which the baked goods are prepared, present an immediate and serious threat to human life or health ] as often as the local board of health deems necessary 1. If the board finds 1 [the ] 1 baked goods or the conditions under which they are prepared constitute an immediate and serious threat to human life or health, the board may order any appropriate relief, including, but not limited to: confiscation or destruction of the baked goods; remedial action to correct an unsafe or potentially hazardous condition; or <sup>1</sup> [issuance of a temporary or permanent injunction prohibiting the home baker from preparing and selling baked goods I temporarily suspending or permanently revoking a food handler certification issued to the home baker. The department shall develop a procedure for providing notice to local boards of health when a person located within the jurisdiction of the local board of health applies for an initial food handler certification, and for receiving a report concerning the results of the initial inspection of the kitchen or other areas that will be used by the applicant to prepare baked goods. Home bakers applying for or issued a food handler certification under this act shall provide the local board of health with access to any kitchen or other area or location used by the home baker to prepare baked goods for the purposes of conducting inspections pursuant to this subsection<sup>1</sup>.

- c. The preparation and sale of baked goods by home bakers pursuant to this act shall not be subject to regulation or restriction by municipal ordinance.
- d. Nothing in this section shall be construed to restrict the ability of a neighbor or other affected person to institute a nuisance action against a home baker. ]<sup>3</sup>

<sup>3</sup>[ <sup>1</sup>4. a. Subject to any actions taken by the commissioner 1 2 pursuant to subsection c. of this section, baked goods that may be 3 prepared and sold pursuant to this act shall be limited to: breads, 4 other than fruit breads or vegetable breads; rolls; cinnamon rolls; 5 biscuits; bagels; muffins; doughnuts; cookies; baklava; biscotti that 6 are not topped with chocolate or candy melts; cakes; cake pops that 7 are not topped with chocolate or candy melts; cupcakes; brownies; 8 double-crust fruit pies; scones; fruit jams, jellies, and marmalades 9 made with high acid or low pH fruits; commercially-dried spices or 10 herbs that are repackaged or blended; repackaged dried or 11 dehydrated vegetables; repackaged dried soup mixes; repackaged 12 dried fruit; repackaged dried pasta; repackaged dry baking mixes; 13 seasoning salt; fudge; popcorn; caramel corn; peanut brittle; rice 14 cereal marshmallow bars; granola made using commercially roasted 15 nuts; trail mix made using commercially roasted nuts; granola bars 16 made using commercially roasted nuts; repackaged candy, other than chocolate; waffle cones; pizzelles; toffee or caramel apples 17 18 that are not prepared using candy melts; confections, including 19 toffees, caramels, and hard candies; vegetable chips, including 20 potato chips; crackers; and pretzels. 21

b. Subject to any actions taken by the commissioner pursuant to subsection c. of this section, in no case may the following foods be sold pursuant to this act: any food requiring refrigeration for preservation; homemade buttercream or cream cheese frosting; fruit breads; vegetable breads; products containing alcohol; "no-bake" products; pickles; relishes; sauerkraut; sauces; salsas; marinades; mustards; ketchups; pepper jellies; wine jellies; vegetable jellies; flower jellies; chutneys; vegetable oils; blended oils; salad dressings; cheesecakes; cream-filled pastries; cream pies; merengue pies; chocolate candies; products dipped in chocolate or a candy melt; products containing raw nuts; cheeses; yogurts; fluid dairy products; butters; meat; fish; or poultry products.

c. The commissioner shall periodically review the foods listed in subsections a. and b. of this section, along with the current scientific literature, and shall be authorized to take administrative action to add or remove foods from either list or to otherwise revise the requirements concerning baked goods authorized for sale pursuant to this act. <sup>1</sup>]<sup>3</sup>

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- <sup>3</sup>2. a. A person or entity that engages in the production or sale of cottage food products to consumers shall hold a current, valid cottage food operator permit.
- b. A person seeking to obtain a cottage food operator permit
   shall submit to the Public Health and Food Protection Program:
- 45 (1) an application, which shall be submitted on a form and in a 46 manner as shall be required by the department;

