

# HOUSE BILL 1019

I4, M4

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CF SB 532

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By: **Delegates Fraser–Hidalgo, Anderson, Carr, Frush, Gutierrez, Lam, A. Miller, Pena–Melnyk, S. Robinson, Smith, Tarlau, and M. Washington**

Introduced and read first time: February 13, 2015

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Farmers' Rights Act**

3 FOR the purpose of establishing that certain contracts for the production of livestock  
4 impose a certain obligation of good faith on all parties; requiring certain production  
5 contracts to include a certain disclosure statement and cover sheet containing certain  
6 information; requiring certain production contracts to comply with certain  
7 standards; requiring certain production contracts to be submitted to the Attorney  
8 General for review to determine compliance with this Act; authorizing the Attorney  
9 General to decline to review a production contract for certain reasons; requiring the  
10 Attorney General to take certain actions after reviewing a production contract;  
11 requiring the Attorney General to consider certain factors in determining whether a  
12 production contract meets certain requirements; establishing that certain actions of  
13 the Attorney General under this Act are not subject to judicial review; establishing  
14 that a production contract is deemed to comply with certain requirements under  
15 certain circumstances; establishing that certification of a production contract by the  
16 Attorney General does not constitute approval of the contract's legality or legal effect;  
17 authorizing a certain producer to cancel a production contract within a certain period  
18 of time; providing that certain provisions in a production contract are void and  
19 unenforceable; establishing that a contract producer has a lien on certain livestock  
20 under certain circumstances; providing for enforcement of the lien; establishing  
21 procedures for termination of, cancellation of, or failure to renew a production  
22 contract; establishing that certain contract producers have certain rights;  
23 prohibiting certain contractors from engaging in or allowing their employees or  
24 agents to engage in certain practices; requiring a production contract to provide for  
25 resolution of disputes by mediation; establishing certain requirements for mediation;  
26 providing that a certain contractor that violates certain provisions of this Act is  
27 subject to a certain civil penalty; providing that a certain contractor that violates  
28 certain provisions of this Act is guilty of a misdemeanor and subject to a certain fine;  
29 requiring the Attorney General to enforce this Act; authorizing the Attorney General  
30 to take certain actions to enforce this Act; authorizing a certain contract producer to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



bring a certain civil action; requiring the court to award reasonable attorney's fees and litigation expenses to a contract producer under certain circumstances; exempting a contract producer from certain requirements to obtain injunctive relief; authorizing a court to order certain equitable relief in an action under this Act; authorizing the Attorney General to adopt certain regulations; providing for the application of this Act; defining certain terms; and generally relating to certain contracts for the production of livestock.

BY adding to

Article – Commercial Law

Section 24–101 through 24–902 to be under the new title “Title 24. Livestock Production Contracts”

Annotated Code of Maryland

(2013 Replacement Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

#### Article – Commercial Law

#### TITLE 24. LIVESTOCK PRODUCTION CONTRACTS.

#### SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.

#### 24–101.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “CAPITAL INVESTMENT” MEANS AN INVESTMENT IN:

(1) A STRUCTURE SUCH AS A BUILDING OR MANURE STORAGE SHED;  
OR

(2) MACHINERY OR EQUIPMENT THAT IS ASSOCIATED WITH PRODUCING LIVESTOCK AND HAS A USEFUL LIFE EXCEEDING 1 YEAR.

(C) “CONTRACT OPERATION” MEANS A LIVESTOCK FACILITY OPERATED IN ACCORDANCE WITH A PRODUCTION CONTRACT.

(D) “CONTRACT PRODUCER” MEANS A PRODUCER THAT PRODUCES LIVESTOCK UNDER A PRODUCTION CONTRACT.

1 (E) "CONTRACTOR" MEANS A PERSON THAT OWNS LIVESTOCK THAT IS  
2 PRODUCED BY A CONTRACT PRODUCER AT THE CONTRACT PRODUCER'S CONTRACT  
3 OPERATION.

4 (F) "LEGIBLE TYPE" MEANS A TYPEFACE AT LEAST AS LARGE AS 10 POINT  
5 MODERN TYPE, 1 POINT LEADED.

6 (G) "LIVESTOCK" MEANS:

7 (1) BEEF CATTLE;

8 (2) DAIRY CATTLE;

9 (3) POULTRY, INCLUDING TURKEYS AND CHICKENS;

10 (4) SHEEP;

11 (5) GOATS; OR

12 (6) SWINE.

13 (H) "PRODUCER" MEANS A PERSON THAT HOLDS AN INTEREST IN A  
14 LIVESTOCK FACILITY.

15 (I) "PRODUCTION CONTRACT" MEANS A WRITTEN AGREEMENT THAT  
16 PROVIDES FOR THE PRODUCTION OF LIVESTOCK BY A CONTRACT PRODUCER.

17 24-102.

