

HB535 - FAV.pdf

Uploaded by: Essie Griffin

Position: FAV

March 20th, 2026

In reference to bill HB525 – FAV

My name is Essie Griffin and I'm asking you to increase the income cap for cottage food businesses in Maryland. This change would strengthen small businesses and increase tax revenue for our state. As revenue increases, so does taxable income, expanding Maryland's tax base while encouraging responsible entrepreneurship.

It would also directly support Maryland agriculture. As a bread baker, I purchase grains grown and milled in Maryland. When cottage bakers are able to grow, we buy more from local stores and farmers, keeping dollars circulating within our state.

The current \$50,000 income cap makes it extremely difficult for cottage bakers to earn a sustainable income. Once taxes and expenses are deducted, many are left earning near - or even below - the poverty line. The current cap effectively assumes a baker has a secondary income or a spouse who can financially support the household. This creates an unfair barrier for single mothers and other women who do not have that privilege but are working to build stable businesses.

I've experienced this challenge firsthand. In June of last year, my husband unexpectedly lost his job. We knew we were capable of expanding my bakery to help sustain our family while he pursued a new position. However, due to the income cap and our projected sales, we couldn't grow without exceeding the legal limit. My husband had to change careers and our family of five lived below the poverty line for six months — not because we lacked work ethic, but because of the current income cap.

Nearby states like Pennsylvania, Delaware, and Virginia have no income cap. I'm not asking Maryland to remove its cap entirely — only to raise it to \$100,000 so it better reflects today's economic climate.

I also respect that Maryland prioritizes food safety. Raising the income cap would not inherently increase the risk of food borne illness. Bakers would continue operating under the same safety regulations that already protect consumers.

Increasing the cap supports small business growth and benefits Maryland's economy. Thank you for your time and consideration.

Essie Griffin

148 Katherine Court
Elkton, MD 21921

HB535 MDA LOS Crossfile.pdf

Uploaded by: Harrison Palmer

Position: FAV



Maryland Department of Agriculture

Office of the Secretary

Wes Moore, Governor
Aruna Miller, Lt. Governor
Kevin Atticks, Secretary
Steven A. Connelly, Deputy Secretary

Agriculture | Maryland's Leading
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Maryland Department of Agriculture Legislative Comment Date: March 24th, 2026

BILL NUMBER: HB 535
BILL TITLE: Food Establishments - Cottage Food Businesses - Maximum Annual Revenue
MDA POSITION: SUPPORT

The Maryland Department of Agriculture (MDA) respectfully submits this letter in support of *House Bill 535 - Food Establishments - Cottage Food Businesses - Maximum Annual Revenue*.

Cottage Food Law serves as a vital entry point for producers of "potentially non-hazardous" foods, typically low-moisture products like baked goods that use commercially processed ingredients. While this framework allows some Maryland farm businesses to diversify their offerings, it is often limited in its application for raw, farm-fresh produce due to the strict safety requirements for residential processing.

For farmers looking to utilize ingredients grown directly on their land, the "On-Farm Home Processing License" is the essential tool. This license permits the use of domestic kitchens for further processing of farm-grown ingredients, subject to specific inspections and fees. Historically, this path was hampered by a \$50,000 revenue cap, which trailed behind Cottage Food limits.

HB 535 continues this momentum by adjusting the Cottage Food revenue threshold. It is important to note that while an increase to the Cottage Food cap does not directly expand a farm's ability to process on-site ingredients, it strengthens the overall ecosystem for Maryland's small-scale food economy. By ensuring these caps remain competitive and equitable, we encourage more Marylanders to participate in the local food supply chain, whether they are utilizing commercial inputs or farm-grown staples.

The MDA believes that supporting the growth of these small businesses is essential for a resilient and diverse state economy. For these reasons, MDA strongly supports HB 547 and respectfully requests a favorable report. MDA appreciates the consideration of the above information in the Committee's deliberations.

Contact: Harrison Palmer, Chief of Staff
harrisonb.palmer@maryland.gov | (410) 980-9887

MD HB535 End Chronic Disease Letter of Support.pdf

Uploaded by: Kara Jones

Position: FAV

Letter of Support for HB 535

March 20, 2026

Dear Chair Beidle and Members of the Finance Committee,

On behalf of End Chronic Disease, I am writing to express our support for House Bill 535. This legislation takes a practical and meaningful step toward improving public health by expanding opportunities for small-scale food entrepreneurs while increasing access to clean, whole foods across Maryland communities.