- 1 (2) a copy of a certificate issued by an accredited program 2 showing that the applicant is a food protection manager in good 3 standing with the accredited program; and
  - (3) if the cottage food operator's kitchen:

- (a) uses a private well, a microbiological, total coliform, analysis of the private well water that is conducted using samples collected no earlier than 60 days prior to the filing date of the application; and
- (b) does not use private well water, a copy of the most recent water bill for the location of the cottage food kitchen.
- c. At a minimum, an application for a new or renewed cottage food operator permit shall include a description of the nature and type of each cottage food product the cottage food operator will prepare and sell, and an acknowledgement that the cottage food operator will only be authorized to prepare and sell those cottage food products expressly included in an approved permit application, and that the cottage food operator's permit may be revoked upon a third or subsequent finding that the cottage food operator has sold cottage food products not included in the cottage food operator's permit. There shall be no limit on the number or types of cottage food products that may be authorized under a single cottage food product permit. A cottage food operator seeking to prepare and sell a cottage food product not authorized under the operator's current permit may submit an application for an amended cottage food operator permit or include the additional cottage food products in an application to renew a cottage food operator permit. A cottage food operator may apply to amend a cottage food operator permit no more than once per permit period.
  - d. The department shall conduct a completeness review of each application submitted pursuant to subsection b. of this section and shall notify the applicant in writing of any deficiency or incompleteness in the application that the applicant will be required to correct before the department will further process the application. If an applicant fails to complete a deficient or incomplete application within 30 days after the issuance of a notice of deficiency or incompleteness provided pursuant to this subsection, the department shall deem the application to be abandoned.
  - e. The local board of health having jurisdiction in the municipality in which an applicant for a cottage food operator permit resides shall conduct an inspection of the kitchen that will be used by the applicant prior to issuance of an initial permit or a renewal permit, and shall have the authority to conduct an inspection of cottage food products or the place in which the cottage food products are prepared as often as the local board of health deems necessary. If the board finds a cottage food product or the conditions under which a cottage food products is prepared constitutes an immediate and serious threat to human life or health, the board may order any appropriate relief, including, but not

- 1 <u>limited to: confiscation or destruction of the cottage food product;</u>
- 2 remedial action to correct an unsafe or potentially hazardous
- 3 condition; or temporarily suspending or permanently revoking the
- 4 cottage food operator's cottage food product operator permit. The
- 5 <u>department shall develop a procedure for providing notice to local</u>
- 6 boards of health when a person located within the jurisdiction of the
- 7 <u>local board of health applies for an initial cottage food operator</u>
- 8 permit or renewal of a cottage food operator permit, and for
- 9 receiving a report concerning the results of the inspection of the
- 10 cottage food operator's kitchen. Applicants for an initial cottage
- 11 <u>food operator permit, applicants for a renewal cottage food operator</u>
- 12 permit, and cottage food permit operators shall provide the local
- board of health with access to the cottage food operator's kitchen,
- which access shall be limited to conducting an inspection pursuant
- 15 <u>to this subsection.</u>

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- f. Upon determining an application submitted pursuant to subsection b. of this section is complete, and upon satisfactory completion of an inspection conducted pursuant to subsection e. of this section, the department shall issue a cottage food operator permit to the applicant.
- g. An applicant for a cottage food operator permit shall register as a business entity within the municipality in which the cottage food operator resides, and shall ascertain and comply with all State and local laws applicable to the cottage food operator's operations, including any requirements to maintain liability insurance, file taxes, and comply with labor laws.
- h. The fee to apply for an initial cottage food operator permit or renewal of a cottage food operator permit shall be \$100. The fee to amend a cottage food operator permit shall be \$50 or the actual administrative costs of processing the application, whichever is less. All fees collected pursuant to this section shall be nonrefundable, and shall be retained by local health authorities for the purposes of implementing the provisions of this act. A cottage food operator permit shall be valid for two years.