18 THIS TITLE APPLIES TO PRODUCTION CONTRACTS THAT RELATE TO THE  
19 PRODUCTION OF LIVESTOCK OWNED BY A CONTRACTOR AND PRODUCED BY A  
20 CONTRACT PRODUCER AT THE CONTRACT PRODUCER'S CONTRACT OPERATION.

21 24-103.

22 A PRODUCTION CONTRACT IMPOSES AN OBLIGATION OF GOOD FAITH, AS  
23 DEFINED IN § 1-201 OF THIS ARTICLE, ON ALL PARTIES WITH RESPECT TO THE  
24 PERFORMANCE AND ENFORCEMENT OF THE PRODUCTION CONTRACT.

25 SUBTITLE 2. CONTRACT REQUIREMENTS.

26 24-201.

1           **(A) (1) A PRODUCTION CONTRACT SHALL INCLUDE A CLEAR WRITTEN**  
2 **DISCLOSURE STATEMENT SETTING FORTH THE NATURE OF THE MATERIAL RISKS**  
3 **FACED BY A PRODUCER IF THE PRODUCER ENTERS INTO THE CONTRACT.**

4           **(2) THE DISCLOSURE STATEMENT MAY BE IN THE FORM OF A**  
5 **WRITTEN STATEMENT OR CHECKLIST AND MAY BE DEVELOPED IN COOPERATION**  
6 **WITH PRODUCERS OR PRODUCER ORGANIZATIONS.**

7           **(3) THE DISCLOSURE STATEMENT SHALL INCLUDE THE FOLLOWING:**

8                   **(I) THE DURATION OF THE CONTRACT;**

9                   **(II) CONTRACT TERMINATION;**

10                   **(III) RENEGOTIATION STANDARDS;**

11                   **(IV) FACTORS TO BE USED IN DETERMINING PAYMENT;**

12                   **(V) RESPONSIBILITY TO OBTAIN AND COMPLY WITH FEDERAL,**  
13 **STATE, AND LOCAL PERMITS;**

14                   **(VI) A BRIEF DESCRIPTION OF HOW CONTRACT DISPUTES ARE**  
15 **RESOLVED; AND**

16                   **(VII) ANY OTHER CONTRACT TERM THAT THE ATTORNEY**  
17 **GENERAL DETERMINES IS APPROPRIATE FOR DISCLOSURE.**

18           **(B) (1) A PRODUCTION CONTRACT ENTERED INTO, AMENDED, OR**  
19 **RENEWED ON OR AFTER OCTOBER 1, 2015, SHALL CONTAIN AS THE FIRST PAGE, OR**  
20 **THE FIRST PAGE OF TEXT IF IT IS PRECEDED BY A TITLE PAGE OR PAGES, A COVER**  
21 **SHEET AS PROVIDED IN THIS SUBSECTION.**

22           **(2) THE COVER SHEET SHALL CONTAIN:**

23                   **(I) A BRIEF STATEMENT THAT THE DOCUMENT IS A LEGAL**  
24 **CONTRACT BETWEEN THE PARTIES;**

25                   **(II) THE FOLLOWING STATEMENT:**

26           **“READ YOUR CONTRACT CAREFULLY. THIS COVER SHEET**  
27 **PROVIDES ONLY A BRIEF SUMMARY OF YOUR CONTRACT. THIS IS NOT**  
28 **THE CONTRACT AND ONLY THE TERMS OF THE ACTUAL CONTRACT ARE**  
29 **LEGALLY BINDING. THE CONTRACT ITSELF SETS FORTH, IN DETAIL, THE**  
30 **RIGHTS AND OBLIGATIONS OF BOTH YOU AND THE CONTRACTOR OR**

1           PROCESSOR. IT IS THEREFORE IMPORTANT THAT YOU READ  
2           YOUR CONTRACT CAREFULLY.”;

3                   (III) THE WRITTEN DISCLOSURE STATEMENT REQUIRED UNDER  
4           SUBSECTION (A) OF THIS SECTION;

5                   (IV) A STATEMENT DESCRIBING, IN PLAIN LANGUAGE, THE  
6           PRODUCER’S RIGHT TO CANCEL THE CONTRACT UNDER § 24–203 OF THIS SUBTITLE;  
7           AND

8                   (V) AN INDEX OF THE MAJOR PROVISIONS OF THE CONTRACT  
9           AND THE PAGES ON WHICH THEY ARE FOUND, INCLUDING:

10                   1.     THE NAMES OF ALL PARTIES TO THE CONTRACT;

11                   2.     THE DEFINITION SECTIONS;

12                   3.     PROVISIONS           GOVERNING           TERMINATION,  
13           CANCELLATION, RENEWAL, AND AMENDMENT OF THE CONTRACT BY EITHER PARTY;

14                   4.     THE DUTIES OR OBLIGATIONS OF EACH PARTY; AND

15                   5.     ANY PROVISIONS SUBJECT TO CHANGE IN THE  
16           CONTRACT.

