

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1626 (Delegate Metzgar)
 Environment and Transportation and
 Appropriations

Agriculture - Access to Food (Maryland Food Security, Access, and Equity Act)

This bill establishes a framework to address food insecurity and increase access to food in the State by creating the Food Security Coordination Office within the Maryland Department of Agriculture (MDA) to coordinate statewide food access initiatives, among other duties. MDA must establish a rural-to-urban produce distribution program, the Maryland Rural-to-Urban Produce Financing Program to fund specified projects, and a separate grant program for organizations to address food insecurity, as specified. MDA must also (1) support partnerships between health care providers and organizations that promote access to food, as specified, and (2) publish an annual statewide food security report. By January 1, 2027, MDA must adopt regulations to implement the above provisions. The bill also alters the purpose – and expands the scope – of the Jane Lawton Farm-to-School Program. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund and pay-as-you-go (PAYGO) general fund expenditures increase by a combined total of at least \$5.4 million in FY 2027 for staffing and financial assistance. To the extent that general obligation (GO) bond proceeds are available, PAYGO general fund expenditures are reduced. Future years reflect annualization, inflation, and minimum ongoing costs. Revenues are not directly affected.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.42	1.49	1.51	1.53	1.55
PAYGO GF exp	4.00	4.00	4.00	4.00	4.00
Net Effect	(\$5.42)	(\$5.49)	(\$5.51)	(\$5.53)	(\$5.55)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local government revenues may increase from financial assistance and grants available under the bill, as discussed below; local government expenditures increase accordingly as any financial assistance is used for authorized purposes.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary:

Food Security Coordinating Office

The purpose of the Food Security Coordinating Office and related provisions is to strengthen the State food system by expanding access to healthy foods, supporting local farmers by improving food distribution networks, and coordinating statewide efforts to eliminate food insecurity. The office is responsible for (1) coordinating statewide food access initiatives; (2) supporting partnerships between local farmers, food distributors, and community organizations; (3) maintaining a statewide data dashboard on food access and food insecurity; and (4) providing technical assistance to local jurisdictions to eliminate food insecurity.

Rural-to-urban Produce Distribution Program

MDA must establish a rural-to-urban produce distribution program to connect local farmers with urban and suburban communities experiencing food insecurity by (1) creating food aggregation and distribution hubs; (2) supporting the transportation of food from local farmers to urban and suburban communities; (3) improving the infrastructure in the State for the food cold chain; and (4) establishing partnerships between local farmers, food banks, schools, and community markets.

Maryland Rural-to-Urban Produce Financing Program

MDA must also establish the Maryland Rural-to-Urban Produce Financing Program to fund projects that stabilize and expand the movement of Maryland-grown produce to urban and suburban communities with food insecurity. The program may provide financing for (1) cold chain facilities; (2) transportation fleets and logistics systems; (3) rural aggregation hubs; (4) urban and suburban distribution centers; and (5) technology platforms for routing, tracking, and inventory control.

The financing program must (1) provide low- or no-interest, performance-based financial assistance to support projects that impact the aggregation, transportation, and distribution

of produce grown in the State; (2) reduce financial barriers that may limit the ability of small and mid-sized farmers to participate in the rural-to-urban and suburban food distribution networks; (3) strengthen the State's local food economy by improving access to fresh, nutritious food in communities that are food insecure; and (4) provide long-term and self-sustainable infrastructure that supports access to Maryland-grown produce.

Financial assistance includes grants, low- or no-interest loans, or other assistance MDA determines to be necessary to carry out the financing program. MDA must establish financial mechanisms, including bond issuance, to provide financial assistance to:

- local farmers and farming cooperatives;
- nonprofit and community-based organizations;
- food hubs and other food distribution networks;
- local governments; and
- social-enterprise entities that are engaged in increasing access to food.

To receive financial assistance, an eligible entity must (1) demonstrate a plan to deliver Maryland-grown produce to communities that are food insecure and (2) have the capacity to meet performance metrics established by MDA.

MDA must establish performance benchmarks, including those related to increasing access to food and prioritize the provision of financial assistance to projects that will directly increase the availability of produce to communities that are food insecure. MDA may enter into contracts or agreements with local farmers, farming cooperatives, food distributors, and other organizations as necessary to implement the financing program.

Grant Program

MDA also must establish a grant program, as specified, to provide grants to organizations to (1) expand community and mobile markets; (2) support urban agriculture and community gardens; and (3) increase access to culturally relevant foods.

By September 1 each year, recipients of grants in the previous fiscal year must report to MDA on the outcomes of the grants and their impact on the recipients' communities.

Partnerships between Health Care Providers and Certain Organizations

The bill requires MDA to support partnerships between health care providers and organizations that promote access to food through produce prescription programs, medically tailored groceries, and nutrition education. Health care providers that participate in such a partnership must track patient health outcomes and report the outcomes to MDA.

