

SENATE BILL 32

C8

(PRE-FILED)

4r0826
CF HB 120

By: ~~Senator Bailey~~ Senators Bailey and Klausmeier

Requested: October 3, 2023

Introduced and read first time: January 10, 2024

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 11, 2024

CHAPTER _____

1 AN ACT concerning

2 ~~Economic Development – Maryland Watermen’s Microloan Program – Eligibility~~
3 Economic Development – Maryland Agricultural and Resource-Based Industry
4 Development Corporation – Loans

5 FOR the purpose of altering a certain loan program to authorize the Maryland Agricultural
6 and Resource-Based Industry Development Corporation to provide loans in a certain
7 amount for certain seasonal full-time jobs; requiring a recipient of a certain loan to
8 make a certain annual report to the Corporation; expanding eligibility for the
9 Maryland Watermen’s Microloan Program within the ~~Maryland Agricultural and~~
10 ~~Resource-Based Industry Development~~ Corporation to include, on or after a certain
11 date, individuals who are residents of the State and hold certain commercial fishing
12 licenses issued by the Potomac River Fisheries Commission; repealing a certain
13 requirement relating to the amount of a loan under the Program; and generally
14 relating to the Maryland Watermen’s Microloan Program.

15 BY repealing and reenacting, with amendments,
16 Article – Economic Development
17 Section 10–519.1(a) and (b) and 10–526
18 Annotated Code of Maryland
19 (2018 Replacement Volume and 2023 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Economic Development

10-519.1.

(a) (1) In this section the following words have the meanings indicated.

(2) “Eligible seafood processing project” means a project to establish or expand the business of a licensed seafood dealer that:

(i) supports the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay; and

(ii) meets the criteria established by the Corporation under this section.

(3) “Licensed seafood dealer” means a person licensed under § 4-701 of the Natural Resources Article to buy, process, pack, resell, market or otherwise deal in fish caught in the tidal waters of the State.

(4) “Repletion” means enhancing areas where commercial harvest is permitted.

(5) “SEASONAL FULL-TIME JOB” MEANS A POSITION FOR WHICH AN INDIVIDUAL IS REQUIRED TO WORK A MINIMUM OF 420 HOURS DURING 12 WEEKS OF A 3-MONTH PERIOD.

(b) (1) **(I) The Corporation shall provide loans up to \$250,000 to finance the costs of eligible seafood processing projects in accordance with this section, including historic oyster shucking facilities, not to exceed \$25,000 for each full-time job OR \$10,000 FOR EACH SEASONAL FULL-TIME JOB that is projected to be created or retained.**

(II) BEGINNING 1 YEAR AFTER RECEIPT OF A LOAN UNDER THIS SECTION, A LOAN RECIPIENT SHALL REPORT EACH YEAR FOR 3 CONSECUTIVE YEARS TO THE CORPORATION TO CERTIFY THE NUMBER OF FULL-TIME JOBS AND SEASONAL FULL-TIME JOBS THAT WERE CREATED OR RETAINED BY THE RECIPIENT DURING THE PREVIOUS 12-MONTH PERIOD.

(2) Financing provided under this section shall be conditioned on the agreement by the recipient to comply with the provisions of § 4-1019.2 of the Natural Resources Article until the loan is repaid.

(3) The Corporation shall forgive any loan provided under this section as follows:

1 (i) the current market value as established in § 4-1019.2 of the
 2 Natural Resources Article for each bushel of oyster shells that the loan recipient returns to
 3 the Department of Natural Resources at no cost; or

4 (ii) \$25 for each bushel of spat-on-shell that the person plants on a
 5 public fishery bottom as verified by the Department of Natural Resources.

6 10-526.

7 (a) (1) In this section the following words have the meanings indicated.

8 (2) “Beginner waterman” means an individual who ~~has~~:

9 (i) **IS A RESIDENT OF THE STATE;**

10 **(II) 1. HOLDS** a tidal fish license under § 4-701 of the Natural
 11 Resources Article; **OR**

12 **2. HOLDS A COMMERCIAL LICENSE TO CATCH FINFISH,**
 13 **CRABS, CLAMS, AND OYSTERS, ISSUED BY THE POTOMAC RIVER FISHERIES**
 14 **COMMISSION IN ACCORDANCE WITH § 4-306 OF THE NATURAL RESOURCES**
 15 **ARTICLE;** and

16 ~~(ii)~~ **(III)** **HAS** at least 2 years and not more than 10 years of
 17 experience in commercial seafood harvesting.