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- <sup>3</sup>3. a. A cottage food operator permit shall authorize the permit holder to produce cottage food products in the private kitchen of the operator's residence on record with the department. A cottage food operator may produce cottage food products at no location other than the cottage food operator's residence of record.
- 41 <u>b. A cottage food operator shall not deliver or relinquish</u>
  42 <u>cottage food products:</u>
- 43 (1) at any location outside of New Jersey;
- 44 (2) at a location other than: (a) the home of the cottage food 45 operator, provided the cottage food product is not consumed on site;
- 46 (b) the home of the consumer; (c) a farmers' market or farm stand;
- or (d) a temporary retail food establishment;

- 1 (3) to a wholesaler or retail food establishment, or to any other 2 individual other than the consumer; or
  - (4) by United States postal mail or a common carrier.

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- 4 c. Notwithstanding the provisions of paragraph (4) of 5 subsection b. of this section, a cottage food operator may transact 6 activities that are ancillary to the delivery or relinquishment of 7 cottage food products to a consumer by means of United States 8 postal mail, common carrier, electronic communication, Internet, or 9 telephone, provided the delivery or relinquishment of cottage food 10 products meets the requirements of subsection b. of this section. 11 Ancillary transactions authorized under this subsection shall include 12 accepting the placement of orders, receiving payments, engaging in
- marketing and advertising activities, and participating in other business activities other than the delivery or relinquishment of cottage food products.
- d. (1) If the point of sale of a cottage food product is the residence of the operator or the consumer, the cottage food operator shall make the operator's cottage food operator permit available for inspection upon request.
  - (2) If the point of sale of a cottage food product is a location other than the residence of the cottage food operator or the consumer, the cottage food operator shall place the cottage food operator's permit on conspicuous and unobstructed display at the point of sale, along with a placard containing the following statement: "This food was prepared in a home kitchen that may not be subject to regular inspection by health authorities."
  - e. A cottage food operator shall affix one or more labels or tags on each cottage food product, which labels or tags shall collectively include, at a minimum:
- 30 (1) the common name of the cottage food product;
- 31 (2) the ingredients of the cottage food product, which shall be 32 listed in descending order of prominence by weight;
- (3) if the cottage food product contains a major food allergen,
   the word "Contains," followed by a list of the major food allergens
   that the product contains;
- (4) the cottage food operator's name, business name, contact
   information, and cottage food operator permit number;
- 38 (5) the name of the cottage food operator's municipality of 39 record with the department, followed by either "New Jersey" or 40 "NJ"; and
- 41 (6) the statement: "This food was prepared in a home kitchen that may not be subject to regular inspection by health authorities."
- f. A cottage food operator shall not exceed \$50,000 in gross
  annual sales of cottage food products. For the purposes of this
  section, gross annual sales shall include the amount generated from
  the sale of cottage food products before the deduction of taxes and
- 47 operating expenses.<sup>3</sup>

### S73 [3R] BATEMAN, SARLO

1	<sup>3</sup> 4. a. The department shall have the authority to assess
2	monetary and other penalties against a person or entity that violates
3	the requirements of P.L. , c. (C. ) (pending before the
4	Legislature as this bill), including, but not limited to, denying
5	issuance of, suspending, or revoking a cottage food operator permit.
6	A person or entity found to be in violation of the requirements of
7	P.L., c. (C. ) (pending before the Legislature as this bill)
8	shall be entitled to notice of the violation, and to a hearing to
9	contest the violation and any proposed penalty.
10	b. The department shall periodically review the list of cottage
11	food products set forth in section 1 of P.L. , c. (C. )
12	(pending before the Legislature as this bill), along with the current
13	scientific literature, and shall be authorized to take administrative
14	action to add or remove foods from the list.
15	c. The department shall promulgate rules and regulations,
16	pursuant to the "Administrative Procedure Act," P.L.1968, c.410
17	(C.52:14B-1 et seq.), establishing the scope, nature, and
18	requirements for inspections conducted pursuant to subsection e. of
19	section 2 of P.L. , c. (C. ) (pending before the Legislature
20	as this bill).
21	d. Nothing in the provisions of P.L., c. (C. ) (pending
22	before the Legislature as this bill) shall be construed to authorize
23	the department to regulate the production or sale of honey, the
24	regulation of which shall remain exclusively within the jurisdiction
25	of the Department of Agriculture. <sup>3</sup>
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27	$^{1}$ [4.] $\underline{5.}^{1}$ This act shall take effect the first day of the seventh
28	month next following the date of enactment.