



March 7, 2023

SUMMARY OF BILL AS AMENDED (005042): Defines farmers market food unit as a stationary food service establishment that (1) prepares, sells, or services unpackaged time/temperature control for safety food in conjunction with one or more farmers markets; and (2) has improvised, rather than permanent, facilities or equipment for accomplishing certain functions. Creates a farmers market food unit permit, to be issued by the Department of Health (DOH). Requires the DOH to issue a permit to a qualified applicant who pays a permit fee and successfully completes a pre-operational inspection at a local health department. Requires a food market food unit to correct all violations of priority items within 24 hours, and immediately whenever possible.

Establishes that a vendor at a farmers market is not required to obtain a license or permit to offer samples for consumption on the premises of the farmers market, if the vendor complies with certain sanitary requirements. Prohibits a farmers market food unit permit from being used in conjunction with an organized temporary event, unless the permittee obtains a temporary food service establishment permit for the temporary event.

Takes effect January 1, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Revenue - \$36,800/FY23-24
\$73,500/FY24-25 and Subsequent Years**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 68-14-706, each person operating a food establishment in this state must hold a valid permit issued annually by the Commissioner of the DOH.
- According to DOH Rule 1200-23-01-.01(114), a temporary food establishment must operate in conjunction with an organized temporary event for more than one day and not more than 14 days.
- Farmer markets are not classified as temporary events; therefore, vendors wishing to prepare unpackaged food at a farmers market cannot be licensed as a temporary food service establishment.
- The proposed legislation would allow a farmers market unit to prepare and serve food in the same manner as a temporary food establishment.

- According to the Tennessee Association of Farmers Markets, there are currently 49 farmers markets operating in the state. This analysis assumes an average of five farmers market food unit permits will be issued per farmers market.
- The fee for a farmers market food unit is \$300 and operators will require one permit per year. There will be a recurring increase in state revenue of \$73,500 [$(\$300 \times 5) \times 49$] in FY24-25 and subsequent years.
- Due to the January 1, 2024 effective date, the increase in state revenue is estimated to be \$36,750 ($\$73,500 \times 50.0\%$) in FY23-24.
- The farmers market food unit permit will allow food service establishments to offer services that are currently not permitted under a temporary food service establishment permit, and a food establishment may seek temporary food service establishment permits in addition to a farmers market food unit permit.
- Therefore, there is not estimated to be a decrease in state revenue from food service establishments seeking farmers market food permits instead of temporary permits.
- Based on information from the DOH, the department can perform the required inspections and promulgate rules for the issuance of permits utilizing existing personnel and resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/ch