

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB699

Patron: Zehr

Bill Title: Food establishment inspection exemptions; private homes and farms.

Bill Summary: Exempts from required food establishment operation inspections any private home or farm where the resident or farmer processes, prepares, or otherwise produces food if such food is (i) sold in person in the Commonwealth to an individual for his own consumption and not for resale or consignment; (ii) sold at the private home or farm; (iii) not offered for sale to be used in or offered for consumption in retail food establishments; and (iv) affixed with a label placed on the principal display panel or, for a product packaging not large enough to bear such a label, offered for sale with a sign displaying the name, physical address, and telephone number of the person preparing the food, the date the food was processed, and the statement "NOT FOR RESALE – PROCESSED AND PREPARED WITHOUT STATE INSPECTION."

Budget Amendment Necessary: No.

Items Impacted: N/A

Explanation: This bill involves the Virginia Department of Agriculture and Consumer Services (VDACS); however, no budget action is required. See Fiscal Analysis section below.

Fiscal Summary: It is anticipated that this bill may result in a fiscal impact to VDACS; however, the potential cost is indeterminate.

Fiscal Analysis: This statement is preliminary. VDACS collects a \$40 annual food safety inspection fee from each firm that is inspected. With 919 currently permitted home food processors, VDACS could see a maximum of \$36,760 in reduced inspection fee revenue should any of these home food processors wish to be exempted per this legislation. The agency is unable to determine the number of firms that would opt in to the exemption.

The Virginia Department of Health does not anticipate any impact from this legislation.

Other: VDACS indicates that this bill may allow for the unregulated sale of meat and poultry products. VDACS currently operates a meat inspection program under a cooperative agreement with the United States Department of Agriculture in the Office of Meat and Poultry Services (OMPS). If Virginia does not operate a meat inspection program with standards equal to the federal requirements, the federal government could cancel the Virginia program. This could result in the loss of federal funding. VDACS receives \$2.6 million in federal funding that supports approximately 50 positions in OMPS.

VDACS also has a separate annual Human Food Inspection contract with the Food and Drug Administration to inspect approximately 200 food manufacturers and food warehouses in Virginia. This bill would create a conflict between these federal regulations and Virginia's program, which could jeopardize VDACS's ability to retain the contract and approximately \$400,000 in annual contract funding that supports approximately three Office of Dairy and Foods positions.