

Sixty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2269

Introduced by

Senators Klein, Myrdal, Unruh

Representatives D. Johnson, Schreiber-Beck

1 A BILL for an Act to create and enact three new sections to chapter 23-09.5 of the North Dakota  
2 Century Code, relating to cottage food production and sale; and to amend and reenact sections  
3 23-09.5-01 and 23-09.5-02 of the North Dakota Century Code, relating to the direct producer to  
4 consumer sale of cottage food products.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 23-09.5-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **23-09.5-01. Definitions.**

9 As used in this chapter:

- 10 1. "Adulterated" has the same definition as under section 19-02.1-09.
- 11 2. "Baked goods" means a food usually produced from dough or batter which is baked  
12 before consuming, including bread, quick bread, lefse, fruit pies, custard pies, cakes,  
13 cheesecakes, cookies, biscuits, crackers, doughnuts, rolls, pastries with or without  
14 fillings, candies, or chocolates, or similar products, regardless of whether the food  
15 requires time and temperature control for safety.
- 16 3. "Commercial consumption" includes use of food in a food establishment, food  
17 processing plant, retail food store, or any other food operation requiring licensure  
18 under section 23-09-16.
- 19 4. "Cottage food operator" means an individual who produces or packages cottage food  
20 products in a noncommercial kitchen ~~designed and intended for use by the residents~~  
21 ~~of a private home.~~
- 22 ~~2-5.~~ "Cottage food product" means baked goods, jams, jellies, and pickles, or other food  
23 and drink products produced or packaged by a cottage food operator. The term does  
24 not include whole, uncut fresh fruits and vegetables.

- 1     ~~3-6.~~   "Delivery" means the transfer of a cottage food product resulting from a  
2            ~~person-to-person~~ transaction between a cottage food operator and an informed end  
3            consumer.
- 4     ~~4-7.~~   "Farmers market" means a market or group of booths ~~whereat~~ which farmers and  
5            other cottage food operators sell cottage food products directly to consumers.
- 6            ~~5.~~   "Home consumption" means ~~food consumed within a private home or food from a~~  
7            ~~private home consumed only by family members, employees, or nonpaying guests.~~
- 8     ~~6-8.~~   "Food establishment" has the same definition as under section 23-09-01.
- 9            ~~9.~~   "Food requiring time and temperature control for safety" means perishable food that is  
10           not modified in a way to limit the growth of undesirable micro-organisms or toxin  
11           formation.
- 12          ~~10.~~   "Frozen" means a food is maintained at a temperture no greater than zero degrees  
13            Fahrenheit [-17.8 degrees Celsius] or in a solid state.
- 14          ~~11.~~   "High acid foods" or "acidified foods" means foods naturally high in acid or foods that  
15            have been acidified by adding acid or by the action of a culture to reduce the  
16            equilibrium pH to four and six-tenths or below.
- 17          ~~12.~~   "Informed end consumer" means an individual who ~~is the last individual to purchase a~~  
18            ~~cottage food product and has been informed the cottage food product is not licensed,~~  
19            ~~regulated, or inspected~~purchases a cottage food product for noncommercial  
20            consumption and has been informed the cottage food product is produced and  
21            packaged in a noncommercial kitchen and the product is not regulated or inspected by  
22            a state or local health department.
- 23          ~~13.~~   "Misbranded" means any false or misleading labeling of a food product; food offered  
24            for sale under the name of another food; or a food container made, formed, or filled as  
25            to be misleading.
- 26          ~~14.~~   "Safe moisture level" means a level of moisture low enough to prevent the growth of  
27            undesirable micro-organisms in the finished food product. The measurement of  
28            moisture level or water activity at eighty-five hundredths or less is low enough to inhibit  
29            the growth of undesirable micro-organisms.
- 30          ~~7-15.~~   "Transaction" means the exchange of buying and selling directly, person-to-person,  
31            between the cottage food operator and informed end consumer.

1       16. "Undesirable micro-organisms" means yeasts, molds, bacteria, viruses, protozoa, and  
2           parasites, and includes disease-causing pathogens having public health significance  
3           which subject food to decomposition, indicate food is contaminated with filth, or  
4           otherwise may cause food to be adulterated.

