

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 391

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DATE
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Introduction and first reading
 Referred to Agriculture, Veterans, Broadband, and Rural Development
 See HF2446

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to agriculture; amending cottage foods exemption; requiring reports;

1.3 amending Minnesota Statutes 2024, section 28A.152, subdivisions 1, 2, 3, 4, by

1.4 adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 28A.152, subdivision 1, is amended to read:

1.7 Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of

1.8 sections 28A.01 to 28A.16 do not apply to the following:

1.9 (1) ~~an individual~~ a person who prepares and sells food that is not potentially hazardous

1.10 food, as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following

1.11 requirements are met:

1.12 (i) the prepared food offered for sale under this clause is labeled to accurately reflect

1.13 the name and the registration number or address of the ~~individual~~ person preparing and

1.14 selling the food, the date on which the food was prepared, the ingredients and any possible

1.15 allergens, and the statement "These products are homemade and not subject to state

1.16 inspection."; and

1.17 (ii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard

1.18 stating: "These products are homemade and not subject to state inspection."; and

1.19 (2) ~~an individual~~ a person who prepares and sells home-processed and home-canned

1.20 food products if the following requirements are met:

1.21 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6

1.22 or lower or a water activity value of .85 or less;

(ii) the products are home-processed and home-canned in Minnesota;

(iii) the ~~individual~~ person displays at the point of sale a clearly legible sign or placard stating: "These products are homemade and not subject to state inspection."; and

(iv) each container of the product sold or offered for sale under this clause is accurately labeled to provide the name and the registration number or address of the ~~individual~~ person who processed and canned the goods, the date on which the goods were processed and canned, ingredients and any possible allergens, and the statement "These products are homemade and not subject to state inspection."

(b) ~~An individual~~ A person who qualifies for an exemption under paragraph (a), clause (2), is also exempt from the provisions of sections 31.31 and 31.392.

(c) ~~An individual~~ A person who qualifies for an exemption under paragraph (a) may organize the individual's cottage food business as a business entity recognized by state law.

Sec. 2. Minnesota Statutes 2024, section 28A.152, subdivision 2, is amended to read:

Subd. 2. **Direct sales to consumers.** (a) ~~An individual~~ A person qualifying for an exemption under subdivision 1 may sell the exempt food:

(1) directly to the ultimate consumer, including but not limited to at a community event or farmers' market;

(2) directly from the ~~individual's~~ person's home to the ultimate consumer, to the extent allowed by local ordinance; or

(3) through donation to a community event with the purpose of fundraising for an individual, or fundraising for an educational, charitable, or religious organization.

(b) If an exempt food product will be delivered to the ultimate consumer upon sale of the food product, the ~~individual~~ person who prepared the food product ~~must be the person who delivers the food product to the ultimate consumer~~ may deliver the food or the food product may be delivered by mail or commercial delivery.

(c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be sold outside of Minnesota.

(d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must be delivered directly to the ultimate consumer by the individual who prepared the food product.~~ The statement "These products are homemade and not subject to state inspection." must be displayed on the website that offers the exempt foods for purchase.

Sec. 3. Minnesota Statutes 2024, section 28A.152, subdivision 3, is amended to read:

Subd. 3. **Limitation on sales.** ~~An individual~~ A person selling exempt foods under this section is limited to total sales with gross receipts of ~~\$78,000~~ \$85,000 or less in a calendar year.

Sec. 4. Minnesota Statutes 2024, section 28A.152, subdivision 4, is amended to read:

Subd. 4. **Registration.** ~~An individual~~ A person who prepares and sells exempt food under subdivision 1 must register annually with the commissioner. The commissioner shall register ~~an individual~~ a person within 30 days of submitting a complete registration to the commissioner. A registration shall be deemed accepted after 30 days following ~~an individual's~~ a person's complete registration to the commissioner. The annual registration fee is \$50. ~~An individual~~ A person with ~~\$5,000~~ \$8,500 or less in annual gross receipts from the sale of exempt food under this section is not required to pay the registration fee. ~~By January 1, 2022, the commissioner shall adjust the gross receipts amount of this fee exemption based on the consumer price index using 2002 as the index year for the \$5,000 gross receipts exemption.~~

Sec. 5. Minnesota Statutes 2024, section 28A.152, is amended by adding a subdivision to read:

Subd. 8. **Report to legislature.** No later than January 10, 2026, and every two years thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees having jurisdiction over agriculture. The report must include the amounts in subdivisions 3 and 4, a history of when those amounts changed, and a calculation of what those amounts would be if adjusted for inflation by the Consumer Price Index.