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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 134  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 134's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Gross and Humphrey

**Local Impact Statement Procedure Required:** No

Gavin Enseleit, LSC Fellow

### Highlights

- The Department of Agriculture (AGR) will incur costs associated with inspecting microenterprise home kitchen operations. The bulk of these costs are attributable to the creation of 2.5 full-time equivalent (FTE) inspector positions. The total costs will be determined once registration begins and AGR can accurately assess inspection needs.
- A portion of these costs will be offset by the registration and renewal fees created by the bill. It provides for a \$25 annual registration fee, as well as annual and follow-up inspection fees of up to \$75. Additional revenue could be generated through inspection fees and penalties against violators. These fees will be paid into the Food Safety Fund (Fund 4P70).

### Detailed Analysis

The bill requires the Department of Agriculture (AGR) Director to ensure the periodic inspection of home kitchens used for food production and sale under a new microenterprise home kitchen operation (MEHK) registration program overseen by the Division of Food Safety. The bill does not affect cottage food producers. Instead, it expands the types of food permitted to be prepared without needing to acquire a food processing license.

AGR will incur new costs for implementing this new registration program, primarily for staffing needs. To offset these and other related expenses, the bill provides for a \$25 annual registration fee, and a home kitchen inspection fee of up to \$75. (The registration fee is \$12.50 if paid within six months of the renewal date.) Registration and inspection fees and fine revenue would be deposited into the Food Safety Fund (Fund 4P70). Fund 4P70 would also be used to cover the operating expenses of the program.

The new costs AGR will incur under the bill primarily come from the need to hire additional inspectors to conduct inspections of the home kitchen operations of MEHK registrants. This includes the required annual inspection, as well as follow-ups that might be needed. Although the number of individuals that would register under the program is unknown, AGR gave LBO a preliminary estimate that the Department would need 2.5 full-time equivalent (FTE) positions (Food Safety Specialist 1) to carry out home kitchen inspections. The base wage rate for these positions is \$26.72 an hour, meaning that the annual costs for the 2.5 FTEs come out to be approximately \$139,000, excluding fringe benefit costs associated with the new positions, most notably employer health insurance and pension contributions. (For FY 2025, the state's share of providing single coverage under the Ohio Med PPO plan is just under \$8,600 annually. The state's share of retirement is 14% of the employee's salary.) Additionally, AGR reports that there will be an estimated \$34,000 in yearly vehicle cost associated with employee travel. AGR might also need to find more office space and purchase more equipment.

Finally, the Department may incur some administrative expenses for pursuing violations and preparing for appeals under the process outlined in the bill. In particular, the bill authorizes AGR to levy a fine of up to \$75 for food safety violations. However, the fines may be assessed only after an MEHK registrant is given a warning and an opportunity to correct a violation.