17           (c)   (1)   THIS SUBSECTION DOES NOT APPLY TO THE FOLLOWING TERMS  
18           IN A PRODUCTION CONTRACT:

19                   (i)   WORDS, PHRASES, PROVISIONS, OR FORMS OF AGREEMENT  
20           SPECIFICALLY REQUIRED, RECOMMENDED, OR ENDORSED BY A STATE OR FEDERAL  
21           STATUTE, RULE, OR REGULATION; AND

22                   (ii)  TECHNICAL TERMS USED TO DESCRIBE THE SERVICES OR  
23           PROPERTY THAT ARE THE SUBJECT OF THE CONTRACT, IF THE TERMS ARE  
24           CUSTOMARILY USED BY PRODUCERS IN THE ORDINARY COURSE OF BUSINESS IN  
25           CONNECTION WITH THOSE SERVICES OR PROPERTY.

26           (2)   ALL PARTS OF A PRODUCTION CONTRACT, INCLUDING ANY  
27           ATTACHMENTS, SHALL BE IN LEGIBLE TYPE, APPROPRIATELY DIVIDED INTO  
28           SECTIONS WITH CAPTIONS, AND WRITTEN IN CLEAR AND COHERENT LANGUAGE  
29           USING WORDS AND GRAMMAR THAT ARE UNDERSTANDABLE BY A PERSON OF  
30           AVERAGE INTELLIGENCE, EDUCATION, AND EXPERIENCE WITHIN THE INDUSTRY.

1           **(3) A PRODUCTION CONTRACT SHALL LIMIT REFERENCES TO OTHER**  
2 **SECTIONS OR PROVISIONS AND, WHEN INCORPORATING A DOCUMENT, HAVE A COPY**  
3 **OF THE DOCUMENT ATTACHED.**

4 **24-202.**

5           **(A) A CONTRACTOR SHALL SUBMIT A PRODUCTION CONTRACT TO THE**  
6 **ATTORNEY GENERAL FOR REVIEW TO DETERMINE WHETHER THE CONTRACT**  
7 **COMPLIES WITH THIS TITLE.**

8           **(B) THE ATTORNEY GENERAL MAY DECLINE TO REVIEW A PRODUCTION**  
9 **CONTRACT BECAUSE:**

10           **(1) THE CONTRACT'S COMPLIANCE WITH THIS TITLE IS SUBJECT TO**  
11 **PENDING LITIGATION; OR**

12           **(2) THE CONTRACT IS NOT SUBJECT TO THIS TITLE.**

13           **(C) AFTER REVIEWING A PRODUCTION CONTRACT, THE ATTORNEY**  
14 **GENERAL SHALL:**

15           **(1) CERTIFY THAT THE CONTRACT COMPLIES WITH THIS TITLE; OR**

16           **(2) DECLINE TO CERTIFY THAT THE CONTRACT COMPLIES WITH THIS**  
17 **TITLE AND STATE THE REASONS WHY THE CONTRACT FAILS TO COMPLY.**

18           **(D) IN DETERMINING WHETHER A PRODUCTION CONTRACT MEETS THE**  
19 **REQUIREMENTS OF § 24-201(C) OF THIS SUBTITLE, THE ATTORNEY GENERAL**  
20 **SHALL CONSIDER, AT A MINIMUM, THE FOLLOWING FACTORS:**

21           **(1) THE SIMPLICITY OF THE SENTENCE STRUCTURE;**

22           **(2) THE EXTENT TO WHICH COMMONLY USED AND UNDERSTOOD**  
23 **WORDS ARE EMPLOYED;**

24           **(3) THE EXTENT TO WHICH ESOTERIC LEGAL TERMS ARE AVOIDED;**

25           **(4) THE EXTENT TO WHICH REFERENCES TO OTHER SECTIONS OR**  
26 **PROVISIONS OF THE CONTRACT ARE MINIMIZED;**

27           **(5) THE FLESCH READING EASE TEST;**

28           **(6) THE EXTENT TO WHICH CLEAR DEFINITIONS ARE USED IN THE**  
29 **TEXT OF THE CONTRACT; AND**



1 (IV) CONTAINED IN THE PRODUCTION CONTRACT, ANOTHER  
2 PRODUCTION CONTRACT, OR A RELATED DOCUMENT, POLICY, OR AGREEMENT.

3 (3) THIS SECTION DOES NOT AFFECT OTHER PROVISIONS OF A  
4 PRODUCTION CONTRACT OR A RELATED DOCUMENT, POLICY, OR AGREEMENT THAT  
5 CAN BE GIVEN EFFECT WITHOUT THE VOID PROVISION.

6 (4) THIS SECTION DOES NOT REQUIRE A PARTY TO A PRODUCTION  
7 CONTRACT TO DIVULGE INFORMATION IN THE CONTRACT TO ANOTHER PERSON.

8 (B) (1) A CONTRACTOR SHALL IDENTIFY ANY CONFIDENTIAL BUSINESS  
9 INFORMATION CONTAINED IN A PRODUCTION CONTRACT WHEN SUBMITTING THE  
10 CONTRACT TO THE ATTORNEY GENERAL FOR REVIEW.

