

(PRE-FILED)

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By: **Chairman, Environmental Matters Committee (Departmental -  
Agriculture)**

Requested: October 26, 2001

Introduced and read first time: January 9, 2002

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Egg Law**

3 FOR the purpose of altering the definition of the term "shell eggs" to include certain  
4 treated eggs; including donated eggs under certain regulations; prohibiting a  
5 person from donating, selling, offering for sale, advertising, or delivering certain  
6 eggs; requiring the Secretary of Agriculture to establish certain standards;  
7 establishing certain refrigeration requirements; authorizing the Secretary to  
8 establish certain voluntary standards and repealing the Secretary's  
9 authorization to adopt certain regulations; authorizing the Secretary to impose  
10 certain civil penalties and to adopt certain regulations, and providing for the  
11 payment of these penalties into a certain fund; defining a certain term; making  
12 certain technical changes; and generally relating to the regulation of shell eggs  
13 under the Maryland Egg Law.

14 BY repealing and reenacting, with amendments,  
15 Article - Agriculture  
16 Section 4-301, 4-302, 4-303, 4-305, 4-306, 4-307, and 4-308  
17 Annotated Code of Maryland  
18 (1999 Replacement Volume and 2001 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article - Agriculture  
21 Section 4-304, 4-309, 4-310, 4-311, 4-311.1, 4-311.2, 4-311.3, 4-311.4, 4-311.5,  
22 4-311.6, 4-311.7, and 4-312  
23 Annotated Code of Maryland  
24 (1999 Replacement Volume and 2001 Supplement)

25 BY adding to  
26 Article - Agriculture  
27 Section 4-305.1 and 4-311.8  
28 Annotated Code of Maryland

1 (1999 Replacement Volume and 2001 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - Agriculture**

5 4-301.

6 (a) In this subtitle the following words have the meanings indicated.

7 (b) "Consumer" means any person who purchases or otherwise acquires shell  
8 eggs for household consumption.

9 (c) "Packer" means any person who places shell eggs in the original case,  
10 carton, or container that is used to hold eggs for distribution or sale to a consumer.

11 (d) (1) "Distributor" means any person who:

12 (i) Sells, offers, or exposes for sale shell eggs;

13 (ii) Purchases shell eggs for other than household consumption; or

14 (iii) Distributes eggs to a retail outlet or food service facility owned  
15 by that person.

16 (2) "Distributor" does not include any person who purchases shell eggs  
17 either exclusively as a retailer or exclusively for use in a food service facility or  
18 exclusively both as a retailer and as a food service facility.

19 (e) "Food service facility" means any person who operates a facility where eggs  
20 are used in the preparation of food and who does not distribute eggs to a food service  
21 facility owned by that person.

22 (f) "RETAILER" MEANS ANY PERSON WHO SELLS SHELL EGGS TO A  
23 CONSUMER AND WHO DOES NOT DISTRIBUTE EGGS TO A RETAIL OUTLET OWNED BY  
24 THAT PERSON.

25 (G) "Shell eggs" means raw OR TREATED CHICKEN eggs THAT ARE STILL IN  
26 THE SHELL AND INTENDED [produced by chickens] for human consumption.

27 [(g) "Retailer" means any person who sells shell eggs to a consumer and who  
28 does not distribute eggs to a retail outlet owned by that person.]

29 (H) "TREATED EGG" MEANS A CHICKEN EGG THAT HAS BEEN SUBJECTED TO A  
30 PROCESS THAT ALTERS THE EGG WHILE STILL IN THE SHELL.

1 4-302.

2 [No] A person may NOT DONATE, sell, advertise, offer, or in any manner  
3 represent for sale shell eggs to any person unless the shell eggs meet standards of  
4 quality, grade, and size classification as provided in this subtitle.

5 4-303.

6 (a) The Secretary may adopt rules and regulations limiting OR REQUIRING the  
7 use of any term used when shell eggs are offered or exposed for sale, sold, DONATED,  
8 or advertised [except grade or size or weight classifications provided by statute].

9 [(b) The term "fresh" or the term "Maryland fresh", for shell eggs produced in  
10 the State, may be used in addition to the applicable grade and size designation, except  
11 for shell eggs below A quality. The Secretary shall adopt rules and regulations setting  
12 the standards for "Maryland fresh" eggs. Candling or any other method approved by  
13 the Secretary shall be used when making a final determination of whether shell eggs  
14 meet the standard of quality.]

15 (B) A PERSON MAY NOT DONATE, SELL, OFFER FOR SALE, OR DELIVER ANY  
16 SHELL EGGS THAT ARE NOT LABELED ACCORDING TO REGULATIONS ADOPTED BY  
17 THE SECRETARY.

