

Legislative Analysis



COTTAGE FOOD LAW AMENDMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4122 as introduced
Sponsor: Rep. Gregory Alexander
Committee: Agriculture
Complete to 3-19-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4122 would amend provisions of the Food Law relating to the manufacture and sale of cottage food, among other things to allow cottage food products to be sold by internet or mail order or be delivered through a ***third-party delivery platform*** if certain conditions are met.

Third-party delivery platform would mean a business engaged in the service of delivery from a cottage food operation or online food ordering and delivery from a food service establishment to a consumer.

In order for a cottage food product to be sold by internet or mail order or delivered by a third-party delivery platform, there would have to be an opportunity for the consumer to ***directly interact with*** the cottage food operation before the product is sold. Sale of a cottage food product by internet or mail, or delivery through a third-party delivery platform, could only occur with a consumer located in Michigan.

Directly interact with would include either a face-to-face meeting or virtual meeting.

Virtual meeting would include a meeting in which communication occurs electronically in a manner that allows two-way communication so the participants can see or be seen by and hear or be heard by all parties to the communication.

The bill also would increase the gross sales threshold for a cottage food operation from \$25,000 to \$50,000, with an operation which sells its products at a price of \$250 or more per unit allowed to earn up to \$75,000 in gross sales annually. Beginning January 1, 2026, the Michigan Department of Agriculture and Rural Development (MDARD) could adjust the gross sales limit by an amount calculated by the Department of Treasury based on inflation (as measured in the Detroit Consumer Price Index) over the prior three-year period, rounded to the nearest whole dollar. The inflation adjustment factor could not be less than \$1.

Finally, the bill would allow the MSU Product Center to issue a document that evidences the granting of registration and contains a unique ID number for the cottage food operation and collect a one-time fee of up to \$50 for registration. MDARD could inspect the records of the center upon request. The information collected through the registration program would be exempt from FOIA.

A cottage food operation would be required to list its name, phone number, and registration number on labels if it registers with the MSU Product Center.¹ If the operation does not register

¹ <https://www.canr.msu.edu/productcenter/>

with the center, it would have to post the same information as now required: business name, address, and phone number.

MCL 289.1105 and 289.4102

FISCAL IMPACT:

A fiscal impact is in progress.

Legislative Analyst: Josh Roesner
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.