

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 7092**

**BILL NUMBER:** HB 1424

**NOTE PREPARED:** Jan 7, 2026

**BILL AMENDED:**

**SUBJECT:** Farm and Homestead Food Sales.

**FIRST AUTHOR:** Rep. Smith H

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill repeals current home based vendor regulations.

*Small Farms and Homestead Vendors:* The bill provides that the Indiana Department of Health (IDOH), a local unit of government, the Health and Hospital Corporation of Marion County, or a local health department may not impose any rules, regulations, certifications, or licensing requirements on a small farm or homestead vendor that are not required under federal law. The bill also permits homestead vendors and small farms to sell various meat products and food.

*Fire Prevention and Building Safety Commission Rules Exemption:* This bill exempts public buildings used by small farms and homestead vendors from certain public building regulations.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *Small Farms and Homestead Vendors:* The bill may initially increase workload for the IDOH to revise any rules, policies, and guidelines which are not required under federal law that govern homestead vendors (previously home based vendors) and small farms. Also, the bill may decrease the number of inspections conducted by the State Fire Marshal on public buildings used by home based vendors and small farms, potentially decreasing workload. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

**Additional Information** - The bill defines a "homestead vendor" as a person that prepares and sells food products from the person's property and from which not more than \$1.5 M in gross sales is received in a single year. It also defines "small farm" as land that is used for growing crops or raising livestock and from which not more than \$1.5 M in gross sales is received in a single year from the livestock products or cultivated or harvested crops. An estimated 90% of Indiana farms have annual sales under \$1 M and could meet the definition of a "small farm" under the bill.

The bill renames "home based vendors" to "homestead vendors" and expands the definition. Currently, home based vendors are exempt from regulations regarding sanitary requirements for food establishments

under IC 16-42-5. This bill expands exemptions to any entity included in the bill’s definition of a “homestead vendor” or “small farm”. The bill further exempts these entities from the food handler regulations under IC 16-42-5.2. In current law, the IDOH may inspect home kitchens, or small farms who are selling goods as a home based vendor in the instance of a complaint, or if the IDOH believes a health hazard exists.

The IDOH has 19 employees in the Food Protection Division. They conduct inspections of food establishments on state property and wholesale food manufacturers and distributors. They also support local health departments with resources and training regarding food establishments.

**Explanation of State Revenues:** *Small Farms and Homestead Vendors:* If additional entities are exempt from regulations of sanitary requirements for food establishments, revenue to the state General Fund from civil penalties could be reduced. Civil penalties range from \$50 to \$1,000 per day per violation.

*Penalty Provision:* Certain food establishment violations and fire and building code violations constitute a Class B misdemeanor. Additionally, certain fire and building code violations may be enhanced to a Level 6 felony under specific conditions. If additional entities are excluded from these regulations, then fewer violations may occur and certain revenue could decrease. However, court data from FY 2017 through FY 2025 do not show any filed or convicted charges under these statutes. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

**Explanation of Local Expenditures:** *Small Farms and Homestead Vendors:* The bill could initially increase workload for local units of government, the Health and Hospital Corporation of Marion County, and local health departments to revise any rules, policies, and guidelines for homestead vendors and small farms. However, the bill is expected to reduce future workload for local health departments as they would no longer need to inspect homestead vendors or small farms in response to a complaint or belief that a health hazard exists.

*Exemption from Fire Safety Laws and Rules:* The bill could also reduce workload for local fire departments, building inspectors, and county prosecutors related to inspections of these entities since the bill provides that public buildings used by homestead vendors and small farms are exempt from certain public building fire safety laws as well as rules adopted by the Indiana Fire Prevention and Building Safety Commission.

**Explanation of Local Revenues:** *Small Farms and Homestead Vendors:* The bill could decrease the number of entities who are registered as food establishments, reducing revenue to local health departments and the Health and Hospital Corporation of Marion County from fees currently received for retail food establishment licenses and civil penalties from violations of regulations. Food establishment licensing fees vary by county. Civil penalty amounts are set in rule by the IDOH and range from \$50 to \$1,000 per day per violation.

*Exemption from Fire Safety Laws and Rules:* The bill could reduce revenue to local units related to civil penalties for certain public building fire safety laws as well as rules adopted by the Indiana Fire Prevention and Building Safety Commission.

*Penalty Provision:* If fewer violations occur as a result of the bill, then certain revenue could decrease. However, court data from FY 2017 through FY 2025 do not show any filed or convicted charges under these statutes. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

*Additional Information:* Some counties set retail food establishment license and permit fees based on the square footage (such as Porter county, ranging from \$250 to \$600), the number of employees (such as Monroe County, ranging from \$165 to \$600), or the category of the establishment type (such as Steuben County, ranging from \$50 to \$100). Fees may be lower for partial year permits, temporary event permits, and limited operations.

**State Agencies Affected:** Indiana Department of Health.

**Local Agencies Affected:** Local health departments, fire departments, building inspectors, trial courts, local law enforcement agencies.

**Information Sources:** [www.in.gov/localhealth/browncounty/files/HBV-2025-2.pdf](http://www.in.gov/localhealth/browncounty/files/HBV-2025-2.pdf);  
[www.nass.usda.gov/Statistics by State/Indiana/Publications/Current News Release/2025/nr2511in.pdf](http://www.nass.usda.gov/Statistics_by_State/Indiana/Publications/Current_News_Release/2025/nr2511in.pdf)  
[in.gov/localhealth/portercounty/files/Indiana-Home-Based-Vendor-Handbook-updated-5.12.25-003.pdf](http://in.gov/localhealth/portercounty/files/Indiana-Home-Based-Vendor-Handbook-updated-5.12.25-003.pdf);  
[www.in.gov/health/food-protection](http://www.in.gov/health/food-protection); Indiana Supreme Court, Indiana Trial Court Fee Manual;  
County Retail Food Establishment Licensing and Permit Fee examples: [Steuben](#), [Monroe](#), [Porter](#);  
IC 16-42-5-7; IC 22-11-17-3; 22-11-17-4.

**Fiscal Analyst:** Zachary Katopodis, 317-234-2106.