

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6677

BILL NUMBER: SB 185

NOTE PREPARED: Mar 15, 2021

BILL AMENDED: Mar 9, 2021

SUBJECT: Home-Based Vendors.

FIRST AUTHOR: Sen. Walker G

FIRST SPONSOR: Rep. Davisson

BILL STATUS: As Passed House

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State & Local

Summary of Legislation: Beginning April 1, 2022, this bill allows a home-based vendor's food products that are not potentially hazardous to be:

- (1) sold in person or by telephone or the Internet; and
- (2) delivered by the vendor or a third party carrier to the end consumer.

The bill also requires that the State Department of Health, State Board of Animal Health, and State Department of Agriculture shall, in consultation with industry groups and food safety experts, submit recommendations concerning home-based vendors to the General Assembly.

Effective Date: July 1, 2021; April 1, 2022.

Explanation of State Expenditures: *Home-based Vendors* - The bill amends provisions under current statute that grant farmers markets and roadside stands exemptions from being regulated as food establishments. The bill expands these exemptions to include "home-based vendors" and specifies that home-based vendors' products may be sold in-person, over the phone, or by internet, and may be delivered by a third-party carrier. These provisions may result in an increase in workload for the State Department of Health (ISDH) to establish guidelines and perform inspections of products sold by home-based vendors. Actual increases in workload will depend on administrative decisions and the volume of consumer complaints relating to food products sold by home-based vendors. Any additional workload is expected to be completed within existing resources.

Agency Recommendations - The ISDH, Board of Animal Health, and Department of Agriculture may experience an increase in workload to consult with industry groups and experts and to develop

recommendations for the General Assembly concerning home-based vendors before December 1, 2021. These activities are expected to be completed within the agencies' existing staffing and resource levels.

Explanation of State Revenues: *Summary - Home-based Vendors:* The bill may have an indeterminable impact on the number of individuals cited with violating food safety regulations. Violators of sanitary requirements for food establishments are currently subject to a Class B misdemeanor. If a food product sold by a home-based vendor is found to be in violation of the bill, it is assumed that the same penalties for food establishments would apply. However, to the extent that more food vendors qualify for exemption from regulations as a result of the bill, the number of violations could decrease.

Additional Information - If additional court cases occur, revenue to both the Common School Fund and the state General Fund could increase from fines and court fees. If fewer court cases occur, fine and fee revenue could decrease. The maximum fine for a Class B misdemeanor is \$1,000, deposited in the Common School Fund. However, any change in revenue would likely be small.

Explanation of Local Expenditures: *Local Health Departments* - This bill may result in a minor increase in workload for local health departments to provide oversight of the products sold by home-based vendors.

Penalty Provision - A Class B misdemeanor is punishable by up to 180 days in jail.

Explanation of Local Revenues: *Penalty Provision* - If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. If fewer court actions occur, fee revenue could decrease. However, any change in revenue would likely be small.

State Agencies Affected: State Department of Health; Department of Agriculture; Board of Animal Health.

Local Agencies Affected: Local health departments; trial courts, local law enforcement agencies.

Information Sources: IC 16-42-5; IC 16-42-11.

Fiscal Analyst: Adam White, 317-234-1360.