Chronic disease remains the leading cause of death and disability in the United States, with diet-related conditions such as obesity, type 2 diabetes, and cardiovascular disease accounting for a significant share of this burden. Currently, one of the major drivers of chronic disease is an overconsumption of ultra-processed foods, which is made worse by a lack of access to fresh, minimally processed foods. Policies that make it easier for individuals and small businesses to produce and sell wholesome foods are an important part of reversing these trends.

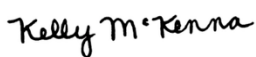
House Bill 535 supports this goal by raising the revenue cap for cottage food businesses from \$50,000 to \$100,000. While modest in scope, this change meaningfully expands the ability of local producers to grow and sustain their businesses without facing immediate regulatory barriers that are often cost-prohibitive at early stages. In doing so, the bill helps foster a more diverse and resilient local food ecosystem.

Cottage food businesses frequently provide minimally processed foods made in small batches with greater transparency around ingredients. By enabling these businesses to scale, HB 535 can increase the availability of healthier, whole-food options in both urban and rural communities, including areas that may be underserved by traditional grocery retail – where rates of chronic illness are often the highest. This helps shift food environments toward options that are more aligned with long-term health.

In addition, empowering local food entrepreneurs strengthens community-based economies and shortens supply chains, making it easier for consumers to access foods that are fresher and less reliant on industrial processing. These structural improvements to the food system are directly connected to chronic disease prevention. HB 535 accomplishes these benefits without requiring new state spending or altering existing food safety standards. It is a low-cost, high-impact policy lever that supports both economic opportunity and public health.

For these reasons, End Chronic Disease strongly supports House Bill 535 and encourages its favorable consideration. We appreciate the Finance Committee's attention to policies that can help create healthier communities across Maryland.

Sincerely,



Kelly McKenna
Chief Executive Officer
End Chronic Disease

MDFB - Support - HB535 - Food Establishments - Cot

Uploaded by: Tyler Hough

Position: FAV



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

March 24, 2026

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

RE: **Support of HB 535 — Food Establishments – Cottage Food Businesses – Maximum Annual Revenue**

The Maryland Farm Bureau respectfully supports HB 535, which increases the maximum annual revenue a business may generate from the sale of cottage food products from \$50,000 to \$100,000. Cottage food production has become an important avenue for Maryland's farmers, value-added producers, and rural entrepreneurs to expand their income while meeting rising consumer demand for locally made goods. As the cost of ingredients, packaging, transportation, and labor continues to climb, the current cap has become outdated and increasingly restrictive. Raising the threshold to \$100,000 more accurately reflects today's economic realities and allows small producers to grow sustainably without being forced prematurely into costly commercial kitchen requirements.

This modest but meaningful adjustment will support value-added agriculture and direct-to-consumer sales, two areas that are essential for the viability of Maryland's small and mid-sized farms. Cottage food businesses often serve as the entry point for new agricultural entrepreneurs, providing low-risk opportunities for farmers and rural residents to test products, build customer bases, and reinvest earnings back into their operations. Increasing the allowable revenue cap ensures that these businesses can keep pace with inflation, scale responsibly, and remain competitive in regional markets.

HB 535 strengthens local food systems, bolsters rural economies, and expands market opportunities for Maryland producers without compromising food safety standards, which remain clearly defined under existing Department of Health regulations. For these reasons, the Maryland Farm Bureau urges the committee to issue a favorable report on HB 535.

A handwritten signature in black ink, appearing to read 'Tyler Hough', with a horizontal line above it.

Tyler Hough
Director of Government Relations

Please reach out to Tyler Hough, though@marylandfb.org, with any questions

HB 535 - Food Est - Cottage Food Bus - Max Annual

Uploaded by: Ruth Maiorana

Position: FWA



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:
Conference Contact:
Michael Davis, President
Maryland Conference of Local Environmental Health Directors
Email: mjdavis@howardcountymd.gov

MACHO Contact:
Ruth Maiorana, Executive Director
Maryland Association of County Health Officers
Email: rmaiora1@jhu.edu