



Support HB 2009/ SB 932

Protect small farmers from excessive fees

SB 932 by Senator Hughes limits the permit fees imposed by local health departments on farmers selling directly to consumers and other farmers' market vendors at \$50 annually per jurisdiction. HB 2009 by Representative Wilson sets the limit at \$100 annually per jurisdiction.

Permit fees impose a financial burden on many small farmers and local food producers, who are small businesses with low profit margins. The fees discourage farmers from participating in farmers' markets, particularly smaller markets in less affluent areas. The fees also discourage value-added and prepared food producers from participating in the markets, thereby reducing the markets' long-term viability.

The problems with the fees come from several factors:

- 1) **The size of the fee:** Several jurisdictions charge fees of two hundred dollars or more 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 cents on a dozen eggs.
- 2) **Fees for related activities:** Farmers who provide samples of their food are frequently required to have a separate permit, with a separate fee. Selling different types of goods often requires multiple permits as well.
- 3) **Fees for permits that must be renewed several times a year:** Some local jurisdictions require the permits to be renewed seasonally, or even every other week, creating significant paperwork burdens. Fees for these permits can run \$2,000 or more per year in total.
- 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).

The Texas Department of State Health Services licenses farmer market vendors under its Temporary Retail Food Establishment, Multiple Events permit, for \$100 per year (it's a two-year permit for \$200). This permit covers participating at any farmers market in the state that is *not* within a local health department's jurisdiction. Local health departments can and should be able to cover their much smaller geographic regions at no greater expense.

HB 2009/ SB 932 provides a reasonable solution by capping the health permit fees imposed on farmers selling directly to consumers and other farmers' market vendors at \$100 per year, per jurisdiction (HB 2009) or \$50 per year, per jurisdiction (SB 932). This supports small farms and food businesses, as well as helping to make local foods more available at lower cost.

HB 2009 and SB 932 are supported by the Texas Local Food and Farm Coalition, Texas Organic Farmers & Gardeners Association, Farm & Ranch Freedom Alliance, the Sustainable Food Center, Food Policy Council of San Antonio, GROW North Texas, and Waller County Farmers & Ranchers Cooperative.

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