

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1104 (Delegate Afzali)
Health and Government Operations

**Food Processing Plants - License Fees - Farms and Civic and Nonprofit
Organizations**

This bill establishes a \$150 cap on an annual license fee for a food processing plant that engages in the processing of animals for human consumption no more than three times a year and is either (1) a farm that processes animals raised on the farm or (2) a bona fide civic or nonprofit organization.

Fiscal Summary

State Effect: Because current fees for food processing plants affected by the bill are lower than the cap established by the bill, there is no immediate effect on State finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: While most animal processing plants are inspected by the U.S. Department of Agriculture (USDA), the Maryland Department of Agriculture (MDA) conducts a voluntary inspection program for producers that are exempt from continuous USDA inspection. MDA charges \$75 for this program annually.

A license from the Department of Health and Mental Hygiene (DHMH) is required for on-farm home processing only if sales from food production exceed \$40,000. Otherwise, the license fee for on-farm food processing that is regulated by DHMH is \$30 annually.

However, food processing plants that are inspected by either USDA or MDA are not required to be licensed by DHMH.

Additional Information

Prior Introductions: None.

Cross File: SB 821 (Senator Young) - Finance.

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

Fiscal Note History: First Reader - February 22, 2013
mm/ljm

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