

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 386

(Senators Hester and Bailey)

Education, Energy, and the Environment

Health and Government Operations

Certified Local Farm and Fish Program - Establishment

This bill (1) renames the Certified Local Farm Enterprise Program to be the Certified Local Farm and Fish Program; (2) expands the program’s purpose to include preferences for the purchase of food made from specified invasive species; (3) adds an annual reporting requirement; and (4) makes conforming changes. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: None. The Maryland Department of Agriculture (MDA) can implement the expanded program and reporting requirement with existing budgeted resources. Any cost differential between seafood purchased from certified providers and seafood available from other sources is expected to be minimal and have no discernible effect on State agency expenditures for food, especially as more providers become certified. No effect on revenues.

Local Effect: None. The bill affects only State agencies.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A “certified Chesapeake invasive species” is a finfish species that is (1) ranked as high priority in the Maryland Aquatic Nuisance Species Management Plan and (2) harvested from the Chesapeake Bay or its tributaries. A “certified Chesapeake invasive species provider” is a person licensed and authorized as a seafood dealer under existing law that (1) is certified by MDA in accordance with specified regulations and (2) can demonstrate that the person’s product is a certified Chesapeake invasive species.

Under the bill, State agencies may count blue catfish (and other certified Chesapeake invasive species) provided by Chesapeake Bay watermen toward the statutory goal of purchasing at least 20% of food from certified local farms as that requirement is expanded to encompass purchases from certified Chesapeake invasive species providers.

By December 31, 2023, and annually thereafter, the renamed Office for the Certified Local Farm and Fish Program in MDA must submit a consolidated report to specified committees of the General Assembly, based on data reported by units of State government.

Current Law: Chapters 2 and 32 of 2021 established the Certified Local Farm Enterprise Program and office in MDA to encourage State agencies (including public four-year universities) to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. The Acts also established a nonbudgeted Certified Local Farm Enterprise Food Aggregation Grant Fund within the Maryland Agricultural and Resource-Based Industry Development Corporation to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments. *The bill* adds certified Chesapeake invasive species providers to the calculation of the 20% goal as well as to certification requirements and grant-making opportunities described below, among other provisions of the program.

Each State agency must structure its procurement procedures to try to achieve an overall percentage goal of 20% of its total dollar value of procurement contracts for food being made directly or indirectly to certified local farm enterprises. An agency may achieve the goal through competitive sealed bids and proposals and small procurements under terms in current law.

The Office for the Certified Local Farm Enterprise Program administers the program and must establish (1) guidelines for each unit to consider when determining the appropriate participation goal for each food contract procurement; (2) procedures governing how the participation of certified local farm enterprises is counted toward contract goals; and (3) regulations to maximize notice to, and the opportunity to participate in the food procurement process by, a wide range of local farm enterprises. MDA must create two positions to provide staff to the office (MDA advises that the positions have been established). Each unit must consider specified factors and follow specified procedures in setting participation goals for each food contract.

If an agency does not achieve the goal set for a specific contract, it must demonstrate to the office that it took all necessary and reasonable steps to achieve the goal. The office may grant a waiver if a unit provides a reasonable demonstration of good faith efforts to achieve the goal. Waivers may also be granted for sole source, expedited, or emergency procurements. The office must submit an annual report to the Board of Public Works (BPW) by July 31 of each year with specified information about waivers requested and

granted. BPW must keep a record of waivers requested and submit a copy to specified committees of the General Assembly by October 1 of each year.

MDA must develop and maintain a directory of all certified local farm enterprises, including specified information about them, and make the directory accessible to the public on its [website](#).

Within 90 days after the end of the fiscal year, each unit must report specified information to the office.

Certified Local Farm Enterprise Food Aggregation Grant Fund

The fund is a nonbudgeted fund that consists of money appropriated in the State budget, principal that is repaid from near-equity investments, and any other money from any other source. It may only be used for establishing and operating food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments. From fiscal 2022 through 2025, \$435,000 of mandated funding must be used to make grants and near-equity investments to (1) support the creation or expansion of agricultural product aggregation and storage sites and (2) facilitate participation in the Certified Local Farm Enterprise Program.

Small Business Effect: Maryland-based suppliers of Chesapeake invasive species may benefit, through fiscal 2025, from grants to facilitate their participation in the program and, once certified, may experience higher demand for their products.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 63 (Delegate Charkoudian, *et al.*) - Health and Government Operations.

Information Source(s): Maryland State Department of Education; Maryland School for the Deaf; Maryland Department of Agriculture; Department of General Services; Department of Juvenile Services; Department of Natural Resources; Department of Public Safety and Correctional Services; University System of Maryland; Department of Veterans Affairs; Department of Legislative Services

Fiscal Note History:
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