AMENDED IN ASSEMBLY MAY 2, 2017 AMENDED IN ASSEMBLY APRIL 6, 2017

AMENDED IN ASSEMBLY MARCH 23, 2017

CALIFORNIA LEGISLATURE-2017-18 REGULAR SESSION

ASSEMBLY BILL

No. 626

Introduced by Assembly Members Eduardo Garcia and Arambula

February 14, 2017

An act to amend Sections 113789, 114101, 114130, 114285, and 114390 of, to add Section 113825 to, and to add Chapter 11.6 (commencing with Section 114367) to Part 7 of Division 104 of, the Health and Safety Code, relating to the California Retail Food Code.

LEGISLATIVE COUNSEL'S DIGEST

AB 626, as amended, Eduardo Garcia. California Retail Food Code: microenterprise home kitchen operations.

Existing law, the California Retail Food Code, establishes uniform health and sanitation standards for retail food facilities for regulation by the State Department of Public Health, and requires local health agencies to enforce these provisions. Existing law defines "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level, as specified. Existing law exempts, among others, a private home, including a registered or permitted cottage food operation, from the definition of food facility. A violation of any provision of the California Retail Food Code or regulation adopted pursuant to it is generally a misdemeanor.

This bill-would repeal the exemption of a private home from the definition of a food facility. This bill would, among other things, include a microenterprise home kitchen operation within the definition of a

food facility, and would define a microenterprise home kitchen operation to mean a food facility that is operated by a resident of a private home where food is prepared for a consumer and that meets specified requirements, including, among others, that the operation has no more than one full-time equivalent food employee and has no more than \$50,000 in verifiable gross annual sales. The bill would specify that a city or county, or city and county, shall have full discretion to authorize, by ordinance or resolution, the permitting of microenterprise home kitchen operations in accordance with the provisions of this bill. The bill would require a microenterprise home kitchen operation to be considered a restricted food service facility for purposes of certain provisions of the code, except as otherwise provided. The bill would require the applicant for a permit to operate a microenterprise home kitchen operation to submit to the enforcement agency written standard operating procedures that include specified information, including all food products that will be handled and the days and time that the home kitchen will be utilized as a microenterprise home kitchen operation. The

The bill would require a 3rd-party intermediary that lists or promotes a microenterprise home kitchen operation on its Internet Web site or mobile application, among other things, to be registered with the department and specified local enforcement agencies and to only list and promote microenterprise home kitchen operations with permits in good standing. The bill would make a permitted microenterprise home kitchen operation and any affiliated 3rd-party intermediary strictly liable for any personal injury resulting from the ordering or consuming of food from a microenterprise home kitchen operation. The bill would also make conforming changes and related findings and declarations.

By imposing duties on local officials and creating a new crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the 2 following:

3 (1) California is the largest agricultural producer and exporter 4 in the United States.

5 (2) California is home to the "farm-to-table" movement, which 6 embraces the idea that restaurants and other food sellers should 7 prioritize locally and sustainably produced foods.

8 (3) Many cities have embraced the idea of locally grown, 9 produced, and prepared foods. Sacramento, for example, 10 proclaimed itself the farm-to-fork capital of America.

(4) Accordingly, Californians have shown a preference for
supporting local agriculture and local business and for finding
sustainable solutions to food insecurity.

14 (5) The retail and commercial food market is an integral part 15 of California's economy.

(6) Small-scale, home-cooking operations can create significant
economic opportunities for Californians that need them most —
often women, immigrants, and people of color.

(7) Under existing law, individuals can sell food through retail
food facilities or cottage food operations, the latter of which being
limited to a restricted list that primarily consists of nonperishable
food items that can be prepared in the home. Both of these options
make it difficult for the vast majority of home cooks to
independently benefit from their labor, skills, and limited resources.
(8) Because the bar for entry to restaurant ownership is high,
and the cost of renting a retail kitchen is so great, an informal

and the cost of renting a retail kitchen is so great, an informal
economy of locally produced and prepared hot foods exists in the
form of meal preparation services, food carts, and communally

29 shared meals.