5       **SECTION 2. AMENDMENT.** Section 23-09.5-02 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7       **23-09.5-02. Direct producer to consumer sales of cottage food products.**

- 8       1. ~~Notwithstanding any other provision of law, a contrary provision of law regarding the~~  
9           production, packaging, sale, or purchase of a food item, under the terms of this  
10          chapter, a cottage food operator may produce, package, and sell a cottage food  
11          product to an informed end consumer. A state agency or political subdivision may not  
12          require licensure, regulation, permitting, certification, or inspection, packaging, or  
13          labeling that pertains to the preparation, packaging, or sale of cottage food products  
14          authorized for sale and purchase under this section. This section does not preclude  
15          ana state agency or political subdivision from providing assistance, consultation, or  
16          inspection, upon the request, of a producercottage food operator.
- 17       2. ~~TransactionsA transaction of a cottage food product under this sectionchapter must be~~  
18          directly between the cottage food operator and the informed end consumer and be  
19          onlyintended for homenoncommercial consumption. TransactionsA transaction may  
20          occur at a farm, ranch, farmers market, farmroadside stand, home-based kitchen, or  
21          any other venue not otherwise prohibited by law or through deliveryprivate home, in-  
22          person delivery, community event, craft show, county fair, or bazaar, or other similar  
23          event.
- 24       3. ~~TransactionsA transaction under this seetienchapter may not:~~
- 25           a. ~~Involve interstate commerceOccur outside the state; or~~
  - 26           b. ~~Be conducted over the internet or phone; through the mail; or by consignment;~~
  - 27           c. ~~Include the sale of uninspected products made from meat, except as provided~~  
28            ~~under subdivision d; or~~
  - 29           d. ~~Include the sale of uninspected products made from poultry, unless:~~
    - 30               (1) ~~The cottage food operator slaughters no more than one thousand poultry~~  
31                ~~raised by the cottage food operator during the calendar year;~~

- 1                   (2) The cottage food operator does not buy or sell poultry products, except  
2                   products produced from poultry raised by the cottage food operator; and  
3                   (3) The poultry product is not adulterated or misbranded.
- 4           4. Except for whole, unprocessed fruits and vegetables, food prepared by a cottage food  
5           operator may not be sold or used in any food establishment, food processing plant, or  
6           food store.
- 7           5. The cottage food operator shall inform the end consumer that any cottage food  
8           product or food sold under this section is not certified, labeled, licensed, packaged,  
9           regulated, or inspected.
- 10          6. This section does not change any requirement for brand inspection or animal health  
11          inspections.
- 12          7. A cottage food operator shall label all cottage food products that require refrigeration,  
13          such as baked goods containing cream, custard, meringue, cheesecake, pumpkin pie,  
14          and cream cheese, with safe handling instructions and a product disclosure statement  
15          indicating the product was transported and maintained frozen.
- 16          8. A cottage food operator shall display a consumer advisory sign at the point of sale or  
17          place a label on the cottage food product with the following statement:  
18          "This product is made in a home kitchen that is not inspected by the state or local  
19          health department."
- 20          9. The state department of health or a local regulating authority may conduct an  
21          investigation upon complaint of an illness or environmental health complaint. A cottage  
22          food product may be advertised using the internet if the transaction and delivery are  
23          made in person, directly from the cottage food operator to the informed end consumer,  
24          as specified under this section.
- 25          5. A cottage food operator may not sell a cottage food product to an informed end  
26          consumer if the cottage food operator knows the cottage food product is intended to  
27          be used for commercial consumption.
- 28          6. An informed end consumer may not sell a cottage food product or provide the cottage  
29          food product to another person for commercial consumption.

30           **SECTION 3.** A new section to chapter 23-09.5 of the North Dakota Century Code is created  
31 and enacted as follows:

1       **Cottage food products.**

2       The following cottage food products are not authorized for sale under this chapter:

3       1. Meat, wild game, poultry, fish, seafood, or shellfish, or products containing such items.