11 (2) IF THE ATTORNEY GENERAL DETERMINES THAT A CLAIM OF  
12 CONFIDENTIAL BUSINESS INFORMATION IS WARRANTED, THAT INFORMATION MAY  
13 BE HELD CONFIDENTIAL NOTWITHSTANDING ANY OTHER PROVISION OF THIS  
14 SECTION.

15 (3) CONFIDENTIALITY OF CONFIDENTIAL BUSINESS INFORMATION  
16 DOES NOT HAVE ANY EFFECT ON OTHER INFORMATION CONTAINED IN A  
17 PRODUCTION CONTRACT.

18 **24-302.**

19 ANY PROVISION OF A PRODUCTION CONTRACT THAT WAIVES A RIGHT OF A  
20 CONTRACT PRODUCER OR AN OBLIGATION OF A CONTRACTOR ESTABLISHED BY THIS  
21 TITLE IS VOID AND UNENFORCEABLE.

22 **24-303.**

23 ANY CONDITION, STIPULATION, OR PROVISION OF A PRODUCTION CONTRACT  
24 THAT REQUIRES THE APPLICATION OF THE LAW OF ANOTHER STATE INSTEAD OF  
25 THIS TITLE IS VOID AND UNENFORCEABLE.

26 **SUBTITLE 4. PRODUCTION CONTRACT LIEN.**

27 **24-401.**

28 (A) A CONTRACT PRODUCER SHALL HAVE A LIEN ON THE CONTRACTOR'S  
29 LIVESTOCK FOR THE AMOUNT OF ANY MONEY OWED TO THE CONTRACT PRODUCER  
30 UNDER THE PRODUCTION CONTRACT, INCLUDING MONEY OWED BY THE



1 CONTRACTOR TO THE CONTRACT PRODUCER FOR THE PRODUCTION OF LIVESTOCK  
2 AND FOR CAPITAL INVESTMENTS.

3 (B) IF THE MONEY THAT GIVES RISE TO THE LIEN IS DUE AND UNPAID FOR  
4 30 DAYS AND THE CONTRACT PRODUCER IS IN POSSESSION OF THE LIVESTOCK, THE  
5 CONTRACT PRODUCER MAY SELL THE LIVESTOCK TO WHICH THE LIEN ATTACHES AT  
6 PUBLIC SALE.

7 (C) (1) THE CONTRACT PRODUCER SHALL PUBLISH NOTICE OF THE SALE  
8 ONCE A WEEK FOR 2 SUCCESSIVE WEEKS IN ONE OR MORE NEWSPAPERS OF  
9 GENERAL CIRCULATION IN THE COUNTY WHERE THE LIVESTOCK IS LOCATED.

10 (2) (I) THE CONTRACT PRODUCER SHALL SEND NOTICE BY  
11 REGISTERED OR CERTIFIED MAIL AT LEAST 30 DAYS BEFORE THE SALE TO THE  
12 CONTRACTOR AT THE CONTRACTOR'S LAST KNOWN ADDRESS.

13 (II) IF THE CONTRACTOR'S ADDRESS IS UNKNOWN, THE NOTICE  
14 MAY BE GIVEN BY POSTING THE NOTICE ON THE DOOR OF THE COURTHOUSE OR ON  
15 A BULLETIN BOARD IN THE IMMEDIATE VICINITY OF THE DOOR OF THE  
16 COURTHOUSE OF THE COUNTY WHERE THE LIVESTOCK IS LOCATED.

17 SUBTITLE 5. TERMINATION OF PRODUCTION CONTRACT.

18 24-501.

19 (A) (1) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A  
20 CONTRACTOR MAY NOT TERMINATE, CANCEL, OR FAIL TO RENEW A PRODUCTION  
21 CONTRACT UNLESS:

22 (I) THE CONTRACTOR HAS GIVEN THE CONTRACT PRODUCER  
23 WRITTEN NOTICE OF THE CONTRACTOR'S INTENTION TO TERMINATE, CANCEL, OR  
24 NOT RENEW AT LEAST 90 DAYS BEFORE THE EFFECTIVE DATE OF THE TERMINATION,  
25 CANCELLATION, OR NONRENEWAL; AND

26 (II) THE CONTRACT PRODUCER HAS BEEN PAID ANY MONEY  
27 OWED UNDER THE CONTRACT AND REIMBURSED FOR DAMAGES INCURRED DUE TO  
28 THE TERMINATION, CANCELLATION, OR FAILURE TO RENEW.