1 (9) However, due to a lack of appropriate regulations, many

2 experienced cooks in California are unable to legally participate

3 in the locally prepared food economy and to earn an income legally4 therein.

5 (10) As a result, and because they feel they have no other option,

- 6 thousands of private chefs, home caterers, and many other food
- 7 microentrepreneurs cook out of private homes or unlicensed food
- 8 facilities, with little access to education for best practices or safety9 guidelines.
- 10 (11) Many of these cooks are unable to enter the traditional food 11 economy based on disability, family responsibilities, or lack of 12 opportunity.
- (12) Under existing law, preparing and selling food from a home
 kitchen normally can be treated as a criminal act and may be
 punishable as a misdemeanor.
- 16 (13) Therefore, the Legislature should create a framework that 17 authorizes the safe preparation and sale of meals prepared in home 18 kitchens, providing adequate regulations and requirements for food 19 handling and safety.
- (14) Providing guidelines, training, and safety resources to home
 cooks would also increase public health safeguards in existing
 informal food economies.
- (15) The exchange of home-cooked food can also improve
 access to healthy foods for communities, particularly in food
 deserts with severely limited options.
- (16) The California Retail Food Code establishes health and
 sanitation standards for retail food facilities. That law exempts
 private homes from the definition of a food facility and includes
 cottage food operations in that exemption.
- 30 (b) It is the intent of the Legislature that this act authorize the
- 31 use of home kitchens for small-scale, direct food sales by home

32 cooks to consumers, providing appropriate flexibility in food types

- and appropriate health and sanitation standards.
- 34 SEC. 2. Section 113789 of the Health and Safety Code is 35 amended to read:
- 36 113789. (a) "Food facility" means an operation that stores,
- 37 prepares, packages, serves, vends, or otherwise provides food for
- 38 human consumption at the retail level, including, but not limited
- 39 to, the following:

- 1 (1) An operation where food is consumed on or off the premises, 2 regardless of whether there is a charge for the food.
- 3 (2) A place used in conjunction with the operations described
- 4 in this subdivision, including, but not limited to, storage facilities
 5 for food-related utensils, equipment, and materials.
- 6 (b) "Food facility" includes permanent and nonpermanent food
- 7 facilities, including, but not limited to, the following:
- 8 (1) Public and private school cafeterias.
- 9 (2) Restricted food service facilities.
- 10 (3) Licensed health care facilities, except as provided in 11 paragraph (12) of subdivision (c).
- 12 (4) Commissaries.
- 13 (5) Mobile food facilities.
- 14 (6) Mobile support units.
- 15 (7) Temporary food facilities.
- 16 (8) Vending machines.
- (9) Certified farmers' markets, for purposes of permitting andenforcement pursuant to Section 114370.
- 19 (10) Farm stands, for purposes of permitting and enforcement
- 20 pursuant to Section 114375.
- 21 (11) Fishermen's markets.
- 22 (12) Microenterprise home kitchen operations.
- 23 (c) "Food facility" does not include any of the following:

24 (1) A cooperative arrangement wherein no permanent facilities25 are used for storing or handling food.

26 (2) A *private home, which includes a* cottage food operation 27 that is registered or has a permit pursuant to Section-114365.

28 114365, but does not include a microenterprise home kitchen

29 operation that has a permit issued pursuant to Section 114367.2.

30 (3) A church, private club, or other nonprofit association that

31 gives or sells food to its members and guests, and not to the general 32 public, at an event that occurs not more than three days in any

33 90-day period.

34 (4) A for-profit entity that gives or sells food at an event that

35 occurs not more than three days in a 90-day period for the benefit

36 of a nonprofit association, if the for-profit entity receives no 37 monetary benefit, other than that resulting from recognition from

38 participating in an event.