4       A cottage food operator may sell uninspected raw poultry or shell eggs that are the  
5       product of poultry, if:

6       a. The cottage food operator slaughters no more than one thousand poultry during  
7       the calendar year;

8       b. The cottage food operator does not sell poultry or shell eggs produced from  
9       poultry raised by anyone other than the cottage food operator; and

10      c. The raw poultry product is not adulterated or misbranded.

11      2. Home-processed or home-canned products, unless:

12      a. The products are processed or canned in this state and the products are high  
13      acid foods, such as fruit, or acidified foods, such as salsa, pickles, or vegetables  
14      and the pH level is verified by using a calibrated pH meter; or

15      b. The products have a safe moisture level.

16      3. Food requiring time and temperature control for safety, unless the food is baked or  
17      otherwise meets the requirements under this subsection. A food requiring time and  
18      temperature control for safety which is a cottage food product authorized for sale  
19      under this chapter:

20      a. If transported, must be maintained frozen by the cottage food operator, except for  
21      washed shell eggs, which must be transported and maintained under  
22      refrigeration at forty-five degrees Fahrenheit [7.2 degrees Celsius] or less; and

23      b. Must be labeled in accordance with the requirements of this chapter.

24      4. Dairy, unless properly pasteurized and then only to the extent the dairy is used as an  
25      ingredient in a baked good.

26      5. Garlic in oil.

27      6. Seed sprouts of any variety.

28      7. Cut leafy greens, except for leafy greens grown and dehydrated or blanched and  
29      frozen by the cottage food operator.

30      8. Fresh cut or cooked fruits and vegetables, unless the fresh cut fruits and vegetables  
31      are grown by and are dehydrated by or blanched and frozen by the cottage food

- 1           operator. Fresh cut fruits and vegetables do not include cut fresh tomato or melon,  
2           dehydrated tomato or melon, or blanched and frozen cut melon.  
3        9. Wild-harvested, noncultivated mushrooms.  
4        10. Alcoholic beverages.  
5        11. Animal feed or pet feed, or any products not intended for human consumption.

6        **SECTION 4.** A new section to chapter 23-09.5 of the North Dakota Century Code is created  
7 and enacted as follows:

8        **Cottage food labeling.**

- 9        1. A cottage food operator may not sell an adulterated or misbranded cottage food  
10       product.  
11       2. A cottage food operator shall inform the end consumer the cottage food product is  
12       produced and packaged in a noncommercial kitchen and the product is not regulated  
13       or inspected by a state or local health department.  
14       3. A cottage food operator shall label cottage food that requires time and temperature  
15       control for safety with safe handling instructions and a product disclosure statement.  
16        The safe handling instructions and product disclosure statement must:  
17        a. Appear on the product packaging labeled prominently and conspicuously and in a  
18        legible type size;  
19        b. Include, at a minimum, the zip code of the harvest origin or location of production  
20        and the date of harvest or date of production;  
21        c. Include the phrase "safe handling instructions" in bold capital letters; and  
22        d. Contain the following language:  
23            (1) For baked goods or blanched and frozen fruits and vegetables, "Previously  
24            Handled Frozen for your Protection - Refreeze or Keep Refrigerated."  
25            (2) For raw poultry, "Previously Handled Frozen for your Protection - Refreeze  
26            or Keep Refrigerated. Thaw in a refrigerator or microwave. Keep poultry  
27            separate from other foods. Wash cutting surfaces, utensils, and hands after  
28            touching raw poultry. Cook thoroughly."  
29            (3) For washed shell eggs, "Previously Transported Refrigerated for your  
30            Protection - Keep Refrigerated."

1       4. A cottage food operator shall display a clear, prominent, and legible consumer  
2       advisory sign at the point of sale or place a label on the cottage food product indicating  
3       the "product is made and packaged in a noncommercial kitchen and the product is not  
4       regulated or inspected by the state or local health department."

5       **SECTION 5.** A new section to chapter 23-09.5 of the North Dakota Century Code is created  
6 and enacted as follows:

7       **Brand inspection.**

8       This chapter does not change any requirement for brand inspection or animal health  
9       inspections.