

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE

House Bill 909 (Delegate Kramer, *et al.*)  
Health and Government Operations

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**Procurement - Purchasing Products Containing Chicken Processed in China -  
Prohibition on Use of State Funds**

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This bill prohibits the use of State funds to purchase any product that contains chicken that was processed in China. The prohibition extends to specified Executive Branch agencies that are otherwise exempt from most State procurement law, including the University System of Maryland, Morgan State University, and St. Mary's College of Maryland.

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**Fiscal Summary**

**State Effect:** None. The bill is procedural in nature and has no effect on governmental finances. However, the Department of Legislative Services notes that it will be difficult to implement or enforce because chicken products sold in the United States will not be labeled as containing chicken processed in China.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The University System of Maryland, Morgan State University, and St. Mary's College of Maryland are exempt from most provisions of State procurement law. In addition, the following agencies are exempted in whole or in part from most State procurement law.

- Blind Industries and Services of Maryland;
- Maryland State Arts Council;
- Maryland Health and Higher Educational Facilities Authority;
- Department of Business and Economic Development;
- Maryland Food Center Authority;
- Maryland Public Broadcasting Commission;
- Maryland State Planning Council on Developmental Disabilities;
- Maryland Historical Trust;
- Rural Maryland Council;
- Maryland State Lottery and Gaming Control Agency;
- Maryland Health Insurance Plan;
- Maryland Energy Administration;
- Maryland Developmental Disabilities Administration;
- Department of Natural Resources, for conservation service opportunities;
- Maryland Stadium Authority;
- Department of General Services, for the renovation of historic structures;
- State Retirement and Pension System;
- College Savings Plan of Maryland; and
- Chesapeake Bay Trust.

The bill applies to most of these exempted agencies, except for the State Retirement and Pension System, the College Savings Plan of Maryland, and the Chesapeake Bay Trust. In addition, public-private partnerships authorized by State law are exempted from most State procurement law; the bill does not apply to them.

**Background:** In August 2013, the U.S. Department of Agriculture released the results of an audit of four Chinese poultry processing plants conducted by the Food Safety and Inspection Service (FSIS). The audit cleared the plants as meeting FSIS inspection and safety standards, which means that the plants may be certified to process poultry slaughtered in the United States or other qualified nations and return it to the United States in cooked products. Any such products sold in the United States will not be labeled as containing poultry that was processed in China. However, at least initially, the plants may not process chicken slaughtered in China for consumption in the United States.

There has been considerable concern in the United States about the safety of poultry processed in China. Several outbreaks of avian flu in China have been linked to its poultry, and a recent investigation by the U.S. Food and Drug Administration linked the deaths of 500 dogs in the United States to chicken jerky treats that came from China.

The Department of General Services, which controls the purchase of commodities by most Executive Branch agencies, advises that its food solicitation specifications already prohibit the purchase of poultry from China.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** *Politico.com, New York Times*, U.S. Department of Agriculture, Department of Budget and Management, Department of General Services, Department of Juvenile Services, University System of Maryland, Maryland Department of Transportation, Department of Legislative Services

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