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ARIZONA STATE SENATE

Fifty-Sixth Legislature, First Regular Session

VETOED

AMENDED FACT SHEET FOR H.B. 2094

<u>technical correction; tax debt; enforcement</u> (NOW: mobile food vendor; operation; rules)

Purpose

Allows a mobile food vendor to operate on private residential property in a residential area if it meets prescribed requirements.

Background

A city or town, by ordinance or resolution, may prohibit or restrict a mobile food vendor from operating in an area zoned for residential use or within 250 feet of an area zoned for residential use. A city or town may not require a mobile food vendor, property owner or lessee of a property to apply for any special permit that is not required for other temporary or mobile vending businesses in the same district (A.R.S. § 9-485.01).

The county board of supervisors (county BOS), by ordinance or resolution, may: 1) restrict or prohibit the operation of a mobile food unit in an area that is zoned as residential only; 2) prohibit a mobile food unit that is operating on private property from blocking ingress to and egress from the property; and 3) require a mobile food vendor to obtain consent from a private property owner before operating on the property. The county BOS may not restrict how long a mobile food unit may operate at a private property location, except that a mobile food vendor may not operate at a private property for more than 96 consecutive hours (A.R.S. § 11-269.24).

The Director of the Department of Health Services (DHS) must adopt rules that establish the health and safety licensing standards for mobile food vendors and mobile food units, including the health and safety licensing standards for necessary commissary or other servicing area agreements. The Director of DHS must also establish a licensing process for mobile food units that delegates to the county health department in the county where the mobile food vendors commissary is located the licensing and health and safety inspection standards. A city, town or county may require a mobile food vendor to have a fingerprint clearance card (A.R.S. § 36-1761).

A *mobile food vendor* is any person who owns, controls, manages or leases a mobile food unit or contracts with a person to prepare foods and vend from, drive or operate a mobile food unit (A.R.S. § 11-269.24).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

- 1. Allows a mobile food vendor to operate on private residential property in a residential area if:
 - a) the mobile food vendor obtains written permission from the property owner and the property owner remains on the property while the mobile food vendor is operating;
 - b) the mobile food vendor does not serve members of the general public;
 - c) the mobile food vendor and the property owner, the spouse of the property owner or, in the case of a living trust, the trustee are not the same person;
 - d) the mobile food vendor does not serve food between the hours of 10:00 p.m. and 6:00 a.m.; and
 - e) the mobile food vendor removes the food waste, cooking grease and other trash from the residential property in compliance with applicable laws and regulations.
- 2. Caps, at \$150, the annual fee that a city or town may require a mobile food vendor to pay for each:
 - a) fixed location, for a city or town that issues a location-based license or permit; and
 - b) mobile food unit, for a mobile food vendor that does not operate the mobile food unit at a fixed location.
- 3. Specifies that the \$150 cap on fees does not preclude a city or town from imposing fees relating to municipal zoning on a mobile food vendor.
- 4. Prohibits the county BOS from requiring generators to be permanently affixed to the mobile food unit.
- 5. Requires the DHS licensing standards to allow a mobile food unit to request an exemption from the commissary or other servicing area requirements if the mobile food unit is sufficiently equipped to meet health and safety standards without the use of a commissary or other servicing area.
- 6. Requires, for a mobile food vendor that does not require commissary, DHS to delegate the licensing and health and safety inspection for state licensure to the county health department in which the mobile food vendor resides.
- 7. Specifies that the newly prescribed requirements relating to a mobile food vendor do not preclude a city, town or county from requiring a mobile food vendor to be licensed if the licensing system includes a fingerprint clearance card issued by the Department of Public Safety (DPS).
- 8. Makes technical changes.
- 9. Becomes effective on the general effective date.

Amendments Adopted by Committee

- 1. Modifies the requirements that a mobile food vendor must meet in order to operate on private residential property in a residential area by adding:
 - a) the requirement that the residential property is the primary residence of the property owner, a tenant with a lease term of one year or longer or a trustee of the living trust that owns the residential property;

- b) the requirement that the owner who provides the written permission must be on the property while the mobile food vendor is operating;
- c) the requirement that the mobile food vendor does not serve food between the hours of 10:00 p.m. and 6:00 a.m.; and
- d) the requirement that the mobile food vendor removes the food waste, cooking grease and other trash from the residential property in compliance with applicable laws and regulations.
- 2. Caps the annual fee a city or town may require a mobile food vendor to pay to operate on private residential property within the city or town at \$150 per year.
- 3. Allows a city, town or county to require a mobile food vendor to be licensed if the licensing system includes a background check or identification and fingerprinting of the owner of the mobile food vending operation or a fingerprint clearance card issued by the DPS.
- 4. Removes the \$50 per year cap on the fee a city or town may require a mobile food vendor to pay to operate within that city or town.

Amendments Adopted by Committee of the Whole

- 1. Removes the \$150 cap on the fee for a mobile food vendor to operate on private residential property.
- 2. Caps, at \$150, the annual fee that a city or town may require a mobile food vendor to pay for each:
 - a) fixed location, for a city or town that issues a location-based license or permit; and
 - b) mobile food unit, for a mobile food vendor that does not operate the mobile food unit at a fixed location.
- 3. Exempts fees relating to municipal zoning from the \$150 annual cap.
- 4. Makes conforming changes.

Governor's Veto Message

The Governor indicates in her <u>veto message</u> that while the issue of food trucks operating in residential areas warrants future discussion, it does not outweigh the potential negative public health impact which may include increasing the risk of food-borne illness.

House Action				Senate Action			
RA 3 rd Read	2/15/23 2/28/23	DPA/SE	5-2-0-0 31-26-3	GOV 3 rd Read	3/22/23 4/11/23	DPA	5-3-0 16-13-1
Final Read	5/15/23		35-22-2-0-1				

Vetoed by the Governor 5/19/23

Prepared by Senate Research May 23, 2023 AN/SB/slp