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GAVIN NEWSOM
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Assembly Bill (AB) 1144 Fact Sheet

Governor Gavin Newsom signed into law AB 1144. The new law makes changes to the cottage food operations in the California Retail Food Code (CRFC). The implementation date for AB 1144 is January 1, 2022.

SUMMARY OF THE CHANGES:

Chapter 2 Definitions:

Section 1: CRFC 113758 “Cottage food operations”

(a) “Cottage food operation” means ... ~~In 2013, the enterprise shall not have more than thirty five thousand dollars (\$35,000) in gross annual sales in the calendar year. In 2014, the enterprise shall not have more than forty five thousand dollars (\$45,000) in gross annual sales in the calendar year. Commencing in 2015, and each subsequent year thereafter, the enterprise shall not have more than fifty thousand dollars (\$50,000) in gross annual sales in the calendar year.~~ **A “Class A” cottage food operation shall not have more than seventy-five thousand dollars (\$75,000) in verifiable gross annual sales. A “Class B” cottage food operation shall not have more than one hundred fifty thousand dollars (\$150,000) in verifiable gross annual sales. The gross annual sales for a “Class A” or “Class B” cottage food operation shall be annually adjusted for inflation based on the California Consumer Price Index.** A cottage food operation includes both of the following:

(b)(4) “Direct sale” means...**transactions made via the phone, internet, and any other digital method. A direct sale may be fulfilled in person, via mail delivery, or using any other third-party delivery service.**

(5) “Indirect sale” means...**An indirect sale may be fulfilled in person, via mail delivery, or using any other third-party delivery service.**

Chapter 11.5 Cottage Food Operations

Section 2: CRFC 114365

New Language: (allows for statewide sales by Class A cottage food operations)

(a)(1) **(D) A “Class A” cottage food operation shall be authorized to engage in the direct sales of cottage food products throughout the state.**



(a)(2) (This portion of the section has been rearranged with new numbering, except new language that is in bold)

(C)

(i) Except as provided in clause (ii), a “Class B” cottage food operation shall not be subject to more than one inspection per year by the local enforcement agency.

(ii) For purposes of determining compliance with this chapter, a representative of a local enforcement agency, for inspection purposes, may access the permitted area of a private home where a cottage food operation is located only if the representative has, on the basis of a consumer complaint, reason to suspect that adulterated or otherwise unsafe food has been produced by the cottage food operation, or that the cottage food operation has violated this chapter.

(iii) Access under this subparagraph is limited to the permitted area and solely for the purpose of enforcing or administering this chapter.

(D)

A “Class B” cottage food operation shall be authorized to engage in the direct and indirect sales of cottage food products throughout the state.

~~(D) — A “Class A” cottage food operation shall renew its registration annually.~~

~~(i) For purposes of determining compliance with this chapter, a representative of a local enforcement agency, for inspection purposes, may access the permitted area of a private home where a cottage food operation is located only if the representative has, on the basis of a consumer complaint, reason to suspect that adulterated or otherwise unsafe food has been produced by the cottage food operation, or that the cottage food operation has violated this chapter.~~

~~(ii) Access under this subparagraph is limited to the permitted area and solely for the purpose of enforcing or administering this chapter.~~

~~(E)~~

~~(i) A “Class B” cottage food operation shall be authorized to engage in the indirect sales of cottage food products within the county in which the “Class B” cottage food operation is permitted.~~

~~(ii) A county may agree to allow a “Class B” cottage food operation permitted in another county to engage in the indirect sales of cottage food products in the county.~~

Section 114365 (b)

New Language requires both “Class A” and “Class B” CFO to renew annually

(3) A registration or permit shall be renewed annually

(4) A registration or permit from one county shall be sufficient for a cottage food operation to operate throughout the state.