

## Chapter 573

## (Senate Bill 32)

AN ACT concerning

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

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

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

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

**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:

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

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

10–526.

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

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

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

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

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

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

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

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

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

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

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

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

(5) “Qualified commercial fisherman” includes:

(i) a beginner waterman; ~~and~~

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

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

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

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

- (1) boats;
- (2) mechanical equipment;
- (3) fishing gear;
- (4) fishing quota; and
- (5) any other item used in commercial seafood harvesting.

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

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

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

- (i) generational watermen;
- (ii) beginner watermen; ~~and~~
- (iii) seafood processing businesses; ~~AND~~

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

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

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

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

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

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

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

(i) make loans under the Program; and

(ii) pay the costs necessary to administer and operate the Program.

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

**Approved by the Governor, May 9, 2024.**