HB 1223

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1223 (Prince George's County Delegation)
Health

Farmers Markets - Street Food Vending Zones - Requirements
PG 411-26

This bill authorizes a county to designate areas adjacent to a farmer's market as a street food vending zone. Within a street food vending zone, a "vendor" (a mobile food service facility or a cottage food business) selling food other than raw agricultural products must (1) reside within a geographic area determined by the rules or bylaws of the farmer's market; (2) be in compliance with applicable food service laws; and (3) meet the farmer's market membership criteria and operating rules and regulations.

Fiscal Summary

State Effect: The Maryland Department of Health (MDH) can update regulations using existing budgeted resources. Revenues are not affected.

Local Effect: Prince George's County Health Department (PGCHD) expenditures increase by $178,845 beginning in FY 2027 for additional staff to conduct inspections. Other jurisdictions that choose to implement the authorization may experience similar increases, as discussed below. Prince George's County revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: A "mobile food service facility" is a food service facility that (1) is a vehicle mechanically, electrically, manually, or otherwise propelled; (2) operates on land or water; and (3) changes its location as part of its routine sales operation.

"Raw agricultural products" include whole, unprocessed grains, flowers, herbs, nuts, fruits, and vegetables supplied directly from the farm on which they were produced and any agricultural product MDH identifies in regulation.

A "cottage food business" is a business that (1) produces or packages cottage food products in a residential kitchen in Maryland; (2) sells cottage food products; and (3) has annual revenues from the sale of cottage food products that do not exceed $50,000.

A "cottage food product" is a nonhazardous food that is sold in the State (1) directly to a consumer from a residence, at a farmer's market, at a public event, by personal delivery, or by mail delivery, or (2) to a retail food store, including a grocery store or food cooperative.

A cottage food business does not need to be licensed by MDH if it complies with applicable laws and regulations. Before selling cottage food products, the business owner must submit to MDH (1) documentation of successful completion of a food safety course and (2) the label that will be affixed to the cottage food product. MDH provides each cottage food business with a unique identification number, which must be included in their labeling.

Under Maryland regulations (COMAR 10.15.03.27), a cottage food business may offer for sale certain prepared homemade foods when the foods are made in a private home kitchen and offered or sold only in the State in several specified places, including directly to a consumer at a farmer's market.

Local Fiscal Effect: The Maryland Association of County Health Officers (MACHO) advises that, depending on the number of counties that choose to implement the authorization under the bill, certain local health departments may need to allocate staff from their environmental health programs or hire additional staff to inspect designated street food vending zones. However, MACHO assumes that the bill will only be immediately implemented in Prince George's County.

PGCHD advises that enforcement and inspection of farmer's markets would require additional staff, as its current workforce is insufficient. Thus, PGCHD expenditures increase by $178,845 beginning in FY 2027 to hire one environmental health specialist and one part-time (50%) administrative aide. This estimate includes salaries, fringe benefits, one-time start-up costs, administrative and communication costs, and other operating expenses. Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

While other counties indicated that the bill would have no fiscal impact, this analysis assumes that is an indication of the county not intending to designate street food vending

zones. To the extent that another county chooses to designate street food vending zones, similar local expenditures to Prince George's County may apply.

Small Business Effect: Certain small businesses may be restricted from some farmer's markets based on the geographic restrictions permitted under the bill, while others may be able to operate in additional locations as part of a street food vending zone.

Additional Comments: PGCHD advises that the bill may lead to increased illegal food vending among individuals who do not qualify to operate in the designated zones. Most illegal food vendors do not meet and cannot meet Maryland regulatory standards based on their operations and finances.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Association of County Health Officers; Calvert and Prince George's counties; Maryland Department of Agriculture; Maryland Department of Health; Department of Legislative Services

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