39 (5) Premises set aside for wine tasting, as that term is used in40 Section 23356.1 of the Business and Professions Code, or premises

1 set aside by a beer manufacturer, as defined in Section 25000.2 of

the Business and Professions Code, and in the regulations adoptedpursuant to those sections, that comply with Section 118375,

3 pursuant to those sections, that comply with Section 118375, 4 regardless of whether there is a charge for the wine or beer tasting.

4 regardless of whether there is a charge for the wine or beer tasting,5 if no other beverage, except for bottles of wine or beer and

5 if no other beverage, except for bottles of wine or beer and 6 prepackaged nonpotentially hazardous beverages, is offered for

7 sale or for onsite consumption and no food, except for crackers,

8 pretzels, or prepackaged food that is not potentially hazardous

9 food is offered for sale or for onsite consumption.

10 (6) An outlet or location, including, but not limited to, premises,

11 operated by a producer, selling or offering for sale only whole

12 produce grown by the producer or shell eggs, or both, provided

the sales are conducted at an outlet or location controlled by theproducer.

15 (7) A commercial food processing establishment, as defined in16 Section 111955.

17 (8) A child day care facility, as defined in Section 1596.750.

18 (9) A community care facility, as defined in Section 1502.

(10) A residential care facility for the elderly, as defined inSection 1569.2.

(11) A residential care facility for the chronically ill, which has
the same meaning as a residential care facility, as defined in Section
1568.01.

(12) (A) An intermediate care facility for the developmentally
disabled, as defined in subdivisions (e), (h), and (m) of Section
1250, with a capacity of six beds or fewer.

(B) A facility described in subparagraph (A) shall report any
foodborne illness or outbreak to the local health department and
to the State Department of Public Health within 24 hours of the
illness or outbreak.

31 (13) A community food producer, as defined in Section 113752.

32 SEC. 3. Section 113825 is added to the Health and Safety Code, 33 to read:

113825. (a) "Microenterprise home kitchen operation" means
a food facility that is operated by a resident in a private home
where food is prepared for a consumer and meets all of the
following requirements:

38 (1) The operation has no more than one full-time equivalent

39 food employee, not including a family member or household 40 member.

1 (2) Food is prepared, cooked, and served on the same day,
2 picked up by the customer, or delivered within a safe time period
3 based on holding equipment capacity.

4 (3) Food preparation does not involve processes that require a

5 HACCP plan, as specified in Section 114419, or the production,

6 service, or sale of raw milk or raw milk products, as defined in
7 Section 11380 of Title 17 of the California Code of Regulation.

8 Regulations.

9 (4) The service and sale of raw oysters is prohibited.

10 (5) Food preparation is limited to no more than 30 individual

11 meals per day, and no more than 60 individual meals per week,

12 unless otherwise approved by the week. The local enforcement

13 agency may decrease the limit of the number of individual meals

14 *prepared* based on food preparation capacity of the operation.

15 operation, but shall not, in any case, increase the limit of the

16 number of individual meals prepared.

17 (6) The operation has no more than fifty thousand dollars18 (\$50,000) in verifiable gross annual sales.

(b) "Microenterprise home kitchen operation" does not includeany of the following:

21 (1) A catering operation.

22 (2) A cottage food operation, as defined in Section 113758.

23 (3) An indirect sale.

24 SEC. 4. Section 114101 of the Health and Safety Code is 25 amended to read:

26 114101. (a) Mechanical machine warewashing shall be
27 accomplished by using an approved machine installed and operated
28 in accordance with the manufacturer's specifications.

29 (b) Soiled items to be cleaned in a warewashing machine shall

30 be loaded in racks, trays, or baskets or onto conveyors in a position

that exposes the items to the unobstructed spray during all cyclesand allows the items to drain.

33 (c) The velocity, quantity, and distribution of the washwater,

34 type, and concentration of detergent used therein, and the time the

35 utensils are exposed to the water shall be sufficient to clean the 36 utensils.