29 (2) IF THE CONTRACT PRODUCER HAS MADE CAPITAL INVESTMENTS  
30 TO THE CONTRACT OPERATION UNDER THE TERMS OF THE CONTRACT, DAMAGES  
31 UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE BASED ON THE GREATER  
32 OF:

1           **(I) THE VALUE OF THE REMAINING USEFUL LIFE OF THE**  
2 **STRUCTURES, MACHINERY, OR EQUIPMENT USED IN THE CONTRACT OPERATION; OR**

3           **(II) THE BALANCE LEFT ON ANY LOAN OBTAINED BY THE**  
4 **CONTRACT PRODUCER TO BUILD OR IMPROVE A STRUCTURE OR TO PURCHASE THE**  
5 **MACHINERY OR EQUIPMENT USED IN THE CONTRACT OPERATION.**

6           **(B) (1) IF A CONTRACT PRODUCER MATERIALLY BREACHES A**  
7 **PRODUCTION CONTRACT, INCLUDING THE INVESTMENT REQUIREMENTS OF THE**  
8 **CONTRACT, THE CONTRACTOR MAY NOT TERMINATE, CANCEL, OR FAIL TO RENEW**  
9 **THE PRODUCTION CONTRACT UNLESS:**

10           **(I) THE CONTRACTOR HAS GIVEN THE CONTRACT PRODUCER**  
11 **WRITTEN NOTICE OF TERMINATION, CANCELLATION, OR NONRENEWAL AT LEAST 45**  
12 **DAYS BEFORE THE EFFECTIVE DATE OF THE TERMINATION, CANCELLATION, OR**  
13 **NONRENEWAL THAT STATES THE ALLEGED CAUSES OF THE BREACH; AND**

14           **(II) THE CONTRACT PRODUCER FAILS TO REMEDY EACH**  
15 **ALLEGED CAUSE OF THE BREACH STATED IN THE NOTICE WITHIN 30 DAYS AFTER**  
16 **RECEIPT OF THE NOTICE.**

17           **(2) AN EFFORT BY A CONTRACT PRODUCER TO REMEDY A CAUSE OF**  
18 **AN ALLEGED BREACH MAY NOT BE CONSTRUED AS AN ADMISSION OF A BREACH IN A**  
19 **CIVIL ACTION.**

20           **(C) (1) A CONTRACTOR MAY TERMINATE, CANCEL, OR FAIL TO RENEW A**  
21 **PRODUCTION CONTRACT WITHOUT NOTICE OR AN OPPORTUNITY FOR THE**  
22 **CONTRACT PRODUCER TO REMEDY AN ALLEGED BREACH AS REQUIRED UNDER**  
23 **SUBSECTIONS (A) AND (B) OF THIS SECTION IF THE BASIS FOR THE TERMINATION,**  
24 **CANCELLATION, OR NONRENEWAL IS:**

25           **(I) A VOLUNTARY ABANDONMENT OF THE CONTRACTUAL**  
26 **RELATIONSHIP BY THE CONTRACT PRODUCER; OR**

27           **(II) THE CONVICTION OF THE CONTRACT PRODUCER OF AN**  
28 **OFFENSE OF FRAUD OR THEFT COMMITTED AGAINST THE CONTRACTOR.**

29           **(2) A COMPLETE FAILURE OF A CONTRACT PRODUCER'S**  
30 **PERFORMANCE UNDER A PRODUCTION CONTRACT SHALL BE DEEMED TO BE AN**  
31 **ABANDONMENT FOR PURPOSES OF PARAGRAPH (1)(I) OF THIS SUBSECTION.**

32           **(D) IF A CONTRACTOR TERMINATES, CANCELS, OR FAILS TO RENEW A**  
33 **PRODUCTION CONTRACT EXCEPT AS PROVIDED IN THIS SECTION, THE CONTRACTOR**  
34 **SHALL PAY THE CONTRACT PRODUCER THE GREATER OF:**

1           **(1) THE VALUE OF THE REMAINING USEFUL LIFE OF THE**  
2 **STRUCTURES, MACHINERY, OR EQUIPMENT USED IN THE CONTRACT OPERATION; OR**

3           **(2) THE BALANCE LEFT ON ANY LOAN OBTAINED BY THE CONTRACT**  
4 **PRODUCER TO BUILD OR IMPROVE A STRUCTURE OR TO PURCHASE THE MACHINERY**  
5 **OR EQUIPMENT USED IN THE CONTRACT OPERATION.**

6           **SUBTITLE 6. RIGHTS OF CONTRACT PRODUCERS; UNFAIR CONTRACTOR**  
7 **PRACTICES.**

8 **24-601.**

9           **(A) A CONTRACT PRODUCER SHALL HAVE THE FOLLOWING RIGHTS:**

10           **(1) THE RIGHT TO JOIN OR BELONG TO, OR TO REFRAIN FROM**  
11 **JOINING OR BELONGING TO, AN ASSOCIATION OF PRODUCERS;**

12           **(2) THE RIGHT TO ENTER INTO A MEMBERSHIP AGREEMENT OR**  
13 **MARKETING CONTRACT WITH AN ASSOCIATION OF PRODUCERS, A PROCESSOR, OR**  
14 **ANOTHER PRODUCER, AND THE RIGHT TO EXERCISE CONTRACTUAL RIGHTS UNDER**  
15 **A MEMBERSHIP AGREEMENT OR MARKETING CONTRACT;**

