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Testimony in support of SB 295
Senate Committee on Health and Human Services
March 25, 2025

Dear Chair Doñate and Members of the Committee,

Thank you for the opportunity to submit written testimony in favor of SB 295. My name is Jennifer McDonald and I am an Assistant Direct of Activism at the Institute for Justice. IJ is a national nonprofit organization that has been advocating for lower barriers to entry for entrepreneurs for over 30 years. I am a national expert on homemade food laws, vending laws, and state and local business licensing and permitting—as well as a native of Elko, Nevada. I am proud to support SB 295 because of the enormous opportunities it will present Nevada’s street vendors.

Nevada’s Cottage Food Law

In Nevada, cottage foods are defined as foods that are made in the home and are not potentially hazardous, meaning they do not need time or temperature control to keep them safe. Some examples include cookies, jams, cakes, and dried herbs. SB 295 would expand that list by adding culturally important foods like chicharones, fresh fruit, and agua frescas to the items that cottage food producers can sell. It would also allow street vendors to use their home kitchens to produce the non-potentially hazardous food items they sell on their carts.

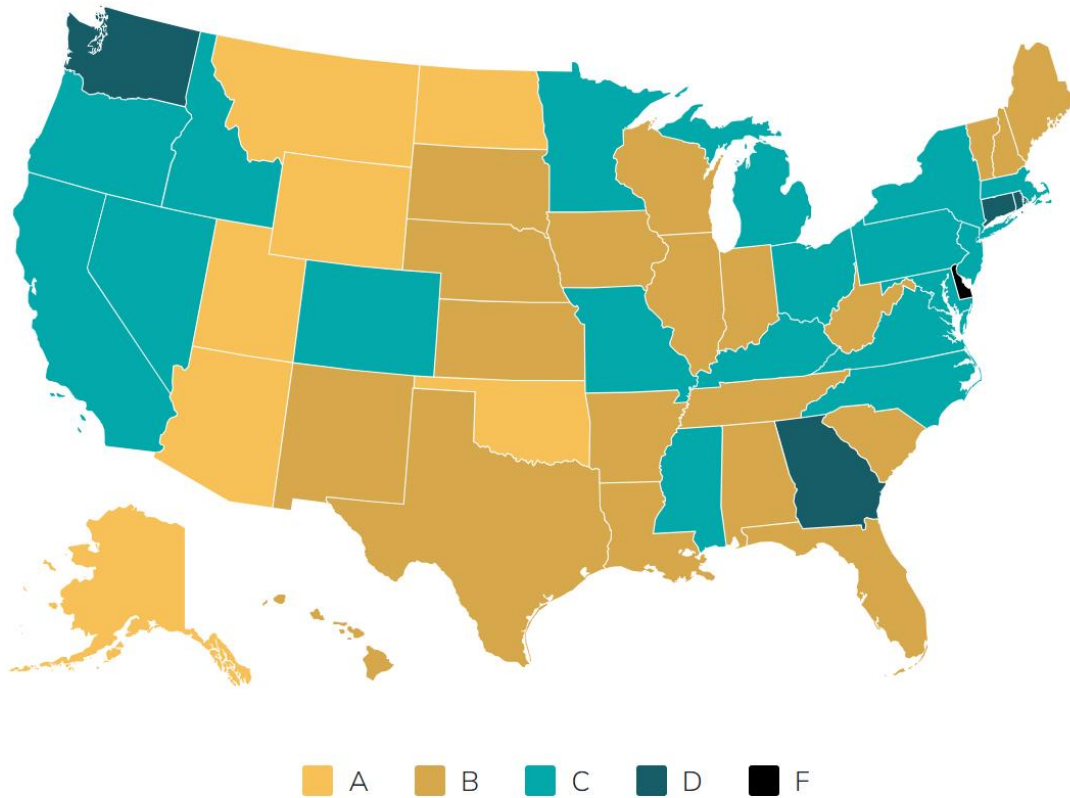
Many other states currently allow an even greater variety of homemade foods to be sold under cottage food laws. Unfortunately, Nevada’s current law is incredibly strict (see Figure 1). My peer-reviewed research shows that when states limit the types of foods that cottage food producers can sell, producers are less likely to expand their business, including to a brick-and-mortar bakery or restaurant.¹ Thus, by expanding the foods that vendors can sell under cottage food laws, Nevada has the opportunity to meaningfully contribute to the economy.

