

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 311 (Senator West)
 Education, Energy, and the Environment and
 Budget and Taxation

**Agriculture - Maryland Food and Agricultural Resiliency Mechanism Grant
 Program - Expansion**

This bill expands the purpose of the Maryland Food and Agricultural Resiliency Mechanism Grant Program (MD FARM) administered by the Maryland Department of Agriculture (MDA) to include support for “qualified nonprofit organizations.” It also establishes the Maryland Food and Agricultural Resiliency Operating Fund, a new special fund administered by MDA, to provide grants to qualified nonprofit organizations for operational costs associated with supplying agricultural food products to the State’s food banks and charitable emergency food providers. For fiscal 2026 and each fiscal year thereafter, the Governor must include in the annual budget bill an appropriation of \$1.0 million to the operating fund. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: No effect in FY 2025. General fund expenditures increase by \$1.0 million annually beginning in FY 2026 due to the mandated appropriation. Special fund revenues and expenditures increase correspondingly. **This bill establishes a mandated appropriation beginning in FY 2026.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
SF Revenue	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
GF Expenditure	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
SF Expenditure	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net Effect	\$0	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: “Qualified nonprofit organization” means a nonprofit organization that operates a farm or community garden in the State that (1) operates on at least 250 acres; (2) grows between 2.0 million and 3.0 million pounds of produce annually; (3) supplies agricultural food products exclusively to the State’s food banks and charitable emergency food providers at no cost; and (4) is conserved in a land conservation program.

The Maryland Food and Agricultural Resiliency Operating Fund is a special, nonlapsing fund that consists of money appropriated in the State budget to the operating fund and any other money from any other source accepted for the benefit of the operating fund.

Current Law: Chapter 480 of 2022 established MD FARM, administered by MDA, to build food system resiliency by leveraging Maryland agricultural products and services to support the State’s food banks and charitable emergency food providers to alleviate food insecurity.

Chapter 480 also established the MD FARM Fund, a special fund administered by MDA, which consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. The Governor must include \$200,000 in the annual budget bill for the MD FARM Fund. The fund must be used to provide grants to food banks and charitable emergency food providers for (1) the procurement of surplus, seasonal, or contractual agricultural food products; (2) the processing and preparation of agricultural food products for distribution; and (3) the transportation of agricultural food products. A food bank or charitable emergency food provider may use grant money only for food products and services sourced from the State.

State Fiscal Effect: General fund expenditures increase by \$1.0 million annually beginning in fiscal 2026 due to the bill’s mandated appropriation to the Maryland Food and Agricultural Resiliency Operating Fund. Special fund revenues and expenditures increase correspondingly, reflecting receipt of the mandated appropriation and spending from the operating fund as grants are made to qualified nonprofit organizations.

MDA can administer the new fund with existing staff.

Additional Comments: MDA advises that one nonprofit organization in the State may meet the bill’s definition of qualified nonprofit organization.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

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

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km/lgc

Analysis by: Amberly E. Holcomb

Direct Inquiries to:
(410) 946-5510
(301) 970-5510