16           **(3) THE RIGHT TO LAWFULLY PROVIDE STATEMENTS OR**  
17 **INFORMATION, INCLUDING TO THE UNITED STATES SECRETARY OF AGRICULTURE**  
18 **OR TO A LAW ENFORCEMENT AGENCY, REGARDING ALLEGED IMPROPER ACTIONS OR**  
19 **VIOLATIONS OF LAW BY A CONTRACTOR OR PROCESSOR, UNLESS THE STATEMENTS**  
20 **OR INFORMATION ARE DETERMINED TO BE LIBELOUS OR SLANDEROUS;**

21           **(4) THE RIGHT TO OBTAIN AND ENFORCE A LIEN UNDER § 24-401 OF**  
22 **THIS TITLE;**

23           **(5) THE RIGHT TO DISCLOSE THE TERMS OF A PRODUCTION**  
24 **CONTRACT TO ANY OTHER PERSON, INCLUDING MEMBERS OF THE PUBLIC, ELECTED**  
25 **OFFICIALS, OR THE PRESS, SUBJECT TO § 24-301(B) OF THIS TITLE;**

26           **(6) THE RIGHT TO COMMUNICATE FREELY WITH ANY OTHER PERSON,**  
27 **INCLUDING MEMBERS OF THE PUBLIC, ELECTED OFFICIALS, OR THE PRESS,**  
28 **REGARDING THE CONTRACT PRODUCER'S EXPERIENCE AS A CONTRACT PRODUCER,**  
29 **SUBJECT TO § 24-301(B) OF THIS TITLE;**

30           **(7) THE RIGHT TO REFUSE TO RETAIN ALL OR PART OF THE WASTE,**  
31 **INCLUDING POULTRY LITTER, GENERATED AT THE CONTRACT OPERATION BY THE**

1 PRODUCTION OF LIVESTOCK OWNED BY A CONTRACTOR, IN ACCORDANCE WITH  
2 SUBSECTION (B) OF THIS SECTION; AND

3 (8) THE RIGHT TO ENFORCE ANY OTHER PROTECTIONS AFFORDED  
4 UNDER THIS SUBTITLE OR ANY OTHER APPLICABLE LAW OR REGULATION.

5 (B) (1) A CONTRACT PRODUCER SHALL NOTIFY THE CONTRACTOR, IN  
6 WRITING, WITHIN 5 DAYS AFTER THE REMOVAL OF LIVESTOCK BY THE CONTRACTOR  
7 FROM THE CONTRACT OPERATION OF THE AMOUNT OF WASTE, IF ANY, THE  
8 PRODUCER WISHES TO RETAIN.

9 (2) (I) ANY WASTE THE CONTRACT PRODUCER DOES NOT WISH TO  
10 RETAIN IS DEEMED TO BE EXCESS WASTE.

11 (II) THE CONTRACTOR SHALL REMOVE, AT NO COST TO THE  
12 CONTRACT PRODUCER, ANY EXCESS WASTE FROM THE CONTRACT OPERATION  
13 WITHIN 30 DAYS AFTER NOTIFICATION BY THE CONTRACT PRODUCER.

14 24-602.

15 A CONTRACTOR MAY NOT ENGAGE IN OR ALLOW AN EMPLOYEE OR AGENT TO  
16 ENGAGE IN THE FOLLOWING PRACTICES IN CONNECTION WITH A PRODUCTION  
17 CONTRACT:

18 (1) TO TAKE ANY ACTION TO COERCE, INTIMIDATE, DISADVANTAGE,  
19 RETALIATE AGAINST, OR DISCRIMINATE AGAINST A CONTRACT PRODUCER BECAUSE  
20 THE CONTRACT PRODUCER EXERCISES OR ATTEMPTS TO EXERCISE ANY RIGHT OF  
21 THE CONTRACT PRODUCER, INCLUDING ACTIONS AFFECTING:

22 (I) THE EXECUTION, TERMINATION, EXTENSION, OR RENEWAL  
23 OF A PRODUCTION CONTRACT;

24 (II) THE TREATMENT OF A CONTRACT PRODUCER, INCLUDING  
25 PROVIDING DISCRIMINATORY OR PREFERENTIAL TERMS IN A PRODUCTION  
26 CONTRACT OR INTERPRETING TERMS OF AN EXISTING PRODUCTION CONTRACT IN A  
27 DISCRIMINATORY OR PREFERENTIAL MANNER;

28 (III) THE GRANT OR DENIAL OF A REWARD OR AN IMPOSITION OF  
29 A PENALTY IN ANY FORM, INCLUDING A FINANCIAL REWARD OR PENALTY RELATING  
30 TO A LOAN, A BONUS, OR AN INDUCEMENT; AND

31 (IV) ALTERATION OF THE QUALITY, QUANTITY, OR DELIVERY  
32 TIMES OF CONTRACT INPUTS, INCLUDING LIVESTOCK, FEED, OR ANY OTHER  
33 CONTRACT INPUT PROVIDED TO A CONTRACT PRODUCER;