37 (d) Restricted food service facilities need not comply with

38 Section 114130 if the domestic or commercial dishwasher utilized

39 for warewashing is used in accordance with the manufacturer's

1	specifications and achieves a utensil surface temperature of at least
2	160°F.
3	SEC. 5. Section 114130 of the Health and Safety Code is
4	amended to read:
5	114130. (a) Equipment and utensils shall be designed and
6	constructed to be durable and to retain their characteristic qualities
7	under normal use conditions.
8	(b) Except as specified in subdivision (c), all new and
9	replacement food-related and utensil-related equipment shall be
10	certified or classified for sanitation by an American National
11	Standards Institute (ANSI) accredited certification program. In the
12	absence of an applicable ANSI certified sanitation standard,
13	food-related and utensil-related equipment shall be evaluated for
14	approval by the enforcement agency.
15	(c) Restricted food service facilities need not comply with
16	subdivision (b), depending on the extent of the food service
17	activities, and if the enforcement officer determines that the
18	equipment meets the characteristics of subdivision (a).
19	(d) All new and replacement electrical appliances shall meet
20	applicable Underwriters Laboratories standards for electrical
21	equipment as determined by an ANSI accredited certification
22	program.
23	(c) Notwithstanding subdivision (c), equipment for holding cold
24	and hot food in a restricted food service facility shall be sufficient
25	in number and capacity to ensure proper food temperature control.
26	SEC. 6.
27	SEC. 5. Section 114285 of the Health and Safety Code is
28	amended to read:
29	114285. (a) Except as specified in subdivision (b), a private
30	home, a room used as living or sleeping quarters, or an area directly
31	opening into a room used as living or sleeping quarters shall not
32	be used for conducting food facility operations.
33	(b) (1) Nonperishable, prepackaged food may be given away,
34	sold, or handled from a private home. No food that has exceeded
35	the labeled shelf life date recommended by the manufacturer shall
36	be deemed to be nonperishable food.
37	(2) For purposes of this subdivision, "nonperishable food" means
38	a food that is not a potentially hazardous food, and that does not
39	show signs of spoiling, becoming rancid, or developing
40	objectionable odors during storage at ambient temperatures.
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1 (c) Restricted food service facilities and microenterprise home 2 kitchen operations are exempt from subdivision (a) provided that 3 no sleeping accommodations shall be allowed in any area where 4 food is prepared or stored. 5 SEC. 7. 6 SEC. 6. Chapter 11.6 (commencing with Section 114367) is 7 added to Part 7 of Division 104 of the Health and Safety Code, to 8 read: 9 10 CHAPTER 11.6. MICROENTERPRISE HOME KITCHEN ENTERPRISE **Operation** 11 12 13 114367. A city or county, or city and county, shall have full 14 discretion to authorize, by ordinance or resolution, the permitting 15 of microenterprise home kitchen operations in accordance with 16 this chapter. 17 114367. 18 114367.1. (a) A microenterprise home kitchen operation, as 19 defined in Section 113825, shall be considered a restricted food service facility for purposes of, and subject to all applicable 20 21 requirements of, Chapter 1 (commencing with Section 113700) to 22 Chapter-8 9 (commencing with Section-114250), 114265), 23 inclusive, Chapter 12.6 (commencing with Section 114377), and 24 Chapter 13 (commencing with Section 114380), except as 25 otherwise provided in this chapter. 26 (b) A microenterprise home kitchen operation shall be exempt 27 from all of the following provisions: 28 (1) Handwashing sign posting requirements, as specified in 29 Section 113953.5. 30 (2) Handwashing facilities requirements, as required in Section 31 113953, provided that a handwashing sink is supplied with warm 32 water and located in the toilet room and supplied, as specified in 33 Section 113953.2. 34 (3) Installing a three-compartment sink, as required in Section 35 114099, provided that a two-compartment sink is available and 36 used, as specified in Section 114099.3. 37 (4) Installing a food preparation sink, as required in Section 38 114163, provided that produce is washed, as specified in Section 39 113992.

