

# House Bill 2805

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for State Department of Agriculture)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act allows an agency to increase certain license fees. (Flesch Readability Score: 61.3).

Makes permanent the authority of the State Department of Agriculture to annually increase license fees for food establishments by up to three percent.

## A BILL FOR AN ACT

1  
2 Relating to food establishment licenses; amending ORS 616.706 and section 45, chapter 64, Oregon  
3 Laws 2012.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 45, chapter 64, Oregon Laws 2012, as amended by section 10, chapter 386,  
6 Oregon Laws 2019, is amended to read:

7 **Sec. 45.** The amendments to ORS 603.025, [*616.706,*] 619.031, 621.072, 621.166, 625.180, 628.240,  
8 632.720 and 635.030 by sections 36 **and 38** to 44, chapter 64, Oregon Laws 2012, become operative  
9 July 1, 2026.

10 **SECTION 2.** ORS 616.706, as amended by section 37, chapter 64, Oregon Laws 2012, and section  
11 2, chapter 386, Oregon Laws 2019, is amended to read:

12 616.706. (1) Except as otherwise provided in ORS 616.695 to 616.755, a person may not operate  
13 a food establishment without first obtaining and thereafter maintaining a license under this section.  
14 A person shall make an application for a license to the State Department of Agriculture on forms  
15 prescribed by the department. Each license shall expire on June 30 next following the date of issu-  
16 ance or on such date as may be specified by department rule.

17 (2) The department may, subject to the applicable provisions of ORS chapter 183, suspend, re-  
18 voke or refuse to issue a license if the licensee has violated any of the provisions of ORS 616.695  
19 to 616.755 or rules adopted under ORS 616.695 to 616.755.

20 (3) A license is personal to the applicant and may not be transferred. A new license is necessary  
21 if the business entity of the licensee is changed, or if the membership of a partnership is changed,  
22 irrespective of whether or not the business name is changed.

23 (4) The license shall cover all operations of the person licensed, under one entity or ownership.  
24 With prior approval of the department, the location of a licensed food establishment, or any part  
25 of a licensed food establishment, may be moved without the requirement of a new license if there  
26 is no change in the ownership or business entity.

27 (5) The license shall be posted in a conspicuous place in the main office of the food establish-  
28 ment. Duplicate copies of the license shall be conspicuously posted in branch offices, warehouses  
29 and other places owned or operated by the licensee at locations other than the main office. A license

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 is automatically canceled if the food establishment ceases or discontinues operations or business.

2 (6) The department may adopt rules establishing license fee schedules for a food establishment:

3 (a) That is part of a domestic kitchen;

4 (b) That is a retail food store;

5 (c) That is a warehouse; or

6 (d) That is other than part of a domestic kitchen, retail food store or warehouse.

7 (7) The department may determine the license fee for a food establishment described in sub-  
 8 section (6)(b) to (d) of this section based upon the gross sales by the applicant. In establishing the  
 9 amount of a license fee based upon gross sales by an applicant, the department shall use the annual  
 10 gross dollar volume of sales of covered operations by that applicant within Oregon during the prior  
 11 calendar year or, if the applicant maintains sales records on a fiscal basis, the prior fiscal year. If  
 12 the applicant applying for an original license or for a renewal license cannot provide the annual  
 13 gross dollar volume of sales of covered operations for a full calendar year, the department shall base  
 14 the fee on estimated annual gross sales of covered operations by the applicant. If an applicant whose  
 15 previous year's fee was determined using an estimated gross sales of covered operations figure ap-  
 16 plies for renewal of that license, the fee for the previous license year shall be adjusted to reflect the  
 17 actual gross dollar volume of sales of covered operations by the applicant.

18 (8) *[The department may not adopt or enforce a rule under this section establishing a license fee*  
 19 *that is higher than the license fee charged for the license year that began July 1, 2025, for an estab-*  
 20 *lishment of the same type and having the same volume of gross sales.]* **Except as provided in this**  
 21 **subsection, the department may not adopt a rule under this section to establish a license fee**  
 22 **that is more than three percent higher than the license fee charged during the preceding**  
 23 **year for a food establishment of the same type and having the same volume of gross sales.**  
 24 **When adopting a rule establishing a license fee, notwithstanding the three percent limit, the**  
 25 **department may round the fee amount to the next higher whole dollar amount.** License fee  
 26 schedules adopted under this section may not change the amount of the same license fee more fre-  
 27 quently than once each year.