



Affiliates of The Maryland Association of Counties, Inc.

March 20, 2026

TO: Members of the Senate Finance Committee
FROM: Maryland Conference of Local Environmental Health Directors
Maryland Association of County Health Officers
RE: **HB 535 Food Establishments – Cottage Food Businesses – Maximum Annual Revenue**

The Maryland Conference of Local Environmental Health Directors (Conference) and the Maryland Association of County Health Officers (MACHO) provide this **Letter of Support with Amendments for HB 535** in their capacities as the state's twenty-four Health Officers who oversee the state's twenty-four local public health departments and the Environmental Health Directors who carry out delegated authorities from both the Maryland Department of the Environment and the Maryland Department of Health (MDH).

The proposed bill would increase the maximum amount of revenue a cottage food business may generate from \$50,000 to \$100,000 per year. We are concerned that the sharp increase may have unintended consequences that would adversely affect the public's health. (The cap was most recently raised from \$30k to \$50k.) Although cottage foods are potentially non-hazardous foods, this broad expansion of food preparation in non-regulated residential kitchens may significantly increase the risk of toxic contamination and unintentional adulteration with allergenic ingredients. Even small amounts of allergens such as peanuts can have life-threatening consequences for the public.

The proposed bill would also increase challenges in the event of foodborne outbreaks. The sale of cottage foods in grocery stores increases the risk of incomplete traceback. Product distribution will take place outside of traditional wholesaler networks, with their precise inventories and delivery dates. In the event of a foodborne outbreak or toxic contamination, investigations involving cottage foods will be hampered, leaving more lives at risk.

For these reasons the Conference and MACHO ask **that the bill be amended to include that an inflationary scale be applied to the revenue limit and regularly updated.** *This would allow the cottage food businesses to continue to operate and gradually expand, without posing an increased risk to public health. or needing to revisit legislative actions to raise the cap.* We would also ask **that bill language be amended to clarify to specify whether the revenue limit refers to gross or net revenue.**

The Conference and MACHO agree with these amendments. Accordingly, we ask the committee consider these changes to HB 535.

For more information:
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