18 4-304.

19 The size or weight classification for individual shell eggs in the State shall be  
20 the same as the official United States Department of Agriculture weight classes for  
21 shell eggs for the following classifications: jumbo, extra large, large, medium, small,  
22 and pee wee. The Secretary shall adopt rules and regulations prescribing the weights  
23 permitted in this subtitle. The net weight of shell eggs does not include the weight of  
24 any container.

25 4-305.

26 (A) THE SECRETARY SHALL ESTABLISH STANDARDS FOR QUALITY OF  
27 INDIVIDUAL OR GRADES OF SHELL EGGS.

28 (B) The State standards for quality of individual or grades of shell eggs shall  
29 be the same as those of the United States Department of Agriculture, WHERE  
30 APPLICABLE.

31 (C) A PERSON MAY NOT DONATE, SELL, ADVERTISE, OFFER, OR IN ANY  
32 MANNER REPRESENT FOR SALE SHELL EGGS THAT DO NOT MEET THE STANDARDS  
33 ADOPTED BY THE SECRETARY.

34 4-305.1.

35 ALL SHELL EGGS SHALL BE STORED, DISPLAYED, AND TRANSPORTED IN A  
36 REFRIGERATED AREA WHERE THE TEMPERATURE MEETS THE STANDARDS  
37 ESTABLISHED BY THE SECRETARY.

1 4-306.

2 [(a) The Secretary may establish for use on a voluntary basis special grades of  
3 shell eggs produced in the State that are of a standard superior to United States  
4 Department of Agriculture Grade A shell eggs. The Secretary may adopt rules and  
5 regulations (1) prescribing and defining quality and size standards, and establishing  
6 special tolerances for the grade of shell eggs, (2) requiring, as a condition precedent to  
7 sale, any person who desires to pack special grades for sale to register annually with  
8 the Secretary and pay a reasonable registration fee set by the Secretary, (3) devising  
9 and charging reasonable fees for seals or other appropriate identifying insignia to be  
10 used, as a condition precedent to sale by any person who desires to pack them for sale,  
11 and (4) adopting other rules and regulations necessary to effectuate the purposes of  
12 this section.

13 (b) In addition to any other penalty provided by this article, the Secretary may  
14 revoke the registration of any person who violates any provision of this subtitle or any  
15 rule or regulation adopted pursuant to it.]

16 THE SECRETARY MAY ESTABLISH VOLUNTARY STANDARDS TO IDENTIFY SHELL  
17 EGGS THAT EXCEED THE STANDARDS OF QUALITY, SIZE, PROCESSING, OR  
18 PRODUCTION REQUIRED UNDER THIS SUBTITLE.

19 4-307.

20 [No] A person may NOT sell, offer to sell, or deliver any shell eggs not properly  
21 designated in respect to quality and size standard. When shell eggs are sold or offered  
22 for sale, the designation shall be plainly and conspicuously shown on the container  
23 and in the offer to sell, and if the shell eggs are loose, by a sign placed on or near the  
24 eggs. Any shell eggs not designated as United States Department of Agriculture  
25 Grade B shall be presumed to be United States Department of Agriculture Grade A in  
26 allowing tolerance for quality.

27 4-308.

28 [No] A person may NOT sell or deliver shell eggs to a distributor, retailer, or food  
29 service facility unless at the time of delivery the person furnishes an invoice delivery  
30 ticket accurately detailing the sale of the shell eggs pursuant to this section. Every  
31 invoice delivery ticket shall contain upon its face the following information:

- 32 (1) Delivery date;
- 33 (2) Name and address of the seller;
- 34 (3) Name and address of the purchaser;
- 35 (4) The registration number, if any, of the purchaser;
- 36 (5) The quantity;
- 37 (6) The grade and size of the shell eggs delivered; and

1 (7) The inspection fee, if applicable.

2 4-309.

3 A person may not fail or refuse to make required reports or report falsely or with  
4 intent to deceive.

5 4-310.

6 (a) During the usual business hours, the Secretary may enter any warehouse,  
7 store, building, market, or any other place, carrier, conveyance, or vehicle where or  
8 from where shell eggs are sold, offered, or exposed for sale, to enforce the provisions of  
9 this subtitle.

10 (b) If the Secretary finds shell eggs are sold, offered or exposed for sale in  
11 violation of the subtitle, he may issue a written or printed "stop-sale" order to the  
12 person violating this section. After receipt of the order, the recipient may not sell,  
13 offer, or expose for sale any shell eggs subject to the order. Any person upon whom a  
14 "stop-sale" order has been served may appeal to the Secretary.

15 4-311.

