

**SUBSTITUTE FOR
HOUSE BILL NO. 5671**

A bill to amend 2000 PA 92, entitled
"Food law,"
by amending section 4102 (MCL 289.4102), as amended by 2012 PA 178.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4102. (1) A cottage food operation is exempt from the
2 licensing and evaluation provisions of this act. This exemption
3 does not include an exemption from the adulteration and other
4 standards imposed in this section or under this act, or both, and
5 does not limit the ability of the department to take appropriate
6 enforcement action for applicable violations as described in
7 section 5101. This subsection does not require a cottage food
8 operation to meet the standards contained in 21 CFR part 110 or the
9 food code.

1 (2) Cottage food products ~~shall~~**must** be prepackaged and
2 properly labeled ~~prior to~~**before** sale.

3 (3) ~~At a minimum,~~**Except as otherwise provided in subsection**
4 **(8)**, a cottage food operation shall place on the label of any food
5 it produces or packages the following information:

6 (a) ~~The~~**One of the following:**

7 **(i) The** name and address of the business of the cottage food
8 operation.

9 **(ii) The name, telephone number, and registration number issued**
10 **under subsection (8) of the business of the cottage food operation.**

11 (b) The name of the cottage food product.

12 (c) The ingredients of the cottage food product, in descending
13 order of predominance by weight.

14 (d) The net weight or net volume of the cottage food product.

15 (e) Allergen labeling as specified by federal labeling
16 requirements.

17 (f) If any nutritional claim is made, appropriate labeling as
18 specified by federal labeling requirements.

19 (g) The following statement printed in at least the equivalent
20 of 11-point font size in a color that provides a clear contrast to
21 the background: "Made in a home kitchen that has not been inspected
22 by the Michigan department of agriculture and rural development.".

23 (4) ~~Cottage~~**Except as otherwise provided in this subsection, a**
24 **cottage** food ~~products may~~**product must** be sold directly from the
25 cottage food operation to the consumer. ~~only, and not by internet~~
26 ~~or mail order.~~ Sales by consignment or at wholesale are prohibited.
27 **A cottage food product may be sold by internet or mail order or may**
28 **be delivered to a consumer through a third-party food delivery**
29 **platform if the cottage food operation provides an opportunity for**

1 a consumer to directly interact with the cottage food operation
2 before the cottage food product is sold. A cottage food product
3 sold by internet or mail order or delivered through a third-party
4 food delivery platform must be sold or delivered only to a consumer
5 in this state. As used in this subsection:

6 (a) "Directly interact with" includes either a face-to-face
7 meeting or a virtual meeting.

8 (b) "Virtual meeting" includes, but is not limited to, a
9 meeting in which communication occurs electronically in a manner
10 that permits 2-way communications so that participants can see or
11 be seen and hear or be heard by all parties to the communication.

12 ~~(5) The gross sales of cottage food products by a cottage food~~
13 ~~operation shall not exceed \$20,000.00 annually until December 31,~~
14 ~~2017. After December 31, 2017, the~~ **The** gross sales of cottage food
15 products by a cottage food operation ~~shall~~ **must** not exceed
16 ~~\$25,000.00~~ **\$40,000.00** annually until January 1, 2024. After January
17 1, 2024, the department shall annually adjust the gross sales
18 amount in this subsection by the percentage by which the Detroit
19 Consumer Price Index exceeds or is less than the Detroit Consumer
20 Price Index for the preceding calendar year. For the purposes of
21 this subsection, gross sales ~~shall~~ **must** be computed on the basis of
22 the amount of gross sales within or at a particular domestic
23 residence and ~~shall~~ **must** not be computed on a per-person basis
24 within or at that domestic residence. The department may request in
25 writing documentation to verify the annual gross sales figure. **As**
26 **used in this subsection, "Detroit Consumer Price Index" means the**
27 **most comprehensive index of consumer prices available for the**
28 **Detroit area from the United States Department of Labor, Bureau of**
29 **Labor Statistics.**

1 (6) Cottage food products ~~shall~~**must** be stored only in the
2 primary domestic residence.

3 (7) An exemption under this section does not affect the
4 application of any other state or federal laws or any applicable
5 ordinances enacted by any local unit of government.

6 (8) If the MSU Product Center administers a registration
7 program for cottage food operations, the records of which must be
8 available to the department upon request, a cottage food operation
9 may register with the MSU Product Center. The MSU Product Center
10 may do both of the following:

11 (a) Issue a document that evidences the granting of
12 registration and contains an identifying number unique to a cottage
13 food operation.

14 (b) Collect a 1-time registration fee of not more than \$50.00
15 to administer the registration program.

16 (9) A cottage food operation that registers with the MSU
17 Product Center under subsection (8) shall include on the label
18 described under subsection (3) the registration number issued to
19 the cottage food operation, if applicable. A cottage food operation
20 that does not register with the MSU Product Center under subsection
21 (8) shall include on the label described in subsection (3) the name
22 and address of the cottage food operation.

23 (10) Information obtained under subsection (8) is exempt from
24 disclosure under the freedom of information act, 1976 PA 442, MCL
25 15.231 to 15.246.

26 Enacting section 1. This amendatory act does not take effect
27 unless House Bill No. 5704 of the 101st Legislature is enacted into
28 law.