

HOUSE BILL 1342

M4, C8

6lr3397

By: **Delegate Young**

Introduced and read first time: February 12, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Agriculture – Controlled–Environment and Hydroponic Agriculture**

3 FOR the purpose of authorizing grants to controlled–environment or hydroponic farmers
4 under the Urban Agriculture Water and Power Infrastructure Grant Fund; requiring
5 the Department of Agriculture to establish a certain one–stop portal as a centralized
6 source of certain information about the permitting and licensing of
7 controlled–environment or hydroponic agriculture in the State; establishing the
8 Maryland Controlled–Environment and Hydroponic Agriculture Program Fund as a
9 special, nonlapsing fund to provide grants for certain costs of establishing,
10 expanding, and maintaining a controlled–environment or hydroponic agriculture
11 facility for a certain number of pilot programs; establishing the
12 Controlled–Environment and Hydroponic Agriculture Workforce Training Initiative
13 under the Partnership for Workforce Quality Program to provide training assistance
14 to community colleges in the State for certain purposes; requiring certain legislative
15 bodies to adopt zoning regulations that provide flexibility to allow the incorporation
16 of controlled–environment and hydroponic agriculture in urban areas; establishing
17 certain overall percentage goals for procurement contracts for food from certified
18 local farms that use controlled–environment or hydroponic agriculture; making
19 permanent and increasing the General Fund appropriation to the Urban Agriculture
20 Water and Power Infrastructure Grant Fund that the Governor is required to include
21 in the annual budget bill; and generally relating to controlled–environment and
22 hydroponic agriculture.

23 BY repealing and reenacting, with amendments,
24 Article – Agriculture
25 Section 2–2103
26 Annotated Code of Maryland
27 (2016 Replacement Volume and 2025 Supplement)

28 BY adding to
29 Article – Agriculture

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 Section 2–2501 and 2–2502 to be under the new subtitle “Subtitle 25.
2 Controlled–Environment and Hydroponic Agriculture”
3 Annotated Code of Maryland
4 (2016 Replacement Volume and 2025 Supplement)
- 5 BY repealing and reenacting, without amendments,
6 Article – Economic Development
7 Section 3–401 through 3–403
8 Annotated Code of Maryland
9 (2024 Replacement Volume and 2025 Supplement)
- 10 BY repealing and reenacting, with amendments,
11 Article – Economic Development
12 Section 3–404
13 Annotated Code of Maryland
14 (2024 Replacement Volume and 2025 Supplement)
- 15 BY adding to
16 Article – Economic Development
17 Section 3–413
18 Annotated Code of Maryland
19 (2024 Replacement Volume and 2025 Supplement)
- 20 BY adding to
21 Article – Land Use
22 Section 1–401(b)(19) and 4–217
23 Annotated Code of Maryland
24 (2012 Volume and 2025 Supplement)
- 25 BY repealing and reenacting, with amendments,
26 Article – Land Use
27 Section 1–401(b)(19) through (32)
28 Annotated Code of Maryland
29 (2012 Volume and 2025 Supplement)
- 30 BY repealing and reenacting, without amendments,
31 Article – State Finance and Procurement
32 Section 14–701
33 Annotated Code of Maryland
34 (2021 Replacement Volume and 2025 Supplement)
- 35 BY repealing and reenacting, with amendments,
36 Article – State Finance and Procurement
37 Section 14–702 and 14–703
38 Annotated Code of Maryland
39 (2021 Replacement Volume and 2025 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article – Tax – Property
3 Section 13–209(g)(3)(i)3.
4 Annotated Code of Maryland
5 (2019 Replacement Volume and 2025 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
7 That the Laws of Maryland read as follows:

8 **Article – Agriculture**

9 2–2103.

