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**FISCAL IMPACT STATEMENT**

**LS 7291**

**BILL NUMBER:** HB 1309

**NOTE PREPARED:** Apr 13, 2009

**BILL AMENDED:** Apr 9, 2009

**SUBJECT:** Farmer Markets and Roadside Stands.

**FIRST AUTHOR:** Rep. Blanton

**FIRST SPONSOR:** Sen. Steele

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill exempts farmer's markets and roadside stands from the definition of food establishment if the food product: (1) is made by the individual at the individual's primary residence; (2) is not a potentially hazardous food product; (3) includes a label setting forth specified information; (4) is prepared by an individual who practices proper sanitary procedures; and (5) is not resold.

This bill allows the Indiana State Department of Health (ISDH) to inspect an individual vendor under certain conditions. It also allows the State Health Commissioner to develop guidelines for individual vendors.

**Effective Date:** (Amended) Upon passage; July 1, 2009.

**Explanation of State Expenditures:** (Revised) The ISDH may elect to provide some oversight and guidelines regarding products sold at farmer's markets. This will increase the workload of ISDH to the extent ISDH inspects products sold at farmer's markets and develops guidelines for vendors who seek exemption from food establishment regulations. Actual increases in workload will depend on administrative decisions.

**Explanation of State Revenues:** (Revised) *Penalty Provision:* This bill provides that products sold at a farmer's market are not included in the regulations pertaining to "food establishments", provided they meet certain conditions. However, if a food product sold at a farmer's market is found to be in violation of the bill, it is assumed that the same penalties for food establishments (found in IC 16-42-5) would be applicable.

To the extent that individuals recklessly violate or fail to comply with the food safety requirements of IC 16-42-5, more individuals may be subject to Class B misdemeanors. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court

fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** (Revised) This bill may increase the workload of local health departments to provide oversight of the products sold at farmer's markets. Actual increases in workload will depend on (1) the frequency farmer's markets are held, (2) the number of products that are sold, and (3) the number of farmer's markets held within a local health department's jurisdiction.

*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. However, any change in revenue would likely be small.

**State Agencies Affected:** ISDH.

**Local Agencies Affected:** Trial courts, local law enforcement agencies, local health departments.

**Information Sources:** Scott Gilliam, SDH; Scott Zarazee, ISDH.

**Fiscal Analyst:** Bill Brumbach, 232-9559.