

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 969 (Chairman, Environmental Matters)
 (Departmental - Agriculture)
Environmental Matters

Maryland Egg Law

This departmental bill relates to the regulation of shell eggs by the Maryland Department of Agriculture (MDA). The department is authorized to regulate treated eggs and impose civil penalties for violations of the Maryland Egg Law. The bill also clarifies current law and codifies current practice with respect to the regulation of eggs.

Fiscal Summary

State Effect: Potential increase in special fund revenues related to the bill's penalty provision. Any such increase cannot be estimated at this time but is not anticipated to be significant. MDA could handle the bill's requirements with existing budgeted resources.

Local Effect: The bill would not materially affect local operations or finances.

Small Business Effect: The MDA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The bill modifies the term "shell eggs" to mean raw or treated chicken eggs that are still in the shell and intended for human consumption. The bill repeals the requirement that the State standards for quality of individual or grades of shell eggs must be the same as those of the U.S. Department of Agriculture (USDA) and requires the Secretary of Agriculture to establish standards. The bill prohibits a person from donating, selling, advertising, offering, or in any manner representing for sale shell eggs

to any consumer unless the shell eggs meet those standards. The bill clarifies current law by prohibiting the donation of shell eggs to any person unless the shell eggs meet standards of quality, grade, and size classification. The bill codifies current practice by requiring that all shell eggs be stored, displayed, and transported in a refrigerated area where the temperature meets the standard established by the Secretary.

The bill authorizes the Secretary to adopt voluntary rules and regulations that require special conditions of production and processing for shell eggs. The bill also provides that terms approved for special grades or conditions of production and processing for shell eggs may be used in addition to the applicable grade and size designation for shell eggs that comply with regulations established by the Secretary. The bill codifies current practice by amending current law to provide that, as a condition precedent to sale, any person who desires to pack special grades for sale must register with the Secretary and pay a reasonable fee.

The bill codifies current practice by repealing the use of the term “Maryland fresh” and provides that the term “fresh” may not be used for eggs that have been treated by a process that alters shell eggs. The bill also provides that any shell eggs not properly labeled shall be presumed to meet the Grade A standard for the quality of shell eggs. The bill prohibits a person from donating, selling, offering for sale, or delivering any shell eggs that are not labeled according to regulations adopted by the Secretary.

The bill authorizes the Secretary to impose a civil penalty of not more than \$5,000 instead of, or in addition to, issuing a stop sale order or revocation of a registration. The bill requires the Secretary to adopt regulations to implement the penalty provision. Any penalties collected must be paid into the existing Egg Law Fund.

Current Law: “Shell eggs” means raw eggs produced by chickens for human consumption. The State standards for the quality of individual or grades of shell eggs shall be the same as those of the USDA. No person may sell, advertise, offer, or in any manner represent for sale shell eggs to any person unless the eggs meet those standards. The Secretary may adopt rules and regulations limiting the use of any term used when shell eggs are offered or exposed for sale, sold, or advertised except grade or size or weight classifications provided by statute.

The Secretary may establish for use on a voluntary basis special grades of shell eggs produced in the State that are of a standard superior to USDA Grade A shell eggs. The Secretary may adopt rules and regulations prescribing and defining quality and size standards, and establishing special tolerances for the grade of shell eggs, requiring any person who desires to pack special grades for sale to register annually with the Secretary and pay a reasonable fee, and devising and charging reasonable fees for seals or other

appropriate identifying insignia. Any shell eggs not designated as USDA Grade B shall be presumed to be USDA Grade A in allowing tolerance for quality. All fees collected under the Maryland Egg Law must be credited to the Egg Law Fund. The fund must be used to partially defray the expenses of administering the law.

Background: Due to increased consumer concern and outbreaks of food-borne illness related to shell eggs, new processes to eliminate bacterial contamination of shell eggs have been developed. Inspections conducted by MDA, however, have indicated that some of the new products on the market are mislabeled and/or contain inedible eggs. According to MDA, failure to regulate treated eggs could result in a public health threat.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Legislative Services

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