

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 806 (Senator Kramer)
Education, Energy, and the Environment

Agriculture - Confinement of Egg-Laying Hens in Commercial Egg Production - Prohibitions

This bill prohibits, beginning January 1, 2030, knowing confinement of an “egg-laying hen” in an enclosure that is not a “cage-free housing system” and does not meet specified space requirements. The bill also prohibits the sale of shell eggs or egg products were produced in a manner inconsistent with that prohibition. The Secretary of Agriculture must administer and enforce the bill’s provisions and adopt implementing regulations by July 1, 2027. Specified enforcement provisions are established. **The bill takes effect June 1, 2025.**

Fiscal Summary

State Effect: No effect from FY 2025 through 2029 (the five-year period covered by this fiscal and policy note); it is assumed that the Maryland Department of Agriculture (MDA) can develop regulations by July 1, 2027, using existing budgeted resources. However, general fund expenditures increase beginning in FY 2030, and general fund revenues may increase minimally beginning in FY 2030, as discussed below.

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

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Prohibition Against Specified Knowing Confinement of an Egg-laying Hen

Beginning January 1, 2030, a farm owner or operator may not knowingly confine an egg-laying hen in an enclosure that (1) is not a cage-free housing system; (2) has less than one square foot of usable floor space per hen in a cage-free housing system that provides egg-laying hens with unfettered access to vertical space, such as a multi-tiered aviary or a partially slatted system; or (3) has less than one and a half square feet of usable floor space per hen in a cage-free housing system that does not provide egg-laying hens with unfettered access to vertical space, such as a multitiered aviary or a partially slatted system. This prohibition does not apply to the confinement of egg-laying hens for the purposes of (1) medical research; (2) examination, testing, individual treatment, or operation for veterinary purposes, as specified; (3) transporting egg-laying hens; (4) State or county fair exhibitions, 4-H programs, or similar exhibitions; or (5) animal husbandry, provided that the confinement is for no more than 6 hours in a 24-hour period and 24 hours in a 30-day period.

A “cage-free housing system” means an indoor or outdoor controlled environment for egg-laying hens within which hens (1) are free to roam unrestricted; (2) are provided enrichments that allow the hens to exhibit natural behaviors, including, at a minimum, scratch areas, perches, nest boxes, and dust bathing areas; and (3) may be provided care by employees within the hens’ usable floor space. This includes (1) multitiered aviaries in which egg-laying hens have unfettered access to multiple elevated platforms that provide usable floor space on top of and below the platforms; (2) partially slatted systems in which egg-laying hens have unfettered access to elevated platforms under which manure drops through the flooring, as specified; (3) single-level, all-litter floor systems bedded with litter in which egg-laying hens have limited or no access to elevated platforms; and (4) any other system that meets the bill’s requirements. “Cage-free housing system does not include systems commonly described as battery cages, colony cages, enriched cages, enriched colony cages, modified cages, convertible cages, furnished cages, or similar cage systems.

An “egg-laying hen” means any living female domesticated bird kept for the purpose of commercial egg production. “Egg products” means raw or treated poultry eggs that have been removed from the shell, in liquid, solid, dried, or frozen form, and are intended for human food. The term includes raw and cooked eggs, eggs with the yolks and whites in their natural proportions, and eggs with the yolks and whites separated, mixed, or mixed and strained. However, the term does not include combination food products that are composed of more than just egg products and food additives, such as sugar, salt, water, seasoning, coloring, flavoring, preservatives, stabilizers, or similar food additives.

“Farm” means the land, buildings, support facilities, and other equipment that are wholly or partially used for the commercial production of animals or animal products used for food, not including live animal markets and official plants at which mandatory inspection is maintained under specified federal law.

Prohibition Against Sale in Violation of Prohibition or Certificate Requirement

Beginning January 1, 2030, a business owner or operator or farm owner or operator may not sell shell eggs or egg products (1) that the owner or operator knows or should have known were produced by an egg-laying hen that was confined in a manner inconsistent with the bill’s prohibition relating to confinement. It is a defense to any action to enforce the bill’s provisions that a business owner or operator relied in good faith on a written certification obtained that the shell eggs or egg products at issue were not derived from egg-laying hens that were confined in a manner inconsistent with the bill’s prohibition.

A “business owner or operator” means any person that owns or controls the operations of a business and includes a person that owns or controls the operations of (1) a retail business; (2) a wholesale business; (3) a distribution business; or (4) a food service business.

