VERMONT LEGISLATIVE
Joint Fiscal Office
1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • https://ljfo.vermont.gov

Fiscal Note

March 13, 2025 Ted Barnett, Senior Fiscal Analyst

H.401 – An act relating to exemptions for food manufacturing establishments

As introduced[1][2]

Bill Summary

This bill would exempt food processors and bakeries with gross receipts of less than $30,000 per year from licensing requirements at the Department of Health (VDH) effective July 1, 2025, increasing the exemption threshold from $10,000 to $30,000 for food processors and from $6,500 to $30,000 for bakeries.

Fiscal Impact

This bill would result in a minimal reduction in revenue for VDH's Food and Lodging Fee Fund. VDH does not collect information about the gross receipts of food manufacturing establishments, making it challenging to assign exact impacts to the various fees that would be amended by the bill. However, both small and large commercial bakeries require an investment in equipment or capital that likely places those establishments above the proposed exemption threshold. In fiscal year 2024, the Fund received approximately $1.48 million in revenue from various food and lodging fees. See Table 1 for VDH data on current food processor licenses.

Table 1: **Food Processor and Bakery Fee Information (Current Law)**

Fee Name	Number of Current Licenses	Fee Amount	Estimated Revenue
Food Manufacturing Establishments; Nonbakeries – Gross Receipts of $10,000 to $50,000	86	$175	$15,050
Food Manufacturing Establishments; Bakeries – Home Bakery	109	$100	$10,900
Food Manufacturing Establishments; Bakeries – Small Commercial	179	$200	$35,800
Food Manufacturing Establishments; Bakeries – Large Commercial	189	$350	$66,150

[1] *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

[2] *The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*