- 10 (a) There is an Urban Agriculture Water and Power Infrastructure Grant Fund.
- 11 (b) The purpose of the Fund is to provide grants to urban agricultural producers
12 and qualified nonprofit organizations for the purchase and installation of:
- 13 (1) Agriculture equipment associated with water supply and irrigation;
14 and
- 15 (2) Electric power access.
- 16 (c) The Secretary shall administer the Fund.
- 17 (d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
18 the State Finance and Procurement Article.
- 19 (2) The State Treasurer shall hold the Fund separately, and the
20 Comptroller shall account for the Fund.
- 21 (e) The Fund consists of:
- 22 (1) Money appropriated in the State budget to the Fund;
- 23 (2) Money appropriated to the Fund under § 13–209 of the Tax – Property
24 Article; and
- 25 (3) Any other money from any other source accepted for the benefit of the
26 Fund.
- 27 (f) The Fund may be used only for:
- 28 (1) Providing up to 87.5% of matching funds to urban agricultural
29 producers [and], qualified nonprofit organizations, **AND CONTROLLED–ENVIRONMENT**
30 **OR HYDROPONIC FARMERS** for the purchase and installation of:

- 1 (i) Water meters;
- 2 (ii) Water pipes;
- 3 (iii) Irrigation hoses;
- 4 (iv) Electric meters;
- 5 (v) Electrical lines; or
- 6 (vi) Any other equipment associated with water supply and irrigation
7 or electric power access the Department determines is appropriate; and
- 8 (2) Administrative costs for the Department to administer the Program.

9 (g) On or before October 15 each year, beginning in 2024, the Department shall
10 submit a report to the Governor and, in accordance with § 2-1257 of the State Government
11 Article, the Senate Budget and Taxation Committee and the House Appropriations
12 Committee on the effectiveness of the funding provided under this section.

13 **SUBTITLE 25. CONTROLLED-ENVIRONMENT AND HYDROPONIC AGRICULTURE.**

14 **2-2501.**

15 (A) THE DEPARTMENT SHALL ESTABLISH A ONE-STOP PORTAL TO SERVE
16 AS A CENTRALIZED INFORMATION SOURCE FOR INDIVIDUALS INTERESTED IN
17 CONTROLLED-ENVIRONMENT OR HYDROPONIC AGRICULTURE.

18 (B) (1) THE PORTAL SHALL BE IN A CONSPICUOUS LOCATION ON THE
19 DEPARTMENT'S WEBSITE WITH RESOURCES AND FREQUENTLY ASKED QUESTIONS
20 ABOUT PERMITTING AND LICENSING CONTROLLED-ENVIRONMENT OR
21 HYDROPONIC AGRICULTURE IN THE STATE.

22 (2) THE PORTAL SHALL INCLUDE CONTACT INFORMATION FOR AN
23 INDIVIDUAL IN THE DEPARTMENT WHO CAN ASSIST THE INDIVIDUAL.

24 **2-2502.**

25 (A) IN THIS SECTION, "FUND" MEANS THE MARYLAND
26 CONTROLLED-ENVIRONMENT AND HYDROPONIC AGRICULTURE PROGRAM FUND.

27 (B) THERE IS A MARYLAND CONTROLLED-ENVIRONMENT AND
28 HYDROPONIC AGRICULTURE PROGRAM FUND.

1 (C) THE PURPOSE OF THE FUND IS TO ADVANCE
2 CONTROLLED-ENVIRONMENT AND HYDROPONIC AGRICULTURE IN THE STATE.

3 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

4 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
5 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

6 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
7 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

8 (F) THE FUND CONSISTS OF:

9 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
10 AND

11 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
12 THE BENEFIT OF THE FUND.

13 (G) THE FUND MAY PROVIDE FOR UP TO FIVE GRANTS ANNUALLY THAT MAY
14 BE USED ONLY FOR:

15 (1) THE CAPITAL COSTS OR OPERATING COSTS ASSOCIATED WITH
16 ESTABLISHING, EXPANDING, AND MAINTAINING A CONTROLLED-ENVIRONMENT OR
17 HYDROPONIC AGRICULTURE FACILITY; OR

18 (2) THE COST OF TECHNICAL ASSISTANCE OR CONSULTING FEES
19 ASSOCIATED WITH ESTABLISHING, EXPANDING, OR MAINTAINING A
20 CONTROLLED-ENVIRONMENT OR HYDROPONIC AGRICULTURE FACILITY.

21 (H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND
22 IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

23 (2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO
24 THE GENERAL FUND OF THE STATE.

25 (I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE
26 WITH THE STATE BUDGET.

27 (J) FOR FISCAL YEARS 2028 AND 2029, THE GOVERNOR SHALL INCLUDE IN
28 THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$5,000,000 TO THE FUND.

1 3-401.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) “Board” means the Partnership for Workforce Quality Advisory Board.

