



Legislative Summary

O-15-26

Cottage Food Businesses as Home Occupations

The City of Annapolis Office of Law created this summary for the use of Annapolis City Council members during their consideration of the legislation.

Note: This summary outlines the legislation as introduced and does not address any amendments.

Bill Summary

O-15-26 changes the city's zoning code so that residents can legally run a small home-based food business, known as a "cottage food business," out of their home in Annapolis.

Background

Maryland has allowed cottage food businesses since 2012, when the state passed its first cottage food law limiting sales to farmers' markets and public events.

State lawmakers expanded the law several times since then: in 2018 to allow direct home sales and mail order, in 2019 to allow sales through retail stores and food co-ops, in 2020 to let operators use a state ID number instead of their home address on labels, and in 2022 to raise the annual sales cap from \$25,000 to \$50,000, where it stands today.

State law already requires cottage food operators to follow local zoning rules.

Annapolis's current home occupation law was not written with cottage food in mind; O-15-26 updates the city code to expressly allow it.



Details

O-15-26 allows cottage food businesses as long as operators comply with Maryland's cottage food law, which restricts what can be sold, limits annual revenue to \$50,000, and mandates labeling.

Section Details

Section 21.72.010 adds "cottage food business" to the defined terms in Title 21 (Planning and Zoning) of the City Code. The definition points to Maryland state law, which defines a cottage food business as a home-based operation that makes small-batch food items like baked goods, jams, jellies, candy, dry mixes, and snacks that don't need refrigeration to stay safe (Md. Code, Health-General § 21-301(b-1)).

Section 21.64.330 lists which small businesses residents are allowed to run from their homes, and O-15-26 adds "cottage food business" to the list.

The ordinance:

- Adds "cottage food businesses" to the list of permitted home occupations.
- Clarifies that preparing and selling cottage food differs from the "commercial food preparation" which is currently prohibited as a home occupation, and cottage food businesses must abide by state restrictions.
- Adds a new rule that cottage food operators cannot pour fats, oils, or grease down the drain into the city sewer system. Operators must collect, cool, and dispose of these as solid waste instead. The Director of Public Works can require a grease trap or grease recovery device at a specific home if there's a problem.

Other provisions

- The Department of Planning and Zoning will issue any regulations or guidance needed to carry out the ordinance.
- The ordinance takes effect 30 days after it is adopted, to give Planning and Zoning time to prepare.