



Protect Farmers and Farmers' Market Vendors from Excessive Fees

The fees associated with health permits impose a significant financial burden on many small farmers and local food producers, who are small businesses with low profit margins. These fees discourage both farmers and value-added food producers from participating in farmers' markets, particularly smaller markets in less affluent areas. The fees thus reduce farmers' markets' long-term viability and the availability of locally produced quality food products.

In 2013, Representative Lois Kolkhorst filed HB 910 to cap the health permit fees imposed on farmers selling directly to consumers and other farmers' market vendors at \$50 annually per jurisdiction. HB 910 was unanimously approved by the Public Health Committee, but was never set for a vote by the Calendars Committee.

Background

The problems with the fees come from several factors:

- 1) **The size of the fee:** Several jurisdictions have started imposing fees of over a hundred dollars to sell at a farmers' market. This is particularly a problem for producers with low profit margins. A farmer or backyard producer selling eggs, for example, often has a profit margin of only 25 or 50 cents on a dozen eggs.
- 2) **Fees for related activities:** Farmers who provide samples of their food to potential customers are frequently required to have a separate permit, with a separate fee, for such activity. For example, one jurisdiction requires a separate permit for producers of baked goods to use bulk cases rather than individually packaging each item.
- 3) **Fees for permits that must be renewed several times a year:** Some local jurisdictions require the permits to be renewed seasonally, or even each week. Not only does this mean a new fee for each renewal, but the producer generally must drive into town to renew in person, spending additional money and time.
- 4) **Fees for location-based permits:** Some jurisdictions require a separate permit for each location at which a farmer sells, or a separate permit for each location on the same day.

Other states exempt farmers selling farm products directly to consumers from **all** fees, including Arizona (ARS § 3-563), Illinois (505 ILCS 70/1), Louisiana (La. R.S. § 3:3673), Minnesota (Minn. Const. Art. XIII, §7), and Washington State (Rev. Code Wash. (ARCW) §36.71090). At least two additional states cap permit fees charged to farmers selling directly to consumers: Maryland (\$100 cap on a statewide permit) and Iowa (\$100 cap on a countywide basis).

Proposed Provisions

The bill would cap the health permit fees imposed on farmers selling directly to consumers and other farmers' market vendors at \$50 per year, per jurisdiction. This bill supports small farms and food businesses, and helps make local foods more available at lower cost.

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