18 (3) “Generational waterman” means an individual who:

19 (i) ~~has~~ **IS A RESIDENT OF THE STATE;**

20 **(II) 1. HOLDS** a tidal fish license under § 4-701 of the Natural
 21 Resources Article; **OR**

22 **2. HOLDS A COMMERCIAL LICENSE TO CATCH FINFISH,**
 23 **CRABS, CLAMS, AND OYSTERS, ISSUED BY THE POTOMAC RIVER FISHERIES**
 24 **COMMISSION IN ACCORDANCE WITH § 4-306 OF THE NATURAL RESOURCES**
 25 **ARTICLE;** and

26 ~~(ii)~~ **(III)** can demonstrate, through the submission of the two most
 27 recent federal income tax returns and other supporting documents, that at least 50% of the
 28 individual’s annual income is derived from commercial seafood harvesting.

29 (4) “Program” means the Maryland Watermen’s Microloan Program.

30 (5) “Qualified commercial fisherman” includes:

1 (i) a beginner waterman; ~~{and}~~

2 (ii) a generational waterman; ~~AND~~

3 ~~(III) AN INDIVIDUAL WHO IS A RESIDENT OF THE STATE AND~~
 4 ~~HOLDS A COMMERCIAL LICENSE TO CATCH FINFISH, CRABS, CLAMS, OR OYSTERS~~
 5 ~~ISSUED BY THE POTOMAC RIVER FISHERIES COMMISSION IN ACCORDANCE WITH §~~
 6 ~~4-306 OF THE NATURAL RESOURCES ARTICLE.~~

7 (b) There is a Maryland Watermen's Microloan Program in the Corporation.

8 (c) The purpose of the Program is to provide loans to qualified commercial
 9 fishermen to continue commercial operations in the State, including for purchasing:

10 (1) boats;

11 (2) mechanical equipment;

12 (3) fishing gear;

13 (4) fishing quota; and

14 (5) any other item used in commercial seafood harvesting.

15 (d) The Corporation shall implement and administer the Program in accordance
 16 with this section.

17 (e) (1) Through June 30, 2025, only generational watermen are eligible to
 18 receive a loan under the Program.

19 (2) Starting July 1, 2025, the following persons are eligible to receive a loan
 20 under the Program:

21 (i) generational watermen;

22 (ii) beginner watermen; ~~{and}~~

23 (iii) seafood processing businesses; ~~AND~~

24 ~~(IV) INDIVIDUALS WHO ARE RESIDENTS OF THE STATE AND~~
 25 ~~HOLD A COMMERCIAL LICENSE TO CATCH FINFISH, CRABS, CLAMS, OR OYSTERS~~
 26 ~~ISSUED BY THE POTOMAC RIVER FISHERIES COMMISSION IN ACCORDANCE WITH §~~
 27 ~~4-306 OF THE NATURAL RESOURCES ARTICLE.~~

28 (f) (1) For loans made under the Program, the Corporation shall determine:

- 1 (i) the eligibility of an applicant;
- 2 (ii) the amount of loan to be given to a borrower;
- 3 (iii) the terms and conditions of a loan contract; and
- 4 (iv) the amount of debt forgiveness that may be provided to a
- 5 borrower for loan repayment performance.

6 (2) ~~A loan made under the Program shall be at least \$7,000 and not more~~
 7 ~~than \$15,000.~~

8 ~~(3)~~ A borrower under the Program may not have more than one
 9 outstanding loan from the Program during any period of time.

10 (g) (1) For each of fiscal years 2024 through 2026, the Governor shall include
 11 in the annual State budget bill an appropriation of \$500,000 to the Program.

12 (2) The appropriation in paragraph (1) of this subsection shall be
 13 distributed to a special fund, to be used only to:

- 14 (i) make loans under the Program; and
- 15 (ii) pay the costs necessary to administer and operate the Program.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 17 ~~October~~ July 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.