

**Department of Legislative Services**  
 Maryland General Assembly  
 2014 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 11

(Senator Young, *et al.*)

Finance

Health and Government Operations

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

This bill establishes a \$150 cap on an annual license fee for a food processing plant that (1) engages in the processing of meat for human consumption no more than three times a year (for five days or less each time) and (2) is a bona fide civic or nonprofit organization.

**Fiscal Summary**

**State Effect:** General fund revenues decrease minimally, by approximately \$1,000 a year, due to the fee cap. Expenditures are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
GF Revenue	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Expenditure	0	0	0	0	0
Net Effect	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

**Analysis**

**Current Law/Background:** The Department of Mental Health and Hygiene (DHMH) is in charge of inspecting and regulating food processing plants in Maryland. There are two exceptions: (1) animal and poultry processing plants (which includes slaughtering) are under the jurisdiction of the U.S. Department of Agriculture; and (2) on-farm poultry and

rabbit processing plants are under the jurisdiction of the Maryland Department of Agriculture.

DHMH's Office of Food Protection and Consumer Health Services is responsible for assuring that all foods processed, prepared, stored, distributed, and served at both the retail and wholesale levels throughout the State are safe, wholesome, free of adulterants, and properly packaged and labeled. Food processing plants fall under DHMH's jurisdiction, and are regulated under Code of Maryland Regulations 10.01.17. The current annual license fee for food processing plants is \$400.

**State Revenues:** Currently only four food processing plants in the State are affected by the bill. Reducing their fees from \$400 to \$150 reduces general fund revenues by \$1,000 annually.

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### **Additional Information**

**Prior Introductions:** SB 281 of 2013, a substantially similar bill, received a hearing in the Senate Finance Committee. Its cross file, HB 1104, received a hearing in the House Health and Government Operations Committee. No further action was taken on either bill.

**Cross File:** HB 1256 (Delegate Hough, *et.al.*) – Health and Government Operations.

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

**Fiscal Note History:** First Reader - January 22, 2014  
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