4 (c) “Fund” means the Partnership for Workforce Quality Fund.

5 (d) “Program” means the Partnership for Workforce Quality Program.

6 3-402.

7 There is a Partnership for Workforce Quality Program in the Department.

8 3-403.

9 The purpose of the Program is to provide training services to:

10 (1) improve the competitiveness and productivity of the State’s workforce
11 and business community;

12 (2) upgrade employee skills, or train new employees, for new technologies
13 or production processes; and

14 (3) assist employers located in the State in promoting employment
15 stability.

16 3-404.

17 (a) The Secretary or the Secretary’s designee shall direct the Program.

18 (b) **(1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
19 **SUBSECTION, THE** Secretary may not provide training assistance under the Program
20 except at the specific request of an employer or group of employers.

21 **(2) ON REQUEST, THE SECRETARY SHALL PROVIDE TRAINING**
22 **ASSISTANCE TO COMMUNITY COLLEGES FOR THE CONTROLLED-ENVIRONMENT**
23 **AND HYDROPONIC AGRICULTURE WORKFORCE TRAINING INITIATIVE UNDER §**
24 **3-413 OF THIS SUBTITLE.**

25 (c) To identify employers that need assistance, the Secretary shall use local
26 advisory groups, including private industry councils and joint apprenticeship committees.

27 (d) Subject to §§ 3-405 and 3-412(c) and (d)(1) of this subtitle, the Secretary shall
28 establish eligibility criteria and priorities for assistance under the Program.

1 (e) In accordance with § 2.5–109 of this article, the Secretary shall submit a report
2 on the operation and performance of the Program.

3 **3–413.**

4 (A) IN THIS SECTION, “INITIATIVE” MEANS THE
5 CONTROLLED–ENVIRONMENT AND HYDROPONIC AGRICULTURE WORKFORCE
6 TRAINING INITIATIVE.

7 (B) THERE IS A CONTROLLED–ENVIRONMENT AND HYDROPONIC
8 AGRICULTURE WORKFORCE TRAINING INITIATIVE IN THE PROGRAM.

9 (C) THE PURPOSE OF THE INITIATIVE IS TO PROVIDE MATCHING GRANTS TO
10 COMMUNITY COLLEGES IN THE STATE TO DEVELOP CURRICULUM AND COURSE
11 MATERIALS TO TRAIN AND SUPPORT INDIVIDUALS INVOLVED IN
12 CONTROLLED–ENVIRONMENT AND HYDROPONIC AGRICULTURE.

13 (D) ON REQUEST BY A COMMUNITY COLLEGE IN THE STATE THAT HAS
14 AGREED TO PROVIDE MATCHING FUNDS, THE SECRETARY SHALL PROVIDE
15 TRAINING ASSISTANCE TO THE COMMUNITY COLLEGE FOR THE INITIATIVE.

16 **Article – Land Use**

17 1–401.

18 (b) The following provisions of this division apply to a charter county:

19 (19) § 4–217 (CONTROLLED–ENVIRONMENT AND HYDROPONIC
20 AGRICULTURE);

21 [(19)] (20) Title 4, Subtitle 5 (Accessory Dwelling Units);

22 [(20)] (21) § 5–102(d) (Subdivision regulations – Burial sites);

23 [(21)] (22) § 5–104 (Major subdivision – Review);

24 [(22)] (23) Title 7, Subtitle 1 (Development Mechanisms);

25 [(23)] (24) Title 7, Subtitle 2 (Transfer of Development Rights);

26 [(24)] (25) except in Montgomery County or Prince George’s County, Title
27 7, Subtitle 3 (Development Rights and Responsibilities Agreements);

28 [(25)] (26) Title 7, Subtitle 4 (Inclusionary Zoning);

1 [(26)] (27) Title 7, Subtitle 5 (Housing Expansion and Affordability);

2 [(27)] (28) § 8–401 (Conversion of overhead facilities);

3 [(28)] (29) for Baltimore County only, Title 9, Subtitle 3 (Single–County
4 Provisions – Baltimore County);

5 [(29)] (30) for Frederick County only, Title 9, Subtitle 10 (Single–County
6 Provisions – Frederick County);

7 [(30)] (31) for Howard County only, Title 9, Subtitle 13 (Single–County
8 Provisions – Howard County);

9 [(31)] (32) for Talbot County only, Title 9, Subtitle 18 (Single–County
10 Provisions – Talbot County); and

11 [(32)] (33) Title 11, Subtitle 2 (Civil Penalty).

