



Senate Fiscal Agency
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House Bill 5671 (Substitute H-3 as reported without amendment)
House Bill 5704 (Substitute H-2 as reported without amendment)
Sponsor: Representative Julie Alexander (H.B. 5671)
Representative Annette Glenn (H.B. 5704)
House Committee: Agriculture
Senate Committee: Agriculture

CONTENT

House Bill 5671 (H-3) would amend the Food Law to do the following:

- Allow a cottage food product to be sold by internet or mail order or delivered to a consumer through a third-party food delivery platform if the operation provided an opportunity for a consumer to directly interact with the operation before the food product was sold.
- Increase, from \$25,000 to \$40,000, the annual gross sales limit of a cottage food operation until January 1, 2024, and require the Michigan Department of Agriculture and Rural Development (MDARD) to adjust the limit for inflation annually after that date.
- Allow a cottage food operation to register with the Michigan State University (MSU) Product Center, if the MSU Product Center operated a registration program.
- Require a cottage food operation that registered with the MSU Product Center to include its MSU Product Center registration number on its food product labels.

House Bill 5704 (H-2) would amend the Food Law to define "third-party food delivery platform" as a business engaging in the service of delivery from a cottage food operation or online food ordering and delivery from a food service establishment to a consumer.

The bills are tie-barred.

MCL 289.4102 (H.B. 5671)
289.1105 & 289.1111 (H.B. 5704)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would have a minimal fiscal impact on MDARD. While the Department is responsible for establishing a licensing and regulatory program for the commercial food industry, House Bill 5671 (H-3) would allow cottage food operations to register with the MSU Product Center. To support the Center's costs to operate the registration program (assuming it did so), the bill would allow it to collect a one-time registration fee of up to \$50 to defray expenses. The total amount of registration fees that it could collect would depend on the number of operations that ultimately registered; it is not known at this time how many would register.

Date Completed: 9-22-22

Fiscal Analyst: Bruce Baker