1 (c) Any individual who is involved in the preparation, storage,

2 or service of food in a microenterprise home kitchen operation

3 shall be subject to the food handler card requirements specified in

- 4 Section 113948.
- 5 114367.5.

6 *114367.2.* (a) A microenterprise home kitchen operation *in a* 7 *city or county, or city and county, that has authorized the* 8 *permitting of such an operation* shall not be open for business 9 unless it is operating under a permit issued from the local 10 enforcement agency in a manner approved by the local enforcement 11 agency.

- (b) The applicant shall submit to the local enforcement agencywritten standard operating procedures that include all of thefollowing information:
- 15 (1) All food products that will be handled.

16 (2) The proposed procedures and methods of food preparation17 and handling.

(3) Procedures, methods, and schedules for cleaning utensils,equipment, and for the disposal of refuse.

(4) How food will be maintained at the required holding
 temperatures temperatures, as specified in Section 113996, pending
 pickup by consumer or during delivery.

(5) Days and times that the home kitchen will be utilized as amicroenterprise home kitchen operation.

(c) (1) For purposes of permitting, the permitted area includes
the home kitchen, onsite customer eating area, food storage,
utensils and equipment, toilet room, janitorial or cleaning facilities,
and refuse storage area. Food operations shall not be conducted
outside of the permitted areas.

30 (d) (1)

31 (2) For purposes of determining compliance with this-chapter,
 32 *part*, a representative of a local enforcement agency, for inspection

purposes, may access the permitted area of a private home where a food operation is being conducted. Access is limited to the permitted areas and solely for the purpose of enforcing or administering this part.

administering this part.
 (2) A representative of a local enforcement agency may inspect

a microenterprise home kitchen operation on the basis of a

- 39 consumer complaint, reason to suspect that adulterated or otherwise
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unsafe food has been produced by the operation, or that the
 operation has violated this part.

3 (d) A local enforcement agency in a city or county, or city and

4 county, that has authorized the permitting of microenterprise home

5 kitchen operations may issue a permit pursuant to this section after6 it has determined all of the following:

7 (1) After an initial inspection, the proposed microenterprise
8 home kitchen operation and its method of operation conform to
9 this part.

10 (2) All local building, business, land use, zoning, and fire safety 11 requirements are fully satisfied.

12 114367.3. (a) A person delivering food on behalf of a 13 microenterprise home kitchen operation with a permit issued 14 pursuant to Section 114367.2 shall be an employee of the operation 15 or a family member or household member of the permitholder, 16 and shall have a valid driver's license.

(b) The microenterprise home kitchen operation shall keep on
file a copy of the valid driver's license of a person delivering food
on behalf of the operation.

20 114367.4. A local enforcement agency in a city or county, or 21 city and county, that has authorized the permitting of 22 microenterprise home kitchen operations may seek recovery of a 23 fee from a microenterprise home kitchen operation of an amount 24 that does not exceed the local enforcement agency's reasonable 25 costs of inspection and enforcement of this part.

26 114367.5. (a) A third-party intermediary that lists or promotes
27 a microenterprise home kitchen operation on its Internet Web site
28 or mobile application shall meet all of the following requirements:
29 (1) Be registered with the department and any local enforcement

30 agency that has jurisdiction over a microenterprise home kitchen 31 operation that is listed or promoted on the third-party

32 *intermediary's Internet Web site or mobile application.*

33 (2) Make available to the consumer a photo of the delivery
34 person when there is a delivery of food from the microenterprise
35 home kitchen operation to the consumer.

36 (3) Only list and promote microenterprise home kitchen 37 operations with permits that are issued pursuant to Section 38 114367.2 and are in good standing. A microenterprise home 39 kitchen operation shall notify each affiliated third-party

40 intermediary if its permit has been suspended or revoked.

1 (4) Cooperate with local enforcement officials with the 2 investigation of consumer complaints, foodborne illness outbreaks,

3 and food recalls.

