



Board Agenda Item 44

DATE: July 14, 2026

TO: Board of Supervisors

SUBMITTED BY: Joe Prado, Director, Department of Public Health

SUBJECT: Adoption of Amendment to Title 8 of the Ordinance Code of Fresno County, Adding Chapter 8.51 "Microenterprise Home Kitchen Operations"

RECOMMENDED ACTION(S):

Conduct second hearing and adopt the proposed Ordinance amending Fresno County Ordinance Code, Title 8 Health and Safety, to add Chapter 8.51 Microenterprise Home Kitchen Operations, to be effective January 1, 2027, and waive reading of the Ordinance in its entirety.

The first hearing to approve the proposed amendment and addition to Title 8 Health and Safety was held on June 30, 2026. Approval of the recommended action would add Chapter 8.51 "Microenterprise Home Kitchen Operations" to Title 8 Health and Safety to allow new economic opportunities for home cooks, expand local food options, and provide easier entry into the retail food business. A microenterprise home kitchen operation (MEHKO) is a new type of retail food facility that is operated by a resident in their private dwelling where food is stored, handled, prepared, and potentially served to consumers. AB626 and AB377 introduced MEHKOs as a new opportunity for a legal pathway into food service and allowed counties full jurisdiction to authorize MEHKOs to operate within the county. This ordinance will allow for a 2-year pilot project to determine the full feasibility and benefit of introducing a MEHKO program. There is no additional Net County Cost associated with the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board choose not to approve the recommended action, the County would continue without an ordinance to allow MEHKOs to be introduced into the County of Fresno.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The Department of Public Health (DPH) will incur costs associated with the inspection and regulation of MEHKOs; however, these costs will be offset by permit fees. If approved by your Board, DPH will return with an amended Master Schedule of Fees to recover the full cost of providing these services.

DISCUSSION:

On June 30, 2026, your Board conducted the first hearing to amend Title 8, Health and Safety, of the Ordinance Code of Fresno County and add Chapter 8.51 "Microenterprise Home Kitchen Operation" to allow a new type of retail food facility to be operated by a resident within their private dwelling where food is stored, handles, prepared, and potentially served to consumers.

During the First Hearing your Board approved as recommended with the inclusion of an additional

unannounced inspection initiated by the County Department of Public Health, if allowed by State law, and direct staff to ensure that sales tax from microenterprise home kitchen operations is collected, if legally due.

The Department and County Counsel have reviewed State law and have concluded:

- 1) The Department can require a sales tax permit (Seller's Permit) when applicable as a requirement for a MEHKO consistent with the proposed ordinance. The Department will collect the application and all the required documentation. Upon a successful site inspection, a permit will be issued and a Seller's Permit must be provided within 90 days of issuance of a permit. If a Seller's permit is not provided the Department will revoke the MEHKO permit. Once a permit holder is revoked, they cannot reapply for a year. The Department will provide the applicant the California Department of Tax and Fee Administration as contained in the link Dining and Beverage Industry (<<https://cdtfa.ca.gov/formspubs/pub22.pdf>>) for guidance on how to apply. The Department will explain to the applicants the process and risks to applicants if they do not obtain a Seller's Permit within 90 days of being issued a permit. The Department in its community wide education will describe this requirement.
- 2) State law prohibits more than one routine inspection within a 12-month period thus the request could not be included in the proposed ordinance.

On September 18, 2018, Governor Jerry Brown signed Assembly Bill (AB) 626 (effective January 1, 2019) amended the California Health and Safety Code to include MEHKOs as a new type of retail food facility. The bill also established requirements for internet food service intermediaries (IFSI), which facilitate the sale of home cooked consumables through an internet or mobile platform. MEHKO operators may use IFISIs to advertise and sell their food. IFISIs are required to obtain a registration from the California Department of Public Health - Food and Drug Branch prior to advertising or promoting MEHKOs on their internet website or mobile application.

If enacted into County Ordinance, MEHKOs will provide low barrier pathways to create income and small business development, expand food access and cultural diversity, and allows DPH to permit and inspect homes and food sales previously unregulated. The County of Fresno's proposed approval of the amended Ordinance to opt in to a MEHKO pilot program will place the requirement of certain enforcement actions (e.g., code enforcement or noise complaints) upon the city jurisdictions where the MEHKO is located.

On February 15, 2024, DPH received a grant award notification from the California Conference of Directors of Environmental Health (CCDEH) in the amount of \$155,451.75. The grant award was brought before the Board and approved on June 18, 2024. The grant funding was to be used for direct support in planning for and/or implementing a MEHKO program, including program development, public outreach, staff training, offsetting permit fees and enforcement. These funds were not contingent upon the Board adopting a MEHKO ordinance. The MEHKO grant funds have been extended through August 31, 2026, as counties throughout California are still researching the impact of MEHKOs on existing Environmental Health Divisions. As of March 2026, only 18 of the 62 jurisdictions in California have opted into a MEHKO program.

MEHKOs would require additional oversight from DPH and County Code Enforcement staff, including those from the individual city jurisdiction in which the MEHKO is located. DPH oversight includes, but is not limited to, California Retail Food Code Enforcement, food safety, review of daily and weekly meals served, gross annual income verification, and investigation of foodborne illness complaints. County Code Enforcement oversight would include responses to nuisance complaints.

Approval of the recommended Fresno County Ordinance would introduce a 2-year MEHKO pilot program for DPH's Environmental Health (EH) Division to determine the true impact of a new MEHKO program, evaluate the demand, safety outcomes, and administrative cost. DPH would recommend a ramp-up period to provide community education and training and to prepare the inspection processes and workflow with an official pilot start date of January 1, 2027. Without further Board action to enact a permanent MEHKO program, the pilot program will sunset as of December 31, 2028.

On October 7, 2019, AB 377 introduced minor changes to AB 626 and granted counties full discretion to authorize MEHKOs within their jurisdiction. This bill limited MEHKOs to selling no more than 30 meals per day and no more than 60 meals per week and placed a cap of \$50,000 on gross annual sales.

On July 21, 2023, AB 1325 went into effect, increasing the cap on meal sales to 90 per week and gross annual sales to \$100,000 (*adjusted annually based on the California Consumer Price Index*). Additionally, the bill defines a “meal” as the amount or quantity of food that is intended to be consumed by one customer in one sitting. A meal may include one or more of any of the following: main dish, appetizers, side dishes, beverages, baked goods, and desserts.

If the Ordinance is approved, the Department’s Master Schedule of Fees will require updates, with approval from your Board, to include MEHKO permit fees to cover the estimated cost to inspect and permit these new facilities.

With your Board’s approval, the ordinance will take effect January 1, 2027.

REFERENCE MATERIAL:

BAI 14, June 30, 2026

BAI 62, June 18, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

Ordinance (Chapter 8.51)

Additional Information

CAO ANALYST:

Ronald W. Alexander, Jr.