Third Party Contractors and Reporting

MDA may enter into contracts with third parties to develop, implement, and administer the bill, including (1) program design and operational planning; (2) technology development and data systems; (3) distribution and coordination logistics; and (4) evaluation and reporting functions.

A third party contracted under the bill must (1) have demonstrated expertise in food systems, logistics, agriculture, or program administration; (2) comply with specified State procurement laws; and (3) have the capability to meet performance benchmarks and reporting requirements established by MDA. MDA is authorized to audit a third party awarded a contract under the bill.

Annually, MDA must publish on its website a statewide food security report that includes (1) rates of food insecurity in each county; (2) participation rates for programs established under the bill; (3) metrics for the distribution of food and other resources under the bill; and (4) the impact of the bill on local farmers.

Jane Lawton Farm-to-School Program Alterations

The bill expands the purpose of the Jane Lawton Farm-to-School Program to include supporting school gardens and nutrition education. Eligible schools are expanded to include public and private prekindergarten programs, child care facilities, and early childhood education programs. By January 1 of each year, each school that participates in the program must report to MDA the types and amounts of farm products purchased from farms in the State.

Current Law: There are several programs and entities established in State law that focus on (1) food security and access (complementing federal food and nutrition assistance programs administered through several State agencies), and/or (2) the use and promotion of Maryland agriculture to provide food security and access and to fulfill State government and school food procurement needs:

- *Maryland Food System Resiliency Council* – The Maryland Food System Resiliency Council was established by Chapters 724 and 725 of 2021 (recently amended by Chapter 496 of 2025), is staffed by the Maryland Department of Emergency Management, and includes the Secretary of Agriculture among its members. The council’s responsibilities include working to (1) develop equity and sustainability policy recommendations to increase the long-term resiliency of the food system and (2) expand the impact of existing local food council organizations. The council reports annually on its findings, recommendations, and activities; its 2025 report can be found [here](#).

- *Maryland Food and Agricultural Resiliency Mechanism Grant Program* – The Maryland Food and Agricultural Resiliency Mechanism Grant Program (MD FARM) and the Maryland Food and Agricultural Resiliency Mechanism Fund, within MDA, were established by Chapter 480 of 2022. MD FARM has the purpose of building food system resiliency by leveraging Maryland agricultural products and services to support the State’s food banks and charitable emergency food providers to alleviate food insecurity. The fund provides grants to food banks and charitable emergency food providers for the procurement, processing, preparation, and transportation of local agricultural food products, supported by a \$200,000 annual mandated appropriation.
- *Maryland Farms and Families Program* – The Maryland Farms and Families Program within MDA was established by Chapters 395 and 396 of 2017. The program’s purpose is to double the purchasing power of food-insecure Maryland residents with limited access to fresh fruits and vegetables and to increase revenue for farmers through redemption of federal nutrition benefits – provided under the Farmers Market Nutrition Program (FMNP), the Supplemental Nutrition Assistance Program (SNAP), and the Special Supplemental Food Program for Women, Infants, and Children (WIC) – at Maryland farmers markets. The Maryland Farms and Families Fund – supported by a \$300,000 annual mandated appropriation – is used to (1) match purchases made with FMNP, SNAP, and WIC benefits at participating farmers markets and farm stands and (2) cover other costs of implementing the program.
- *Jane Lawton Farm-to-School Program* – The Jane Lawton Farm-to-School Program within MDA, established by Chapters 371 and 372 of 2008, has several specified purposes focused on, or related to, facilitating the sale of farm products grown in the State to Maryland schools. The program – in partnership with the Maryland State Department of Education (MSDE) and in consultation with school food service directors and interested farming organizations – must establish promotional events, including “Maryland Homegrown School Lunch Week,” that promote State agriculture and farm products to children through school meal and classroom programs.
- *Certified Local Farm and Fish Program* – The Certified Local Farm and Fish Program (within MDA) – originally established by Chapters 2 and 32 of 2021, and expanded by Chapters 575 and 576 of 2023 – has the purpose of encouraging each State procurement unit in the Executive Branch (including public four-year universities) to try to achieve an overall percentage goal of 20% of the unit’s total dollar value of procurement contracts for food from certified local farms and certified Chesapeake invasive (fish) species providers. Chapters 2 and 32 (as

amended by Chapters 575 and 576) also established the Certified Local Farm and Fish Food Aggregation Grant Fund, administered by the Maryland Agricultural and Resource-based Industry Development Corporation, to support the creation of food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments.

