

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

House Bill 527 (Delegate Cardin)  
Health and Government Operations

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Olive Oil - Standards for Sale in State

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This bill requires that olive oil sold in the State meet standards set by the Secretary of Health and Mental Hygiene which conform to those established by the International Olive Council (IOC). The Secretary may seize any olive oil that does not meet set standards, and violators are subject to civil and criminal penalties.

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Fiscal Summary

**State Effect:** Potential minimal increase in general fund revenues and expenditures beginning in FY 2010 due to the bill's application of existing civil and criminal penalty provisions. The Department of Health and Mental Hygiene can develop regulations, conduct inspections as part of its regular manufacturing facility inspections, and test a limited number of olive oil samples with existing resources.

**Local Effect:** Potential minimal increase in revenues and expenditures due to the bill's criminal penalty provisions. Local health departments can handle the bill's requirements as part of their regular food service facility inspections, although workloads increase minimally with the added inspection responsibility.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** State law does not specifically address olive oil standards. The Health-General Article sets standards for a limited number of foods to protect the public's health. For example, raw milk sold by a milk producer has to be obtained by the

complete milking of a healthy cow or goat; unadulterated, whole, and unadjusted; and practically free of colostrum.

Food establishment licensees that violate any laws regulating the industry are guilty of a misdemeanor and on conviction are subject to fines of up to \$1,000 and/or up to 90 days imprisonment for a first violation. For a second violation, the maximum penalty is a \$2,500 fine and/or one-year imprisonment. In addition, violators are subject to civil penalties of up to \$5,000, collected by the District Court for any county, and may be enjoined from continuing the violation.

**Background:** IOC is an intergovernmental organization that adopts rules and standards for olives and olive oils, coordinates production, and ensures product authenticity. The United States is not a member of the council, and the U.S. Department of Agriculture (USDA) does not recognize its classifications.

In 2004 the California Olive Oil Council petitioned USDA to revise its olive oil standards, set in 1948, to make them consistent with IOC. USDA set forth proposed standards for comment in the federal register in June 2008.

California passed a law in 2008 conforming olive oil labeling and grades with IOC, and Connecticut recently enacted regulations to do the same. The goal is to ensure that the olive oil that consumers purchase does not contain other less expensive oils.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene, Department of Legislative Services

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