¹ McDonald, J. (2019). The relationship between cottage food laws and business outcomes: A quantitative study of cottage food producers in the United States. *Food Policy*, 84, 21–34. <https://doi.org/10.1016/j.foodpol.2019.01.012>



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Figure 1: IJ's grades for national cottage food laws.



Cottage Foods and Street Vendors

But few states allow cottage foods to be sold by street vendors. By doing so, Nevada would be a national leader in expanding opportunities for vendors and homemade food producers.

California recently adopted legislation that allows street vendors to participate in the state's Microenterprise Home Kitchen Operations (MEHKO) law, which allows people to get their home kitchens inspected and licensed just like a restaurant so that they can sell virtually any homemade food item to the public.² Los Angeles County recently opted into this optional statewide program, and although implementation is too new for us to have data or trends to report, advocates on the

² CA SB 972 (2022). https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB972.



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ground tell me that LA's health department officials have embraced the understanding that selling homemade foods is incredibly safe and is an important option for street vendors.

Unfortunately, California's MEHKO program still places incredibly high regulatory burdens on street vendors, making it difficult for them to afford and navigate the MEHKO licensing process. In contrast, SB 295 strikes the right balance between keeping the public safe and increasing access to this important economic opportunity. Vendors will be able to use their home kitchens to produce non-potentially hazardous foods for sale, thus bypassing the need to secure a commercial kitchen space or to get their home kitchen licensed as a full-service restaurant.

Cottage Foods are Safe

Cottage foods are just as safe as foods produced in commercial kitchens. In 2023, I conducted a study where I spoke with every single state and local health department in each of the seven states that, at the time, allowed the sale of virtually any homemade food—not just the non-potentially hazardous foods that SB 295 would allow vendors to produce at home. I found no confirmed cases of foodborne illness linked to foods sold under the homemade food laws in these states, which included California, Iowa, Montana, North Dakota, Oklahoma, Utah, and Wyoming. This was true even in Wyoming, which has permitted the sale of homemade perishable foods since 2015. See the attached handout for detailed information about this study.³

Furthermore, allowing the legal sale of homemade foods increases traceability and accountability. SB 295 requires vendors to use the same labeling that Nevada currently requires of cottage food producers, which includes a disclaimer that the food item was not produced in a government-inspected facility. Producers know they are buying local, homemade foods, and often that is the very reason that they choose to support the producer.

Vendors Do Not Pose Unfair Competition to Restaurants

Often, restaurant owners fear what they see as “unfair” competition from mobile food vendors, arguing that these businesses encounter fewer regulatory hurdles and enjoy more flexibility than brick-and-mortar establishments. While this is true—mobile vending and restaurants are entirely different business models—it does not mean that mobile businesses unfairly threaten their stationary counterparts.

Our 2022 study of food trucks and restaurants found that food trucks do not cause restaurants to go out of business or otherwise hurt the industry. Between 2005 and 2016, when the food truck industry really took off, the restaurant industry continued to grow. In fact, our research suggests that food trucks may actually complement the restaurant industry. While not a causal relationship,