12 **4–217.**

13 **THE LEGISLATIVE BODY SHALL ADOPT ZONING REGULATIONS THAT PROVIDE**
14 **THE FLEXIBILITY TO ALLOW FOR THE INCORPORATION OF**
15 **CONTROLLED–ENVIRONMENT AND HYDROPONIC AGRICULTURE IN URBAN AREAS.**

16 **Article – State Finance and Procurement**

17 14–701.

18 (a) In this subtitle the following words have the meanings indicated.

19 (b) “Certified Chesapeake invasive species” means a finfish species that is:

20 (1) ranked as high priority in the Maryland Aquatic Nuisance Species
21 Management Plan; and

22 (2) harvested from the Chesapeake Bay or its tributaries.

23 (c) “Certified Chesapeake invasive species provider” means a person licensed and
24 authorized as a seafood dealer under § 4–701 of the Natural Resources Article that:

25 (1) is certified by the Department in accordance with regulations adopted
26 under this subtitle; and

27 (2) can demonstrate that the person’s product is a certified Chesapeake
28 invasive species.

1 (d) “Certified local farm” means a local farm enterprise that:

2 (1) meets the nutrient management requirements established under Title
3 8, Subtitle 8 of the Agriculture Article; and

4 (2) is certified by the Department in accordance with regulations adopted
5 under this subtitle.

6 (e) “Department” means the Department of Agriculture.

7 (f) “Office” means the Office for the Certified Local Farm and Fish Program.

8 (g) “Program” means the Certified Local Farm and Fish Program.

9 14–702.

10 (a) (1) There is an Office for the Certified Local Farm and Fish Program in the
11 Department.

12 (2) The purpose of the Office is to administer the Program and facilitate
13 the participation of certified local farms and certified Chesapeake invasive species
14 providers in the Program.

15 (b) (1) There is a Certified Local Farm and Fish Program in the Office.

16 (2) The purpose of the Program is to encourage each unit to try to achieve:

17 (I) an overall percentage goal of 20% of the unit’s total dollar value
18 of procurement contracts for food from certified local farms and certified Chesapeake
19 invasive species providers; AND

20 (II) AN OVERALL PERCENTAGE GOAL OF THE FOLLOWING
21 PERCENTAGES OF THE UNIT’S TOTAL DOLLAR VALUE OF PROCUREMENT
22 CONTRACTS FOR FOOD FROM CERTIFIED LOCAL FARMS THAT USE
23 CONTROLLED–ENVIRONMENT OR HYDROPONIC AGRICULTURE:

24 1. 1% FOR FISCAL YEAR 2028;

25 2. 3% FOR FISCAL YEAR 2029; AND

26 3. 5% FOR FISCAL YEAR 2030 AND EACH FISCAL YEAR
27 THEREAFTER.

28 (c) The Department shall create two positions to provide staff for the Office.

1 (d) The Department, along with the Department of General Services, shall
2 coordinate with the State Department of Education to procure local food for local school
3 systems in accordance with § 7–136 of the Education Article.

4 14–703.

5 (a) (1) Each unit shall structure procurement procedures, consistent with the
6 purposes of this subtitle, to try to achieve:

7 (I) an overall percentage goal of 20% of the unit’s total dollar value
8 of procurement contracts for food being made directly or indirectly to certified local farms
9 and certified Chesapeake invasive species providers; AND

10 (II) AN OVERALL PERCENTAGE GOAL OF THE FOLLOWING
11 PERCENTAGES OF THE UNIT’S TOTAL DOLLAR VALUE OF PROCUREMENT
12 CONTRACTS FOR FOOD FROM CERTIFIED LOCAL FARMS THAT USE
13 CONTROLLED–ENVIRONMENT OR HYDROPONIC AGRICULTURE:

14 1. 1% FOR FISCAL YEAR 2028;

15 2. 3% FOR FISCAL YEAR 2029; AND

16 3. 5% FOR FISCAL YEAR 2030 AND EACH FISCAL YEAR
17 THEREAFTER.