- *Chapters 1 and 15 of the 2025 Special Session* – Chapters 1 and 15 of the 2025 Special Session require MSDE to establish a program, when funding is available, to engage in procurement of local food for local school systems – specifically, (1) foods grown at a local farm certified under the Certified Local Farm and Fish Program; (2) certified Chesapeake invasive species from a provider certified under the Certified Local Farm and Fish Program; and (3) foods grown within a 250-mile radius from an elementary or secondary school in the State. Preference must be given to local farms and providers certified under the Certified Local Farm and Fish Program. Chapters 1 and 15 also increased (from 5% to 10%) the percentage price preference for locally grown food purchased by State schools and facilities.
- *Neighborhood Business Development Program* – The Neighborhood Business Development Program within the Department of Housing and Community Development (DHCD), through modifications made to the program by Chapter 228 of 2014 and Chapter 91 of 2021, has, among its purposes, the purpose of helping to create and retain small businesses and other food-related enterprises that provide fresh fruits, vegetables, and other healthy foods in food deserts or parts of priority funding areas or eligible opportunity zones that serve food deserts. Chapter 228 of 2014 (1) authorized DHCD to provide financial assistance to specified food desert projects, and required that the projects include a plan to seek out sources of Maryland-grown produce and Maryland produced foods and (2) established the Interagency Food Desert Advisory Committee (that includes the Secretary of Agriculture) to, among other things, make recommendations for interagency coordination to reduce the number of food deserts and promote healthy food access for Maryland neighborhoods.

State Expenditures: Overall, general fund and PAYGO general fund expenditures increase by a total of at least \$5.4 million in fiscal 2027 to establish the office and provide financial assistance and grants under the bill; future year minimum estimates range from approximately \$5.5 million in fiscal 2028 to approximately \$5.6 million in fiscal 2031. These costs are further described below.

Administrative Costs

MDA advises that the bill's requirements are within the scope of its Marketing and Agricultural Development Team, which administers some of the food insecurity programs

described above, but that the bill establishes new financial assistance programs and activities that require additional staff. The Department of Legislative Services concurs.

Therefore, general fund expenditures – for staffing – increase by \$423,515 in fiscal 2027, which accounts for a 90-day start-up delay from the bill’s July 1, 2026 effective date. This estimate includes the cost of hiring five administrative staff to (1) coordinate and staff the Food Security Coordination Office; (2) administer the rural-to-urban food produce distribution program; (3) provide financial assistance and grants; (4) provide technical assistance to local jurisdictions; (5) develop a web-based data dashboard; and (6) perform other duties specified by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes \$12,500 to develop the data dashboard.

Positions	5.0
Salaries and Fringe Benefits	\$354,006
Data Dashboard	12,500
Other Operating Expenses	<u>57,009</u>
Total FY 2027 MDA Staffing Expenditures	\$423,515

Future year administrative expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Financial Assistance and Grants

Maryland Rural-to-Urban Produce Financing Program: The bill requires MDA to provide financial assistance for specified high-cost projects, including cold chain facilities, transportation fleets, and food distribution centers. To maintain a viable and consequential financing program, MDA requires a minimum of \$4.0 million annually for this effort. The bill does not specify a funding source for the financing program; rather, it requires MDA to establish financial mechanisms, including bond issuance, to provide assistance under the financing program. For purposes of this analysis, it is assumed that PAYGO general funds are used to support the financing program. Therefore, PAYGO general fund expenditures increase by at least \$4.0 million annually beginning in fiscal 2027 to provide financial assistance (grants and/or low- or no-interest loans) under the Maryland Rural-to-Urban Produce Financing Program. To the extent GO bond proceeds are available and used for this purpose, the need for PAYGO general funds decreases.

Grant Program: The bill also requires MDA to administer a grant program for organizations to expand agricultural markets, as described above. The additional staff described above can administer the grant program, but a viable program for this purpose requires at least \$1.0 million annually for grant awards to organizations. Therefore,

general fund expenditures for MDA increase by at least an additional \$1.0 million annually beginning in fiscal 2027 for grant awards. Although this analysis assumes a 90-day delay for staffing, it is assumed that MDA can award the full \$1.0 million in grants in fiscal 2027, so grant funding is not prorated in the first year.

Local Fiscal Effect: Local government revenues increase to the extent eligible counties and municipalities receive financial assistance to enhance the delivery of Maryland-grown produce to urban and suburban communities with food insecurity; local expenditures increase accordingly. Local governments also benefit from any technical assistance provided by the Food Security Coordinating Office to eliminate food insecurity. Additionally, schools – including early childhood education programs and public prekindergarten programs operated by local governments – benefit from the support available for school gardens and nutrition education due to the bill’s changes to the Jane Lawton Farm-to-School Program.

Small Business Effect: Establishing financial support to incentivize the ongoing and expanded purchase of locally grown food benefits small business farms and farm cooperatives. Food hubs and food distribution networks also benefit from financial assistance under the Maryland Rural-to-Urban Produce Financing Program. Private prekindergarten programs and child care facilities benefit from the bill’s changes to the Jane Lawton Farm-to-School Program.

Additional Information

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

Designated Cross File: None.

Information Source(s): Maryland Department of Agriculture; Maryland State Department of Education; Baltimore City; City of Annapolis; Prince George’s County; Montgomery County Public Schools; Prince George’s County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - March 18, 2026
caw/mcr

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