



AGENDA MEMORANDUM

Action item for the City Council Meeting June 23, 2026

DATE: June 23, 2026

TO: Peter Zanoni, City Manager

FROM: Dr. Anita K. Kurian, Director of Public Health
anitak@corpuschristitx.gov
361-826-7202

Resolution Authorizing an Interlocal Agreement with DSHS for Mobile Food Vendor Inspections and Complaint Investigations with Corpus Christi-Nueces County Public Health District from July 1, 2026 – August 31, 2027.

CAPTION:

Resolution authorizing an interlocal agreement with the Department of State Health Services (DSHS) for the Corpus Christi–Nueces County Public Health District to perform mobile food vendor inspections and complaint investigations from July 1, 2026, to August 31, 2027, with the option to extend for an additional 4 years for a maximum contract length of 5 years.

SUMMARY:

House Bill 2844 (89th Legislature), the “Food Truck Freedom Bill,” establishes a single statewide health permit for mobile food vendors and shifts permitting and inspection authority from local jurisdictions to the State of Texas, effective July 1, 2026. This resolution authorizes an interlocal agreement with DSHS under Texas Government Code Chapter 791 and Texas Health and Safety Code Chapters 437 and 437B for CCNCPHD to conduct mobile food vendor inspections and complaint, monitoring, and compliance investigations within its jurisdiction, as assigned by DSHS, from July 1, 2026, through August 31, 2027.

Under the contract, DSHS will reimburse the City on a fee-for-service basis at unit rates per inspection type, with total reimbursements not to exceed \$106,517 for the initial term, and DSHS may, at its sole discretion, extend the agreement for up to four additional one-year terms. The resolution also authorizes the City Manager, or designee, to execute the contract and any documents required to implement future extensions consistent with the agreement.

BACKGROUND AND FINDINGS:

House Bill 2844, known as the Food Truck Freedom Bill, creates a single statewide health permit and uniform regulatory framework for mobile food vendors, eliminating separate

city and county mobile food health permits and associated duplicative inspections as of July 1, 2026. Under Texas Health and Safety Code Chapter 437B and related rules in 25 Texas Administrative Code Chapters 226, 228, and 229, DSHS will license mobile food vendors statewide and is responsible for mobile food vendor inspections and enforcement unless those activities are delegated to local governments by contract.

Beginning July 1, 2026, mobile food vendors operating in Corpus Christi and Nueces County will obtain their mobile food vendor licenses directly from DSHS and will be assigned to CCNCPHD for inspection only if the City and DSHS enter into an interlocal cooperation contract. Under the proposed contract, the CCNCPHD will:

- Conduct routine, randomized inspections of each licensed mobile food vendor within the DSHS-designated jurisdiction on at least an annual basis.
- Perform pre-licensing inspections within timeframes established by DSHS (generally within five business days of assignment to meet the statutory 14-day requirement).
- Conduct complaint, monitoring, and compliance inspections within three business days of assignment, using DSHS forms, software, and standard operating procedures.

CCNCPHD inspectors must meet credentialing and training requirements specified by DSHS (such as Registered Sanitarian or equivalent food safety credentials) and will submit inspection reports, photographs, and supporting documentation to DSHS within three business days of inspection completion through the DSHS inspection and licensing system. Participation includes responding to DSHS-assigned foodborne illness investigations and testifying in administrative or civil enforcement proceedings as requested.

At present, the City charges \$258 per mobile unit permit, and approximately 270 units generate an estimated \$69,660 annually; these fees include inspection costs. Once HB 2844 takes effect and state licensing replaces local mobile unit health permits, DSHS will collect statewide licensing fees and reimburse the City for completed inspections based on the unit rates in the contract. The City will no longer issue or collect separate mobile food health permits but will retain authority under other ordinances (such as zoning, right-of-way, and fire code provisions) that are not preempted by HB 2844.

Without an interlocal cooperation contract, DSHS would retain full responsibility for mobile food vendor inspections and compliance activities, and CCNCPHD would no longer conduct those inspections. Entering this contract allows the City to maintain local oversight of mobile food vendor operations, align with statewide standards, and ensure timely local response to complaints and public health risks.

ALTERNATIVES:

If the City does not enter into an interlocal agreement with DSHS, mobile food vendor licensing, inspections, and complaint investigations in Corpus Christi and Nueces County would be conducted directly by DSHS, subject to its staffing and statewide priorities. In that scenario, CCNCPHD would not perform mobile food vendor inspections or complaint investigations, and the City would have reduced local control over inspection scheduling, complaint response, and coordination with other local regulatory agencies.

FISCAL IMPACT:

Under the proposed contract, DSHS will reimburse CCNCPHD on a fee-for-service basis, with total payments not to exceed \$106,517 for the period July 1, 2026, through August 31, 2027. Reimbursements are based on unit rates by inspection type and mobile food vendor classification, including:

- \$250 per inspection for Type I mobile food vendors
- \$350 per inspection for Type II mobile food vendors
- \$400 per inspection for Type III mobile food vendors
- The same unit rates by mobile food vendor type for complaint investigations and monitoring/compliance inspections.

Payments will be made monthly upon submission of detailed invoices that list each inspection performed, including establishment name, file number, date, type of inspection, and address. Total annual reimbursement will depend on the number and type of inspections assigned and completed; the “not to exceed” amount is a ceiling rather than a guaranteed funding level. Existing CCNCPHD environmental health staff are expected to absorb the mobile food vendor’s workload under this contract without adding new positions, and the reimbursement is anticipated to cover staff time and related operating costs for these inspections. For FY 2026, the expected revenues will be \$26,629.25, to the Health Dept General Fund.

FUNDING DETAIL:

Fund: 1020 General Fund
Organization/Activity: 12641 Environmental Health Inspect
Department: 44 Health Department
Project # (CIP Only): N/A
Account: 309590 Food Service Permits
Amount: \$26,629.25

RECOMMENDATION:

Staff recommends approval of a resolution authorizing the interlocal agreement with the Texas Department of State Health Services for mobile food vendor inspections and complaint, monitoring, and compliance investigations, and authorizing the City Manager, or designee, to execute the contract and any documents necessary to implement future extensions consistent with the contract terms.

LIST OF SUPPORTING DOCUMENTS:

Resolution
DSHS Contract
Presentation