

**CalvertCounty\_FAV\_SB0032.Crossover.pdf**

Uploaded by: Earl Hance

Position: FAV



**CALVERT COUNTY  
BOARD OF COUNTY COMMISSIONERS**

175 Main Street  
Prince Frederick, Maryland 20678  
410-535-1600 • 301-855-1243  
www.calvertcountymd.gov

*Board of Commissioners*  
Mark C. Cox Sr.  
Catherine M. Grasso  
Earl F. Hance  
Mike Hart  
Todd Ireland

March 25, 2024

The Honorable Delegate Marc Korman, Chair  
Environment and Transportation Committee  
Room 241, House Office Building  
Annapolis, Maryland 21401

Re: SB0032 – Economic Development - Maryland Watermen's Microloan Program – Eligibility

Chair Korman, Vice Chair Boyce, and Committee Members:

The Board of County Commissioners for Calvert County writes to **SUPPORT SB0032** and ask the Committee for a **FAVORABLE REPORT**. We see that this thoughtful proposal seeks to expand eligibility to include small watermen licensed by PRFC, “beginner watermen” and seafood processing businesses, and support these concepts.

Should you have any questions or require further information, please do not hesitate to contact County Administrator Julian M. Willis at 410-535-1600, extension 2201, or County Attorney John Norris at 410-535-1600, extension 2566. Thank you for your kind consideration of our position regarding this important Bill.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
CALVERT COUNTY, MARYLAND

Handwritten signature of Earl F. Hance in blue ink.

Earl F. Hance, President

Handwritten signature of Catherine M. Grasso in blue ink.

Catherine M. Grasso, Vice President

Handwritten signature of Mark C. Cox Sr. in blue ink.

Mark C. Cox Sr.

Handwritten signature of Mike Hart in blue ink.

Mike Hart

Handwritten signature of Todd Ireland in blue ink.

Todd Ireland

cc: The Honorable Senator Michael Jackson  
The Honorable Senator Jack Bailey

**CalvertCounty\_FAV\_SB0032.Crossover.revTitle.pdf**

Uploaded by: Earl Hance

Position: FAV



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March 25, 2024

The Honorable Delegate Marc Korman, Chair  
Environment and Transportation Committee  
Room 241, House Office Building  
Annapolis, Maryland 21401

Re: SB0032 – Economic Development – Maryland Agricultural and Resource–Based Industry Development Corporation – Loans

Chair Korman, Vice Chair Boyce, and Committee Members:

The Board of County Commissioners for Calvert County writes to **SUPPORT SB0032** and ask the Committee for a **FAVORABLE REPORT**. We see that this thoughtful proposal seeks to expand eligibility to include small watermen licensed by PRFC, “beginner watermen” and seafood processing businesses, and support these concepts.

Should you have any questions or require further information, please do not hesitate to contact County Administrator Julian M. Willis at 410-535-1600, extension 2201, or County Attorney John Norris at 410-535-1600, extension 2566. Thank you for your kind consideration of our position regarding this important Bill.

BOARD OF COUNTY COMMISSIONERS  
CALVERT COUNTY, MARYLAND

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Catherine M. Grasso, Vice President

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Mark C. Cox Sr.

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Mike Hart

Handwritten signature of Todd Ireland in blue ink.

Todd Ireland

cc: The Honorable Senator Michael Jackson  
The Honorable Senator Jack Bailey

# SenatorBailey\_FAV\_SB32\_House.pdf

Uploaded by: Jack Bailey

Position: FAV

JACK BAILEY  
Legislative District 29  
Calvert and St. Mary's Counties

Budget & Taxation Committee



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

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23680 Three Notch Road, Unit 101  
Hollywood, Maryland 20636  
240-309-4238

March 27, 2024

**Senate Bill 32 – Economic Development - Maryland Agricultural and Resource-Based Industry Development Corporation - Loans**

Dear Chairman Korman and Members of the Committee,

I am writing to introduce Senate Bill 32. This bill would allow Maryland commercial watermen who hold a license from the Potomac River Fisheries Commission to access funds available under the Maryland Watermen's Microloan Program.

In 2022, the General Assembly passed Senate Bill 826, which established the Maryland Watermen's Microloan Program in the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to provide loans to qualified commercial fishermen to continue commercial operations in the State. The bill specified that the watermen eligible for the program were required to hold a Tidal Fish License under §4-701 of the Natural Resources Article. However, the wording of this bill inadvertently excluded Maryland residents who work on the Potomac River, which is part of our State in its entirety.

During the interim, I was contacted by a commercial waterman who lives in my district who held only a PRFC license, not a Maryland State license, and wanted to apply for a loan under the program. If a waterman fishes only in the Potomac River, they may only hold a PRFC license rather than a Tidal Fish License. However, these watermen still contribute to Maryland's economy and we should be able to assist them in the same manner as we do other watermen in our State. Senate Bill 32 is intended to ensure that these individuals have access to these loans as well by making Maryland residents who hold PRFC licenses eligible in statute.

The provisions of this bill altering the Maryland Watermen's Microloan Program are identical to House Bill 120 as it passed this Committee and the House of Delegates. The Senate added an additional amendment to address a concern with another loan program administered by MARBIDCO. In 2022, the General Assembly passed legislation that included provisions allowing MARBIDCO to make loans to seafood processing projects, including oyster shucking facilities. The law currently permits these loans to be granted based on the number of full-time jobs that are expected to be created or retained by the project. An issue arose that these shucking facilities are not in operation year-round, so the amendment gives them the opportunity to receive financing based on the number of seasonal full-time jobs projected to be created or retained. This would permit these funds to go to these facilities as intended by the original law.

I respectfully request a favorable report on Senate Bill 32. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bailey'.