A sale is deemed to occur at the location where the buyer takes physical possession of the shell eggs or egg products.

Administration and Enforcement by Secretary

The Secretary of Agriculture must (1) administer and enforce the bill’s provisions and (2) adopt regulations, by July 1, 2027, to carry out the bill.

If the Secretary finds that shell eggs or egg products are being sold in violation of the bill, the Secretary may issue a written or printed “stop-sale” order. Upon receipt of such an order, the recipient may not sell any shell eggs or egg products subject to the order. A person who has been issued a “stop-sale” order may appeal to the Secretary. In addition, the Secretary must impose a civil penalty for each violation of the bill in an amount not exceeding (1) \$500 for a first violation; (2) \$1,000 for a second violation; and (3) \$2,000 for a third or subsequent violation. Criminal penalties generally applicable to violations of the Agriculture Article do not apply to the bill’s provisions.

General Assembly Findings

The General Assembly finds and declares that the regulation of egg production on farms in the State and of the sale of eggs and egg products in the State will further the General Assembly’s goals to protect the public health and welfare of consumers, to promote food safety, and to advance animal welfare.

Exemptions Under the Bill

The bill's provisions do not apply to the production in the State or the sale in the State of shell eggs by a farm owner or operator that annually produces shell eggs from fewer than 5,000 egg-laying hens, if all shell eggs sold in the State by the farm owner or operator are derived from the 5,000 or fewer egg-laying hens.

Current Law: Under the Maryland Egg Law, a person may not donate, sell, advertise, offer, or in any manner represent for sale shell eggs to any person unless the shell eggs meet the standards of the law or any regulation adopted in accordance with it. MDA's Egg Inspection Program enforces the Maryland Egg Law. Inspections are performed at the producer, wholesale, food service, and retail levels to ensure eggs sold in the State meet the standards for quality, size, refrigeration, microbial and physical contamination, labeling, and recordkeeping. The program also registers egg wholesalers and egg packers. According to MDA, portions of the labeling, recordkeeping, and registration requirements were developed to provide traceability in case of a *Salmonella enteritidis* outbreak, and other sections of the law were established to reduce the risk to consumers of food-borne illness. Eggs found to be out of compliance with the established standards are removed from sale and violation notices are issued to the responsible parties.

Federal Egg Products Inspection Act

The federal Egg Products Inspection Act (EPIA) sets requirements to ensure that eggs and egg products are wholesome, otherwise not adulterated, and properly labeled and packaged to protect the health and welfare of consumers. Among other things, EPIA provides for inspections of shell egg handlers to control the disposition of restricted eggs. It mandates that shell eggs sold to consumers contain no more restricted eggs than permitted and that restricted eggs are disposed of properly. An egg handler is any person who engages in any business in commerce that involves buying or selling any eggs (as a poultry producer or otherwise) or processing any egg products, or otherwise using any eggs in the preparation of human food. The U.S. Department of Agriculture inspects the processing of egg products at official plants or any place of business where egg products are processed.

State Fiscal Effect: MDA can develop the required regulations using existing budgeted resources. Because the bill's prohibitions do not take effect until January 1, 2030 (fiscal 2030), the bill does not affect State finances during the five-year period covered by this fiscal and policy note (fiscal 2025 through 2029).

However, beginning in fiscal 2030, general fund expenditures increase by at least \$158,000 annually for MDA to hire one agriculture inspector to conduct compliance inspections and provide compliance assistance to farm and business owners and operators and one office secretary to handle related administrative tasks.

Likewise, general fund revenues may increase minimally beginning in fiscal 2030 (once the bill's prohibitions take effect) due to the collection of any civil penalties imposed for violations of the bill.

Small Business Effect: The bill may have a meaningful impact on small business farm and business owners or operators that produce, sell, or purchase shell eggs or egg products, to the extent they incur additional costs due to the bill's prohibitions. Even though the prohibitions do not take effect until January 1, 2030, farm owners and operators may need to adjust their operations in advance to ensure compliance with the bill's prohibition relating to confinement.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 193 and HB 357 of 2024; and SB 690 of 2023.

Designated Cross File: HB 834 (Delegate Terrasa, *et al.*) - Environment and Transportation.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland Department of Agriculture; U.S. Department of Agriculture; Department of Legislative Services

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km/lgc

Analysis by: Beatrice F. Amoateng

Direct Inquiries to:
(410) 946-5510
(301) 970-5510