

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 1049

(Senators Middleton and Dyson)

Education, Health, and Environmental Affairs

Health and Government Operations

**Department of Health and Mental Hygiene - On-Farm Home Processing Facility
- License and Fee**

This bill allows an “on-farm home processing facility” to obtain an on-farm food processing plant license for a fee established in Department of Health and Mental Hygiene regulation. Such a facility may manufacture or process only foods that are provided for in regulations. An on-farm home processing facility is a home or domestic kitchen on an individual’s farm that manufactures and processes foods for commercial sale. It is the intent of the General Assembly that the fee for this license be set at \$30 to commence with the 2006 growing season.

The bill takes effect June 1, 2006.

Fiscal Summary

State Effect: Any change in State activities would not materially affect State finances.

Local Effect: To the extent that this bill encourages farmers to operate an on-farm food processing facility, local health department licensing revenues would increase. DHMH estimates that as many as 50 farmers statewide may choose to do so. Potential reduction in local health department licensing revenues if any existing farmers licensed to operate a food processing facility who pay the \$150 annual fee would instead choose to be licensed as an on-farm food processing facility and pay a \$30 annual fee. Existing local health department staff are expected to be able to inspect the additional on-farm food processing facilities.

Small Business Effect: Meaningful for farmers that would operate an on-farm food processing facility.

Analysis

Current Law: Except as otherwise allowed under statute, a person may not operate a food establishment unless the person is licensed by DHMH. Except in Baltimore City, Montgomery County, and Prince George's County, a license fee may not exceed \$300 for a food processing facility or \$70 for a seasonal food processing operation. A DHMH representative may, at any reasonable time, enter and inspect a food establishment and inspect and sample any food item in the establishment. A person may not refuse the inspector access to enter and inspect the food establishment or interfere with the inspection. License fees are paid to the counties or Baltimore City.

Under DHMH regulations, the following foods are not potentially hazardous: • hard-boiled shell eggs with intact shells that have been air-cooled; • foods with a specified water activity value; • foods with a specified hydrogen ion concentration; • foods in unopened hermetically sealed containers that have been commercially processed; or • foods for which laboratory evidence demonstrates that rapid and progressive growth of infectious and toxigenic microorganisms, the growth of *Clostridium botulinum*, or the production of pathogenic microbial toxins cannot occur.

Local Fiscal Effect: Currently, two farmers are licensed to operate a food processing facility. Each pays a \$150 annual licensing fee, not the maximum \$300 fee allowed by statute. DHMH expects that, as a result of the bill, as many as 50 on-farm food processing facility licenses may be issued annually with licensees each paying a \$30 annual fee.

Additional Information

Prior Introductions: SB 865 of 2005 would have required an on-farm food establishment intending to serve hot food to customers to be licensed by DHMH to operate a food establishment and subject to State and local health department food contamination regulations. The bill received an unfavorable report by the Senate Education, Health, and Environmental Affairs Committee. Its cross file, HB 123, received an unfavorable report by the House Health and Government Operations Committee.

Cross File: HB 1717 (Delegate Jameson) – Health and Government Operations.

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

Fiscal Note History: First Reader - March 17, 2006
nas/jr Revised - Senate Third Reader - March 31, 2006

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