1           **(2) TO PROVIDE FALSE INFORMATION TO A CONTRACT PRODUCER,**  
2 **INCLUDING FALSE INFORMATION RELATING TO:**

3           **(I) A PRODUCER WITH WHOM THE CONTRACT PRODUCER**  
4 **ASSOCIATES OR AN ASSOCIATION OF PRODUCERS OR AN AGRICULTURAL**  
5 **ORGANIZATION WITH WHICH THE PRODUCER IS AFFILIATED, INCLUDING:**

6                   **1. THE CHARACTER OF THE PRODUCER; AND**

7                   **2. THE CONDITION OF THE FINANCES OR THE**  
8 **MANAGEMENT OF THE ASSOCIATION OF PRODUCERS OR AGRICULTURAL**  
9 **ORGANIZATION; AND**

10           **(II) THE RIGHTS OF CONTRACT PRODUCERS UNDER THIS TITLE**  
11 **OR ANY OTHER PROVISION OF LAW;**

12           **(3) TO REFUSE TO PROVIDE TO A CONTRACT PRODUCER, ON**  
13 **REQUEST, THE STATISTICAL INFORMATION AND DATA USED TO DETERMINE**  
14 **COMPENSATION PAID TO THE CONTRACT PRODUCER UNDER A PRODUCTION**  
15 **CONTRACT, INCLUDING FEED CONVERSION RATES, FEED ANALYSES, ORIGINATION**  
16 **AND BREEDER HISTORY;**

17           **(4) TO REFUSE TO ALLOW A CONTRACT PRODUCER OR THE**  
18 **CONTRACT PRODUCER'S DESIGNATED REPRESENTATIVE TO OBSERVE, BY ACTUAL**  
19 **OBSERVATION AT THE TIME OF WEIGHING, THE WEIGHTS AND MEASURES USED TO**  
20 **DETERMINE THE CONTRACT PRODUCER'S COMPENSATION UNDER A PRODUCTION**  
21 **CONTRACT;**

22           **(5) TO USE THE PERFORMANCE OF ANY OTHER CONTRACT**  
23 **PRODUCER TO DETERMINE THE COMPENSATION OF A CONTRACT PRODUCER UNDER**  
24 **A PRODUCTION CONTRACT OR AS THE BASIS FOR THE TERMINATION,**  
25 **CANCELLATION, OR RENEWAL OF A PRODUCTION CONTRACT;**

26           **(6) TO REQUIRE A CONTRACT PRODUCER TO MAKE NEW OR**  
27 **ADDITIONAL CAPITAL INVESTMENTS THAT ARE UNNECESSARY FOR THE PROPER**  
28 **FUNCTIONING OF THE CONTRACT OPERATION OR THE HEALTH, SAFETY, AND**  
29 **WELFARE OF THE LIVESTOCK OR THE PUBLIC UNLESS THE NEW OR ADDITIONAL**  
30 **CAPITAL INVESTMENTS ARE:**

31                   **(I) PAID FOR BY THE CONTRACTOR; OR**

32                   **(II) OFFSET BY OTHER COMPENSATION OR MODIFICATIONS TO**  
33 **THE TERMS OF THE PRODUCTION CONTRACT, IN A MANNER THAT THE CONTRACT**

1 PRODUCER AGREES TO, IN WRITING, AS CONSTITUTING ACCEPTABLE AND  
2 SATISFACTORY CONSIDERATION FOR THE NEW OR ADDITIONAL CAPITAL  
3 INVESTMENT;

4 (7) TO EXECUTE A PRODUCTION CONTRACT THAT VIOLATES § 24-201  
5 OF THIS TITLE;

6 (8) TO EXECUTE A PRODUCTION CONTRACT THAT INCLUDES A  
7 CONFIDENTIALITY PROVISION IN VIOLATION OF § 24-301 OF THIS TITLE;

8 (9) TO EXECUTE A PRODUCTION CONTRACT WITHOUT A MEDIATION  
9 PROVISION AS REQUIRED UNDER § 24-701 OF THIS TITLE;

10 (10) TO EXECUTE A PRODUCTION CONTRACT THAT INCLUDES A  
11 WAIVER OF ANY RIGHT OF A CONTRACT PRODUCER OR ANY OBLIGATION OF A  
12 CONTRACTOR ESTABLISHED UNDER THIS TITLE; AND

13 (11) TO EXECUTE A PRODUCTION CONTRACT REQUIRING THE  
14 APPLICATION OF THE LAW OF ANOTHER STATE IN VIOLATION OF § 24-303 OF THIS  
15 TITLE.

16 **SUBTITLE 7. MEDIATION.**

17 **24-701.**

18 (A) A PRODUCTION CONTRACT SHALL CONTAIN LANGUAGE PROVIDING FOR  
19 RESOLUTION OF DISPUTES CONCERNING THE CONTRACT BY MEDIATION.