16 If the Secretary finds that any shell eggs are adulterated or unfit for human  
17 consumption, he shall segregate them and mark them in a permanent manner to  
18 permit ready identification. If no appeal is taken from a determination of  
19 condemnation, the Secretary shall destroy them in a manner prescribed by the rules  
20 and regulations. If an appeal is taken, the condemned shell eggs shall be segregated  
21 and stored pending completion of an appeal inspection. The eggs may be destroyed in  
22 accordance with this section if the appeal is sustained.

23 4-311.1.

24 A person shall register with the Secretary each business location where that  
25 person is operating as either a packer or distributor.

26 4-311.2.

27 (a) Except as otherwise provided in subsection (b) of this section, an applicant  
28 for registration shall:

29 (1) Submit to the Secretary an application on the form that the Secretary  
30 provides; and

31 (2) Pay to the Secretary the appropriate registration fee established in  
32 subsection (c) of this section.

33 (b) A packer or distributor who keeps 3,000 or fewer chickens and who sells,  
34 offers, or exposes for sale shell eggs only from those chickens shall register with the  
35 Secretary, but is exempt from paying any fee required by this subtitle.

1 (c) The following persons shall pay to the Secretary the registration fee  
2 indicated:

- 3 (1) Packer .....\$30; and  
4 (2) Distributor ..... \$30.

5 4-311.3.

6 (a) Unless a registration for a packer or distributor of shell eggs is renewed for  
7 a 1-year term, the registration expires on January 1.

8 (b) Before a registration expires, the registration may be renewed for an  
9 additional 1-year term, if the applicant:

- 10 (1) Is a packer or distributor of shell eggs;  
11 (2) Pays the applicable fee as provided in § 4-311.2 of this subtitle; and  
12 (3) Submits to the Secretary a renewal application on a form that the  
13 Secretary provides.

14 (c) The packer or distributor shall display the registration conspicuously at  
15 each place of business.

16 (d) The packer or distributor shall notify the Secretary if the packer's or  
17 distributor's business is moved to a new location.

18 4-311.4.

19 Subject to the hearing provisions adopted by the Secretary, the Secretary may  
20 deny, suspend, or revoke the registration for a packer or distributor if:

- 21 (1) The packer or distributor does not meet the requirements of this title;  
22 or  
23 (2) The packer or distributor violates any provision of this subtitle or any  
24 regulation adopted by the Secretary.

25 4-311.5.

26 (a) (1) There is an "Egg Law Fund".

27 (2) All fees collected under the provisions of this subtitle shall be  
28 credited to the Fund.

29 (b) The Fund shall be used to partially defray the expenses of administering  
30 this subtitle.

1 4-311.6.

2 (a) A packer or distributor who is required to pay a fee under this subtitle  
3 shall submit to the Secretary:

4 (1) A quarterly report showing the number of dozens of shell eggs sold or  
5 delivered in Maryland to any retailer, food service facility, or consumer; and

6 (2) At the time that the quarterly report is due, an inspection fee at a  
7 rate of 8 cents for each 30-dozen case of shell eggs sold or delivered in Maryland.

8 (b) (1) If the report is not filed and the required inspection fee is not paid  
9 within 30 days after the end of the quarterly period, a collection fee shall be assessed  
10 against the packer or distributor.

11 (2) The amount of the collection fee shall be the greater of:

12 (i) 10 percent of the inspection fee due and unpaid; or

13 (ii) \$100.

14 (3) The amount of collection fee due is a debt and may be the basis of a  
15 judgment in a civil action against the packer or distributor.

16 4-311.7.

17 A packer or distributor shall:

18 (1) Keep accurate records showing the number of eggs sold or delivered  
19 to any person;

20 (2) Keep required records at each place of business or at a central  
21 location within the State;

22 (3) Keep required records for 1 year; and

23 (4) Make required egg records available to the Secretary upon request.

24 4-311.8.

25 (A) INSTEAD OF, OR IN ADDITION TO, ISSUING A STOP SALE ORDER OR  
26 REVOCATION OF A REGISTRATION UNDER THIS SUBTITLE, THE SECRETARY MAY  
27 IMPOSE A CIVIL PENALTY OF NOT MORE THAN \$5,000.

28 (B) A PENALTY COLLECTED BY THE SECRETARY UNDER THIS SECTION SHALL  
29 BE PAID INTO THE STATE GENERAL FUND.

30 (C) THE SECRETARY MAY ADOPT REGULATIONS TO IMPLEMENT THE  
31 PROVISIONS OF THIS SECTION.

1 4-312.

2 This subtitle may be cited as the Maryland Egg Law.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect October 1, 2002.