Senator Jack Bailey

**SB 32 Testimony MARBIDCO (House ENT).pdf**

Uploaded by: Steve McHenry

Position: FAV



**MARBIDCO**  
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED  
INDUSTRY DEVELOPMENT CORPORATION  
1410 Forest Drive, Suite 21 ~ Annapolis, MD 21403  
Office: 410-267-6807 ~ www.marbidco.org

Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

## TESTIMONY STATEMENT

**BILL:** Senate Bill 32 (Economic Development – Maryland Agricultural and Resource-Based Industry Development Corporation – Loans)

**COMMITTEE:** House Environment and Transportation

**DATE:** March 27, 2024

**POSITION:** Support

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The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports Senate Bill 32, which expands the eligibility for the **Maryland Watermen’s Microloan Program** administered by MARBIDCO to include Maryland watermen that hold a commercial license issued by the Potomac River Fisheries Commission (PRFC) as well as providing additional flexibility with the amount of the financing that can be provided to eligible watermen. (These microloan program-related provisions are identical to those in HB 120 in its current third reader posture.)

Additionally, SB 32, as amended, also expands MARBIDCO’s ability to make loans under the new **Oyster Shucking House Loan Fund** based upon certain expanded employment criteria (that is explained on the next page).

MARBIDCO supports the proposed statutory changes to both these MARBIDCO administered programs (i.e., the Watermen’s Microloan Program established in Section 10-526 of the Economic Development Article, and the Oyster Shucking House Loan Fund program in Section 10-519.1 of the same Article), and as such, **respectfully requests a Favorable Report for Senate Bill 32.**

### **Brief Update Since the First Reader Introductions of SB 32 and HB 120**

MARBIDCO originally supported SB 32 and its cross-file HB 120 which, as introduced, pertained only to the Maryland Watermen’s Microloan Program. MARBIDCO suggested three amendments to this legislation which were subsequently adopted by both hearing committees in identical form. (These amendments were fully described in MARBIDCO’s first reader bill testimony.) We thank both the bill sponsors and the House and Senate Committees for the favorable consideration of our position to help make this program function more effectively to better serve Maryland watermen.

At approximately the same time that bill hearings on SB 32 and HB 120 were being held, MARBIDCO staff began having a discussion with Senator Sarah Elfreth about how the recently launched Oyster Shucking House Loan Fund program was progressing. This program is of particular interest to Senator Elfreth as she was the lead sponsor of **Senate Bill 830/2022, *Natural Resources – Oysters – Spat, Shells, and Substrate***, which among other provisions established MARBIDCO’s Oyster Shucking House Loan Fund program and provided one-time funding to help launch it in FY 2024.



## **Overview of the 2022 Oyster-Related Legislation (Senate Bill 830 / Chapter 574 )**

Senate Bill 830/2022 established various programs, goals, survey/evaluation requirements, planning requirements, and funding requirements related to oyster spat, oyster shells, and oyster substrate. The fiscal note for SB 830/2022 can be found here which provides a good overview of this comprehensive legislation: [2022 Regular Session - Fiscal and Policy Note for Senate Bill 830 \(maryland.gov\)](#)

Of particular relevance to SB 32, SB 830/2022 established MARBIDCO's Oyster Shucking House Loan Fund to help finance the cost of eligible seafood processing projects, including historic oyster shucking facilities, and to facilitate an increase in the amount of oyster shells retained in the State and returned to the Chesapeake Bay. As a result of this legislation \$1 million was included in MARBIDCO's FY 2024 budget for the new Oyster Shucking House Loan Fund program. This legislation enables MARBIDCO to offer loans to finance the eligible costs of qualifying oyster processing business projects under certain terms and conditions as explained below.

Loan amounts can range from a minimum of \$25,000, up to a maximum of \$250,000, which under current law is dependent upon the number of full-time jobs projected to be created or retained. More specifically, for each \$25,000 in financing that is provided at least one full-time job must be projected to be created or retained.

Loan proceeds can be used to renovate or construct a new oyster processing facility or expand an existing one, as well as purchase oyster processing equipment. Eligible applicants must have been a licensed Maryland Seafood Dealer for at least five years OR be a TFL-holder for at least five years and agree to obtain a Seafood Dealer License if approved for financing. Applicants must also have paid all applicable taxes and fees for the last five years. Submission of a business plan, including financial projections, is required. If a loan is made using this program, MARBIDCO will forgive a portion of the debt that is owed under the following conditions, as certified by the Maryland Department of Natural Resources:

- 1) The market value for each bushel of oyster shell that is returned to DNR (the value of which will be determined by DNR using a legally prescribed methodology); OR
- 2) If oyster shell is directly returned to public fishery oyster bars, \$25 for each bushel of spat-on-shell that is planted.

### **Status of the Utilization of the Oyster Shucking House Loan Fund and a Comment on the Additional Senate Amendment**

While the MARBIDCO staff have taken several calls from prospective borrowers (all located in Southern Maryland or on the Eastern Shore), MARBIDCO has only received one loan program application thus far. **The principal concern raised as being a barrier to applying for a loan has been the need to employ several permanent full-time employees in order to qualify for the sufficient loan amount that would be needed to undertake a project.** Many shucking houses often employ need temporary full-time workers during the winter oyster harvest season.

We very much appreciate that Senator Elfreth, with the support of the bill sponsor, offered an amendment to SB 32 on the Senate floor to address this concern **by permitting MARBIDCO to make an oyster shucking house loan of up to \$10,000 for each "seasonal full-time job" that is projected to be created or retained.** This amendment also defines what a seasonal full-time job is and clarifies the future reporting requirements.

### **Conclusion**

For the reasons cited above, **MARBIDCO respectfully requests a Favorable Report for SB 32.**