20 (B) (1) BOTH PARTIES TO A PRODUCTION CONTRACT MUST AGREE TO  
21 MEDIATION BEFORE MEDIATION MAY OCCUR.

22 (2) IF BOTH PARTIES AGREE TO MEDIATION, EITHER PARTY MAY  
23 MAKE A WRITTEN REQUEST TO THE MARYLAND MEDIATION AND CONFLICT  
24 RESOLUTION OFFICE FOR MEDIATION SERVICES.

25 (C) ANY DECISION MADE IN MEDIATION SHALL BE NONBINDING ON THE  
26 PARTIES AND DOES NOT PREVENT ANY PARTY FROM SEEKING ANY OTHER LEGAL  
27 REMEDY AVAILABLE UNDER THIS TITLE, INCLUDING REMEDIES SPECIFIED UNDER  
28 SUBTITLE 8 OF THIS TITLE.

29 **SUBTITLE 8. ENFORCEMENT; PENALTIES.**

30 **24-801.**

1           **(A) A CONTRACTOR THAT VIOLATES § 24-602 OF THIS TITLE IS SUBJECT TO**  
2 **A CIVIL PENALTY OF UP TO \$50,000 PER VIOLATION.**

3           **(B) A CONTRACTOR OR PROCESSOR THAT VIOLATES § 24-602 OF THIS TITLE**  
4 **IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT**  
5 **EXCEEDING \$25,000.**

6 **24-802.**

7           **(A) THE ATTORNEY GENERAL SHALL ENFORCE THIS TITLE.**

8           **(B) IN ENFORCING THIS TITLE, THE ATTORNEY GENERAL MAY:**

9                   **(1) SEEK AN INJUNCTION TO:**

10                           **(i) RESTRAIN A CONTRACTOR FROM ENGAGING IN CONDUCT**  
11 **OR PRACTICES IN VIOLATION OF THIS TITLE; OR**

12                           **(ii) REQUIRE A CONTRACTOR TO COMPLY WITH A PROVISION OF**  
13 **THIS TITLE;**

14                   **(2) OBTAIN A SUBPOENA FOR THE PRODUCTION OF DOCUMENTS,**  
15 **INCLUDING A PRODUCTION CONTRACT;**

16                   **(3) BRING AN ACTION FOR CIVIL PENALTIES UNDER § 24-801(A) OF**  
17 **THIS SUBTITLE; AND**

18                   **(4) BRING A CRIMINAL PROSECUTION UNDER § 24-801(B) OF THIS**  
19 **SUBTITLE.**

20 **24-803.**

21           **(A) IN ADDITION TO ANY ACTION BY THE ATTORNEY GENERAL UNDER §**  
22 **24-802 OF THIS SUBTITLE AND ANY OTHER ACTION AUTHORIZED BY LAW, A**  
23 **CONTRACT PRODUCER THAT SUFFERS DAMAGES BECAUSE OF A CONTRACTOR'S**  
24 **VIOLATION OF THIS TITLE MAY BRING AN ACTION TO OBTAIN APPROPRIATE LEGAL**  
25 **AND EQUITABLE RELIEF, INCLUDING DAMAGES.**

26           **(B) IF A CONTRACT PRODUCER IS THE PREVAILING PARTY IN A CIVIL**  
27 **ACTION AGAINST A CONTRACTOR UNDER THIS SECTION, THE COURT SHALL AWARD**  
28 **THE CONTRACT PRODUCER REASONABLE ATTORNEY'S FEES AND OTHER LITIGATION**  
29 **EXPENSES.**

1           **(C) (1) IN ORDER TO OBTAIN INJUNCTIVE RELIEF, A CONTRACT**  
2 **PRODUCER MAY NOT BE REQUIRED TO POST A BOND, PROVE THE ABSENCE OF AN**  
3 **ADEQUATE REMEDY AT LAW, OR SHOW THE EXISTENCE OF SPECIAL**  
4 **CIRCUMSTANCES, UNLESS THE COURT FOR GOOD CAUSE OTHERWISE ORDERS.**

5           **(2) THE COURT MAY ORDER ANY APPROPRIATE EQUITABLE RELIEF IN**  
6 **AN ACTION UNDER THIS SECTION, INCLUDING ISSUING A TEMPORARY OR**  
7 **PERMANENT INJUNCTION.**

8                           **SUBTITLE 9. MISCELLANEOUS PROVISIONS.**

9           **24-901.**

10           **THE ATTORNEY GENERAL MAY ADOPT REGULATIONS TO CARRY OUT THIS**  
11 **TITLE.**

12           **24-902.**

13           **THIS TITLE APPLIES TO PRODUCTION CONTRACTS IN FORCE ON OR AFTER**  
14 **OCTOBER 1, 2015, REGARDLESS OF THE DATE THE PRODUCTION CONTRACT IS**  
15 **EXECUTED.**

16           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
17 **October 1, 2015.**