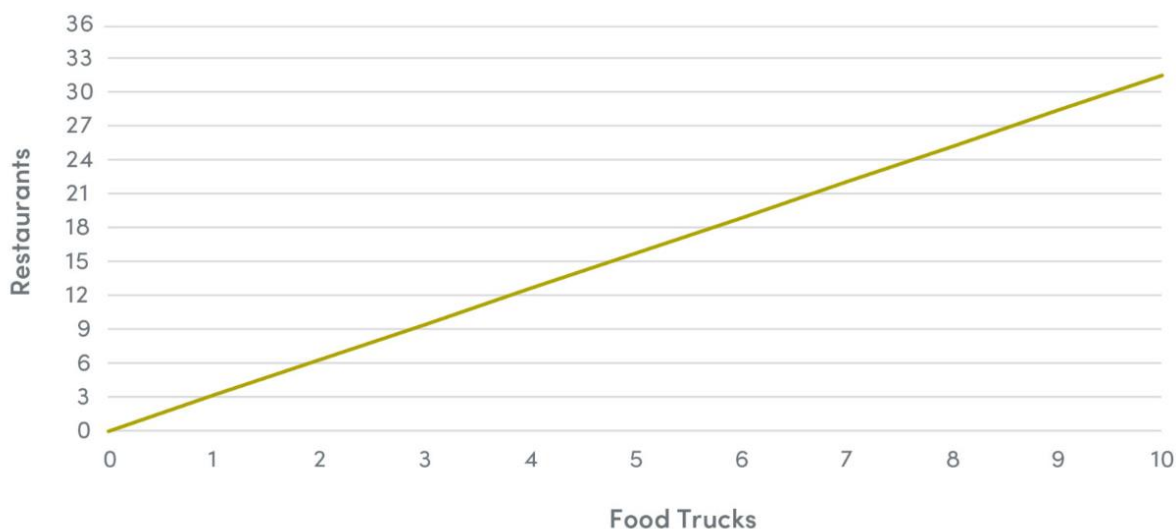
³ Ewing, E.S. & McDonald, J. (2023, Sept. 6). *New data show homemade food for sale is incredibly safe*. Arlington, VA: Institute for Justice. <https://ij.org/report/new-data-show-homemade-food-for-sale-is-incredibly-safe/>.



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our statistical analysis found that an increase in one new food truck is significantly correlated with three new restaurants (see Figure 2).⁴ While SB 295 applies to street vendors, not food trucks, the principle is the same: Restaurants need not fear competition from mobile vendors and when one business succeeds, other businesses and entire communities also benefit.

Figure 2: Number of restaurants per number of food trucks in a given county, 2005-2016



Conclusion

There is considerable demand for this reform. Nevadans value the ability to purchase food in their community from their neighbors. After all, there's nothing like a homemade snack.

The Institute for Justice is a national nonprofit advocacy organization that supports cottage food, vending, and local permitting reforms across the country. We have helped expand cottage food laws in over half of states, and worked with street vendors in cities and states across the country to advocate for more opportunity and flexibility for their businesses. Furthermore, our Cities Work initiative partners with cities across the country to identify and rectify regulatory barriers to entrepreneurship, with the goal of making it cheaper, faster, and simpler for everyone—but especially individuals of modest means—to start the small business of their dreams.⁵

⁴ Carpenter, D.M. & Sweetland, K. (2022, Feb. 10). *Food truck truth: Why restaurants—and cities—have nothing to fear from mobile food businesses*. Arlington, VA: Institute for Justice. <https://ij.org/report/food-truck-truth/>.

⁵⁵ See: www.citieswork.org.



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SB 295 will expand opportunities for street vendors and bring economic benefits for local communities. With little to no documented health risks associated with homemade foods and strong consumer demand for locally produced goods, SB 295 supports economic growth, food accessibility, and entrepreneurship. The Institute for Justice urges the committee to support this bill and continue fostering a thriving street vending industry in Nevada.

Sincerely,

Jennifer McDonald
Assistant Director of Activism
Institute for Justice
(703) 559-0262
jmcdonald@ij.org

ARLINGTON AUSTIN BELLEVUE CHICAGO MIAMI MINNEAPOLIS TEMPE

901 N. Glebe Road, Suite 900 Arlington, VA 22203 (703) 682-9320 (703) 682-9321 Fax
general@ij.org www.ij.org