

**BILL SUMMARY**  
1st Session of the 54<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1094</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>5033</b>
<b>Author:</b>	<b>Rep. Dustin Roberts</b>
<b>Date:</b>	<b>2/4/2013</b>
<b>Impact:</b>	<b>OSDH Net Cost:</b>
	<b>Year 1: approx. \$75,000 partially offset by fine revenue;</b>
	<b>Years 2 and beyond: approx. \$225,000 partially offset by fine revenue</b>

**Research Analysis**

HB1094, as introduced, creates the Home Bakery Act of 2013. The measure requires a “home food establishment” to obtain a license, at a fee of seventy-five dollars (\$75.00), from the State Department of Health. The Department will only issue up to one thousand licenses per year, with periodic inspections of the home food establishment occurring during reasonable hours. Inspections will only occur in those areas related to preparing the food for sale. The measure provides that any violation of the act will result in a fine of no more than \$1,000; and that any subsequent violation will result in a fine of no more than \$2,000.

Prepared By: Scott C. Tohlen

**Fiscal Analysis**

HB 2403 creates the Home Bakery Act of 2013 to be administered by the State Department of Health (OSDH). The measure provides for a \$75 two year license and limits the number of licenses issued under the act in a year to 1000. The measure also institutes fines ranging up to \$2,000 for violations of the act. Assuming the demand for licenses reaches the maximum allowed by the act the annual revenue derived from license fees for OSDH will be approximately \$75,000 per year, (\$75 fee times 1,000 licenses).

OSDH estimates a cost of approximately \$150 per food inspection and anticipates performing 1 inspection per year per licensee. This cost figure includes inspector salary and benefit costs, administrative support and travel costs. According to OSDH estimates, the program cost in year 1 will be \$150,000, based on 1,000 inspections. In years two and thereafter, the cost is estimated to be \$300,000, based on 2,000 inspections/yr. Reducing the annual costs by the \$75,000 annual revenue for the program results in annual net costs to OSDH of \$75,000 in year 1, and \$225,000 in year 2 and each year thereafter. Annual costs may be at least partially offset by revenue generated from fines associated with violations of the act. The level of fine revenue related to the Act is unknown.

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**Other Considerations**

None at this time

