

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 855 (Delegate Boyce)
 Environment and Transportation Education, Health, and Environmental Affairs
 and Budget and Taxation

**Agriculture - Urban Agriculture Water and Power Infrastructure Grant
 Program and Fund - Establishment**

This bill establishes the Urban Agriculture Water and Power Infrastructure Grant Program within the Maryland Department of Agriculture (MDA). The stated purpose of the program is to increase the viability of urban farming and community gardens and improve access to urban-grown foods. To support the program, the bill establishes the Urban Agriculture Water and Power Infrastructure Grant Fund and requires the Governor, for fiscal 2024 through 2027, to include in the annual budget bill a general fund appropriation of \$500,000 to the fund.

Fiscal Summary

State Effect: General fund expenditures increase by \$500,000 annually from FY 2024 through 2027, reflecting the bill’s mandated appropriation. Special fund revenues and expenditures increase correspondingly. **This bill establishes a mandated appropriation from FY 2024 through 2027.**

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	\$0	\$500,000	\$500,000	\$500,000	\$500,000
GF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
SF Expenditure	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Net Effect	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)

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

Local Effect: The bill does not directly affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Urban Agriculture Water and Power Infrastructure Grant Fund

The stated purpose of the fund is to provide grants to urban agricultural producers and qualified nonprofit organizations for the purchase and installation of (1) agriculture equipment associated with water supply and irrigation and (2) electric power access.

The fund is a special, nonlapsing fund administered by the Secretary of Agriculture. The fund consists of (1) the mandated appropriation for fiscal 2024 through 2027; (2) money appropriated in the State budget to the fund; and (3) any other money from any other source accepted for the benefit of the fund.

In addition to administrative costs for MDA to administer the program, the fund may only be used for providing up to 87.5% of matching funds to urban agricultural producers and qualified nonprofit organizations for the purchase and installation of (1) water meters; (2) water pipes; (3) irrigation hoses; (4) electric meters; (5) electrical lines; or (6) any other equipment associated with water supply and irrigation or electric power access MDA determines is appropriate.

Reporting and Implementation Requirements

By October 15 each year, beginning in 2024, MDA must submit a report to the Governor, the Senate Budget and Taxation Committee, and the House Appropriations Committee on the effectiveness of the funding provided under the bill.

The bill requires MDA to adopt implementing regulations.

Select Definitions

“Qualified nonprofit organization” means a nonprofit organization that operates a farm or community garden in an area of the State delineated as an urban area by the U.S. Census Bureau.

“Urban agricultural producer” means any person that (1) annually produces farm products in an area of the State delineated as an urban area by the U.S. Census Bureau and (2) sells, plans to sell, or normally would have sold at least \$1,000 annually of farm products produced from a farming operation in the State.

Current Law: Chapter 320 of 2021 established the Urban Agriculture Grant Program within MDA to increase the viability of urban farming and improve access to urban-grown foods. To support the program, Chapter 320 also established an Urban Agriculture Grant Fund to provide grants to qualified nonprofit organizations in Baltimore City.

Other entities or programs in State law that provide grants, loans, or other forms of financial assistance that support agricultural interests in the State include (1) the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), which provides financial assistance to agricultural and resource-based businesses through numerous programs; (2) the Certified Local Farm Enterprise Food Aggregation Grant Fund (enacted under Chapters 2 and 32 of 2021 and administered by MARBIDCO), supporting the creation of food aggregation, storage, processing, and distribution sites across the State; and (3) the Maryland Farms and Families Program within MDA, that has the purpose of doubling the purchasing power of food-insecure Maryland residents with limited access to fresh fruits and vegetables (by providing matching dollars for federal nutrition benefits at farmers markets) and to increase revenue for farmers through redemption of federal nutrition benefits at Maryland farmers markets.

State Fiscal Effect: General fund expenditures increase by \$500,000 annually from fiscal 2024 through 2027 to capitalize the new special fund, reflecting the bill's mandated appropriation. Special fund revenues to the Urban Agriculture Water and Power Infrastructure Grant Fund increase correspondingly, reflecting receipt of the general fund appropriations to the fund. Special fund expenditures also increase by an equivalent amount, reflecting spending from the Urban Agriculture Water and Power Infrastructure Grant Fund. This estimate assumes that spending from the fund occurs in the same fiscal year that the funding is received.

MDA expects to manage the program and fund with existing staff.

Small Business Effect: Most urban farms and agribusinesses are considered small businesses. Accordingly, urban farms and agribusinesses that qualify for funding benefit from assistance in offsetting costs associated with power and water infrastructure.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 942 (Senators Griffith and Hayes) - Education, Health, and Environmental Affairs and Budget and Taxation.

Information Source(s): Maryland Department of Agriculture; Department of Budget and Management; Department of Natural Resources; Department of Legislative Services

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