

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1079
Economic Matters

(Delegate Feldman, *et al.*)

Finance

Consumer Protection - Halal Food Products

This bill requires the prominent and conspicuous display of a specific disclosure statement on the premises of an establishment that represents to the public that it serves or sells halal food products. The bill prohibits the false representation of food as halal, and specifies that a violation of the bill's provisions is an unfair or deceptive trade practice under the Maryland Consumer Protection Act, subject to MCPA's civil and criminal penalties.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the applicability of existing penalty provisions. If the Consumer Protection Division receives fewer than 50 complaints stemming from this bill, the additional workload could be handled with existing resource.

Local Effect: Potential minimal increase in revenues and expenditures due to the applicability of existing penalty provisions.

Small Business Effect: Minimal.

Analysis

Bill Summary: The food products regulated by the bill include any food, food product, or food preparation, whether raw, solid, or liquid, that is prepared for human consumption, including any meat or poultry. Under the bill, the Division of Consumer Protection of the Office of the Attorney General has to develop and make available a form for the required disclosure statement, a statement which must • be understandable

and written in simple and readable plain language; • disclose to the public the basis for a representation that any unpackaged food sold or served is halal, including a specification of practices relating to the preparation, handling, and sale of the food; and • meet any additional requirements that the division considers reasonable and necessary to carry out the bill's provisions.

A person that displays a disclosure statement as required by the bill must • retain a copy of the disclosure statement and any amendments for at least three years from the date that the person no longer makes the applicable representations to the public; and • provide a copy of the statement to the division within two business days after receipt of the division's request for the statement.

A person selling or serving unpackaged food that is represented to the public as halal must conform its practices to the standard displayed in the disclosure statement. A person may not sell, offer for sale, or display for sale with intent to defraud any food represented as halal if, in the same place of business, the person also offers for sale any food not represented as halal, unless the person includes a specific statement on each window sign and display advertisement in four-inch-high block letters. This statement must read "Halal and nonhalal food sold here," or, in the sale of meat alone, "Halal and nonhalal meat sold here." Possession of nonhalal food in any place of business advertising the sale of halal food only is presumptive evidence that the person in possession offers the nonhalal food for sale with intent to defraud.

A person may not falsely represent, with intent to defraud, any food product or the contents of any package or container to be halal, by having or permitting to be inscribed on the package or container the word "halal" in English. Arabic characters or any other representations that indicate to the public that an establishment sells or offers halal products must be accompanied by a corresponding representation of the same size in English characters. The bill prohibits the willful marking or demarking of any food product in order to falsely represent that the product is halal. The bill prohibits a person from knowingly selling, disposing of, or possessing for the purposes of resale to another person as halal any product that does not have the proper means of halal identification or has had that identification removed.

Current Law: State statutory law is currently silent on the regulation, advertising, or sale of halal food products. The bill is nearly identical in scope to the State law currently governing the sale and identification of kosher products, as set forth in Title 14, Subtitle 9 of the Commercial Law Article.

The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims under the Maryland Consumer Protection Act. Upon receiving a complaint, the division must determine

whether there are “reasonable grounds” to believe that a violation of MCPA has occurred. Generally, if the division does find reasonable grounds that a violation has occurred, the division must seek to conciliate the complaint. The division may also issue cease and desist orders, or seek action in court, including an injunction or civil damages, to enforce the Act. Violators of MCPA are subject to • civil penalties of \$1,000 for the first violation and \$5,000 for subsequent violations; and • criminal sanction as a misdemeanor, with a fine of up to \$1,000 and/or up to one year’s imprisonment.

Background: “Halal” is an Arabic term that means “permissible,” and in the English language it most frequently refers to food that is permissible according to Islamic law. Under Islamic law, a variety of substances are considered forbidden, including pork, blood, and intoxicants. Halal meat products are derived from animals or poultry that have been slaughtered in accordance with Islamic law as well as properly separated and identified.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene; Office of the Attorney General (Consumer Protection); Department of Legislative Services

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mll/ljm

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