

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB 1342 – Agriculture – Controlled Environment and Hydroponic Agriculture

DATE: March 6, 2026

POSITION: Letter of Information

COMMITTEE: Environment and Transportation

SUMMARY OF BILL: HB1342 seeks to grow and strengthen the Controlled Environment and Hydroponic Agriculture sector in Maryland. To do this, the bill would establish and mandate funding of the Maryland Controlled-Environment and Hydroponic Agriculture Fund, extend and increase funding for the Urban Agriculture Water and Power Infrastructure Grant fund, require local jurisdictions to change zoning laws to allow for hydroponic agriculture facilities in urban areas, establish a hydroponic workforce training initiative to be offered at community colleges, and mandate that a portion of food procured by local school districts be sourced from hydroponic farms.

EXPLANATION: The indefinite extension and mandate increase of the Urban Agriculture Water and Power Infrastructure Grant fund starting in FY 2027 and the increase of mandated funding of the Maryland Controlled-Environment and Hydroponic Agriculture Fund for FY 2028 and FY 2029 would require a total general fund appropriation of \$15,000,000 over the five-year extension period from FY 2027 through FY 2031. The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long term. This mission is further complicated by significant federal uncertainty in both policy and budgetary areas, which requires the State to maintain a higher degree of fiscal resilience. The Department urges caution when passing legislation that significantly increases expenditure without commensurate reductions elsewhere. In light of the current fiscal crisis, the state government must be disciplined and strategic in its funding decisions to protect essential services. Any legislation that increases spending should include specific, identified, and sustainable funding offsets.

Given forecasted out-year deficits and significant uncertainty about the federal budget and policy changes, it would be challenging for the State to manage this increase in spending. This challenge is compounded by major, unforeseen changes in federal policy and other ongoing budgetary pressures. The Department of Budget and Management (DBM) now forecasts significant shortfalls beginning in Fiscal Year 2027 and escalating into Fiscal Year 2028.

**For additional information, contact Dana Phillips at
(410) 260-6068 or dana.phillips@maryland.gov**

45 Calvert Street • Annapolis, MD 21401-1907

Tel: 410-260-7041 • Fax: 410-974-2585 • Toll Free: 1-800-705-3493 • TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>