18 (2) A unit may achieve the [20% goal] GOALS through:

19 (i) competitive sealed bids and proposals; and

20 (ii) small procurement in accordance with § 13–109 of this article.

21 (3) For procurements conducted by competitive sealed bidding, a unit shall
22 award the contract to the responsible bidder that submits the responsive bid that:

23 (i) 1. has the lowest bid price;

24 2. has the lowest evaluated bid price; or

25 3. for procurements subject to § 11–202(3) of this article, is
26 the bid most favorable to the State; and

27 (ii) meets or makes a good faith effort to meet any applicable goal
28 established under this subtitle.

29 (4) For procurements conducted by competitive sealed proposals, a unit
30 shall award the contract to the responsible offeror:

1 (i) proposing the most advantageous offer; and

2 (ii) that meets or makes a good faith effort to meet any applicable
3 goal established under this subtitle.

4 (b) The Office, in consultation with the Secretary of Agriculture, shall establish
5 guidelines for each unit to consider when determining the appropriate local farm and
6 Chesapeake invasive species provider participation percentage goal for a procurement
7 contract for food in accordance with subsection (c) of this section.

8 (c) Each unit shall:

9 (1) consider the practical severability of all procurement contracts for food
10 and, in accordance with § 11–201 of this article, may not bundle contracts;

11 (2) implement a program that will enable the unit to evaluate each
12 procurement contract for food to determine the appropriate local farm and Chesapeake
13 invasive species provider participation goals, if any, for the contract based on:

14 (i) the availability of certified local farms and certified Chesapeake
15 invasive species providers to respond competitively to contract opportunities; and

16 (ii) the contract goal guidelines established under subsection (b) of
17 this section;

18 (3) monitor and collect data with respect to a unit's compliance with
19 contract goals, including explanations for failing to meet contract goals; and

20 (4) institute corrective action when a unit does not make good faith efforts
21 to comply with contract goals.

22 (d) The Office shall, in consultation with the Secretary of Agriculture, establish
23 procedures governing how the participation of certified local farms and certified
24 Chesapeake invasive species providers is counted toward contract goals under the Program.

25 (e) (1) (i) If a unit does not achieve the certified local farm and certified
26 Chesapeake invasive species provider participation goals on a procurement contract for
27 food, the unit shall demonstrate to the Office that the unit took all necessary and
28 reasonable steps to achieve the goals.

29 (ii) A waiver of any part of the certified local farm and certified
30 Chesapeake invasive species provider goals for a procurement contract for food shall be
31 granted if a unit provides to the Office a reasonable demonstration of good faith efforts to
32 achieve the goals.

1 (2) The Office may waive any of the requirements of this subsection
2 relating to the establishment, use, and waiver of certified local farm and certified
3 Chesapeake invasive species provider goals for a sole source, expedited, or emergency
4 procurement in which the public interest cannot reasonably accommodate use of those
5 requirements.

6 (3) Except for waivers granted in accordance with paragraph (2) of this
7 subsection, when a waiver determination is made, the Office shall issue the determination
8 in writing.

9 (4) On or before October 31 each year, the Office shall submit directly to
10 the Board an annual report of waivers requested and waivers granted under this
11 subsection.

12 (5) The report required under paragraph (4) of this subsection shall contain
13 the following information on those procurement contracts for food where the Office
14 considered a unit's request for waiver of all or a portion of the local farm and Chesapeake
15 invasive species provider goals:

16 (i) the contract titles, numbers, and dates;

17 (ii) the number of waiver requests received;

18 (iii) the number of waiver requests granted; and

19 (iv) any other information specifically requested by the Board.

20 (f) The Board shall keep a record of information regarding any waivers requested
21 in accordance with this section and submit a copy of the record to the Senate Committee on
22 Education, Energy, and the Environment and the House Health and Government
23 Operations Committee on or before December 31 each year, in accordance with § 2–1257 of
24 the State Government Article.

25 Article – Tax – Property

26 13–209.

27 (g) (3) (i) 3. For each [of fiscal years 2024, 2025, 2026, and 2027]
28 FISCAL YEAR, the Governor shall include in the annual budget bill a General Fund
29 appropriation of [\$500,000] **\$1,000,000** to the Urban Agriculture Water and Power
30 Infrastructure Grant Fund established under § 2–2103 of the Agriculture Article.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
32 1, 2026.