4 (b) A third-party intermediary registered pursuant to subdivision 5 (a) shall not do either of the following:

6 (1) Require an affiliated microenterprise home kitchen operation

7 to be open certain days of the week or a certain number of hours8 each day.

9 (2) Require an affiliated microenterprise home kitchen operation 10 to prepare certain food items or meals.

11 114367.6. A microenterprise home kitchen operation that has 12 a permit pursuant to Section 114367.2 and any affiliated 13 third-party intermediary shall be strictly liable for any personal 14 injury resulting from the ordering or consuming of food from a 15 microenterprise home kitchen operation.

16 SEC. 8.

17 *SEC.* 7. Section 114390 of the Health and Safety Code is 18 amended to read:

19 114390. (a) Enforcement officers shall enforce this part and20 all regulations adopted pursuant to this part.

21 (b) (1) For purposes of enforcement, any authorized 22 enforcement officer may, during the facility's hours of operation and other reasonable times, enter, inspect, issue citations to, and 23 secure any sample, photographs, or other evidence from a food 24 facility, cottage food operation, or any facility suspected of being 25 26 a food facility or cottage food operation, or a vehicle transporting 27 food to or from a retail food facility, when the vehicle is stationary 28 at an agricultural inspection station, a border crossing, or at any 29 food facility under the jurisdiction of the enforcement agency, or 30 upon the request of an incident commander.

(2) If a food facility is operating under an HACCP plan, the
enforcement officer may, for the purpose of determining
compliance with the plan, secure as evidence any documents, or
copies of documents, relating to the facility's adherence to the
HACCP plan. Inspection may, for the purpose of determining
compliance with this part, include any record, file, paper, process,
HACCP plan, invoice, or receipt bearing on whether food,
equipment, or utensils are in violation of this part.

equipment, or utensils are in violation of this part.
(3) The enforcement officer may, for the purpose of determining
compliance with the gross annual sales requirements for operating

a microenterprise home kitchen operation or a cottage food
 operation, require those operations to provide copies of documents
 related to determining gross annual sales.

4 (c) Notwithstanding subdivision (a), an employee may refuse 5 entry to an enforcement officer who is unable to present official 6 identification showing the enforcement officer's picture and 7 enforcement agency name. In the absence of the identification 8 card, a business card showing the enforcement agency's name plus 9 a picture identification card such as a driver's license shall meet 10 this requirement.

(d) It is a violation of this part for any person to refuse to permit
entry or inspection, the taking of samples or other evidence, access
to copy any record as authorized by this part, to conceal any
samples or evidence, withhold evidence concerning them, or
interfere with the performance of the duties of an enforcement
officer, including making verbal or physical threats or sexual or
discriminatory harassment.

(e) A written report of the inspection shall be made, and a copyshall be supplied or mailed to the owner, manager, or operator ofthe food facility.

the food facility.
 SEC. 9. No reimbursement is required by this act pursuant to

22 Section 6 of Article XIII B of the California Constitution for certain

23 costs that may be incurred by a local agency or school district

24 because, in that regard, this act creates a new crime or infraction,

25 eliminates a crime or infraction, or changes the penalty for a crime

26 or infraction, within the meaning of Section 17556 of the

27 Government Code, or changes the definition of a crime within the

28 meaning of Section 6 of Article XIII B of the California

29 Constitution.

30 However, if the Commission on State Mandates determines that

31 this act contains other costs mandated by the state, reimbursement

32 to local agencies and school districts for those costs shall be made

33 pursuant to Part 7 (commencing with Section 17500) of Division

- 34 4 of Title 2 of the Government Code.
- 35 SEC. 8. No reimbursement is required by this act pursuant to
- 36 Section 6 of Article XIII B of the California Constitution because

37 the only costs that may be incurred by a local agency or school

38 district will be incurred because this act creates a new crime or

39 infraction, eliminates a crime or infraction, or changes the penalty

40 for a crime or infraction, within the meaning of Section 17556 of

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- the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California 1
- 2
- 3 Constitution.

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