



Combination Facilities

The purpose of this guidance is to provide an overview of the Memorandum of Understanding (MOU) accepted by the Oregon Department of Agriculture (ODA) and Oregon Health Authority (OHA) through the County Health Department and applicable to combination facilities.

What is a combination facility?

Combination facilities are food establishments that conduct activities subject to both ODA and County Health Department licensing. ODA licenses and inspects firms including grocery stores, wineries, breweries, food processors, and bakeries. County Health Departments license and inspect restaurants or other venues serving food for immediate consumption.

Examples of combination facilities include:

- Markets with food service or onsite dining
- Bakeries with food service or onsite dining
- Wineries that offer restaurant service in addition to brewing alcoholic beverages
- Restaurants that sell packaged foods for later consumption

Who licenses combination facilities?

In nearly all cases, only one agency – either ODA or the County Health Department – will license and inspect a combination food establishment. The predominant activity determines which agency will have the statutory authority and responsibility to license and inspect the establishment. ODA and Oregon Health Authority have agreed to the single-agency approach in a Memorandum of Understanding (MOU) that has been in place since 1986 and recently updated.

The MOU states that to determine which agency licenses and inspects an establishment, ODA and local County Health Department evaluate whether the predominant activity is food preparation for immediate consumption or food preparation and sale for later consumption. Depending on the determination, the county and ODA will refer the business to the appropriate regulatory agency. If the combination facility disagrees with the regulatory agencies' determination, the firm may contest the authorities by demonstrating predominant activities with annual gross sales records (OAR 333-158-0000).

There are some special cases where both agencies may license and inspect a combination facility. For example, if a restaurant is preparing pickled foods for wholesale, the county would license and inspect the restaurant and ODA would license and inspect the manufacturing of the pickled foods (acidified) for wholesale.

What if my activities change over time?

Many food establishments change and grow over time. For instance, if food service becomes a predominant activity at an ODA-licensed firm, ODA and the county may agree that the establishment should be transferred to the county for licensing.

Questions?

Find your local Food Safety Inspector at: <http://go.usa.gov/xgk4J>



License fees from Oregon Department of Agriculture and County Health Departments

Oregon Department of Agriculture (ODA) license fees

Oregon Department of Agriculture food safety license fee amounts are based on:

- License type
- Gross annual sales of the establishment

For example,

- The annual retail food establishment license fee is \$135.00 for a firm with gross annual sales between \$5,001 and \$50,000.
- The annual food processing establishment license fee is \$325.00 for a firm with gross annual sales between \$5,001 and \$50,000.

ODA food safety license fees cover the period of July 1 to June 30 each year. The Oregon Legislature sets the maximum fee amount that ODA can charge for a food safety license.

A full license fee schedule for all license types and gross annual sales ranges is available online:

<http://bit.do/FeeSchedule>

County Health Department license fees

County Health Department restaurant license fee amounts are generally based on the number of seats in the restaurant. For example, the annual license fee for a restaurant with 16-50 seats in Marion County is \$480.00.

County Health Departments may also charge a fee for plan reviews for a new establishment. For example, the fee for a plan review of a new restaurant is \$510.00.

If an establishment has already been licensed by ODA and undergone a plan review process by ODA, and the establishment is then transferred to the County Health Department due to a change in predominant activity, the County Health Department may waive the plan review fee and consider ODA's plan review adequate.

Why the cost differences between ODA and county license fees? And why do counties charge for some services such as plan reviews and variances while ODA does not?

ODA receives General Fund from the state of Oregon that partially funds its work, while some counties may be required to achieve 100% cost recovery from license fees.

ODA can spread administrative costs over all of its programs, including programs that charge license fees. It is an economy of scale that is difficult for counties to match because they have a smaller number of licensees.

ODA does not currently charge for plan reviews or variances because (1) the agency does not have the statutory authority to charge for these services and (2) stakeholders have indicated they prefer for ODA to provide this service as part of the cost of having a license.