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By: **Delegates Conroy, Conway, Jones, and Love**  
Introduced and read first time: February 28, 2003  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Natural Resources - Waterway Improvement Fund and Commercial Marina**  
3 **Loan Program**

4 FOR the purpose of authorizing the Waterway Improvement Fund to be used to make  
5 loans to owners of commercial marinas for structural enhancements and  
6 marketing of commercial marinas; establishing the Commercial Marina Loan  
7 Program; authorizing the Department of Natural Resources to make certain  
8 loans; requiring the Department to adopt certain regulations; setting the range  
9 of interest rates on loans; setting the terms of loans; requiring that a loan  
10 agreement contain certain information; authorizing the Department to modify  
11 the terms and conditions of a loan agreement, with the consent of a loan  
12 recipient; prohibiting a loan recipient's obligation to repay a loan from being  
13 waived or reduced; requiring that proceeds from the repayment of loans be  
14 credited to the Waterway Improvement Fund; defining certain terms; and  
15 generally relating to the Waterway Improvement Fund and the Commercial  
16 Marina Loan Program.

17 BY repealing and reenacting, with amendments,  
18 Article - Natural Resources  
19 Section 8-707(a)  
20 Annotated Code of Maryland  
21 (2000 Replacement Volume and 2002 Supplement)

22 BY adding to  
23 Article - Natural Resources  
24 Section 8-708.2  
25 Annotated Code of Maryland  
26 (2000 Replacement Volume and 2002 Supplement)

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

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**Article - Natural Resources**

2 8-707.

3 (a) There is a Waterway Improvement Fund for the purposes specified in this  
4 subtitle. Except as provided in § 8-709 of this subtitle, any money received into the  
5 Waterway Improvement Fund shall be used solely for the following projects:

6 (1) Marking channels and harbors and establishing aids to navigation in  
7 cooperation with and as an extension of operations of the United States Coast Guard;

8 (2) Clearing debris, aquatic vegetation, and obstruction from waters of  
9 the State;

10 (3) Dredging channels and harbors and construction of jetties and  
11 breakwaters in cooperation with and as an extension of operations of the United  
12 States Army Corps of Engineers;

13 (4) Constructing and maintaining marine facilities beneficial to the  
14 boating public, including constructing pump-out stations for use by the general  
15 boating public at public and private marinas. The Secretary may use the funds to  
16 install pump-out stations for use by the general boating public and to supplement  
17 maintenance costs at the discretion of the Secretary. Before approving the  
18 construction of any pump-out station at a public or private marina, the Secretary  
19 shall consult with the Department of the Environment to assure that the wastewater  
20 collection and treatment system of the marina is adequate to handle any increased  
21 flow. The Department may adopt regulations to govern the use and operation of  
22 pump-out stations for use by the general boating public constructed or supported by  
23 State funds under this section;

24 (5) Improvement, reconstruction, or removal of bridges, drawbridges, or  
25 similar structures over or across waters, if those structures delay, impede, or obstruct  
26 the boating public. With the approval of the Board of Public Works, funds from  
27 another public or any private source may be received and used to supplement and  
28 increase the funds in the Waterway Improvement Fund for the purpose of this  
29 subsection. Also, the Board of Public Works may enter into an agreement with a  
30 private company or person which owns such a structure, for the improvement,  
31 reconstruction, or removal of the structure, in order to provide a sharing of the cost of  
32 the improvement, reconstruction, or removal;

33 (6) Evaluation of water-oriented recreation needs and recreational  
34 capacities of Maryland waterways and development of comprehensive plans for  
35 waterway improvements;

36 (7) To provide matching grants to local governments for the construction  
37 of marine facilities for marine firefighting, marine police, or medical services and for  
38 the acquisition of vessels and equipment for vessels for marine firefighting, police,  
39 medical, and communication equipment for promoting safety of life and property and  
40 general service to the boating public utilizing the waters of the State. The ownership,

1 operation, and maintenance of any equipment acquired under this subtitle shall be  
2 the responsibility of the local governing body;

3 (8) Structural and nonstructural shore erosion control under subsection  
4 (b) of this section;

5 (9) Acquisition of equipment and State vessels for firefighting, policing,  
6 first aid and medical assistance, and communications, in order to promote safety of  
7 life and property and general service to the boating public utilizing waters of the  
8 State;

9 (10) Boating information and education; [and]

10 (11) To provide interest-free loans to a governing body for the benefit of a  
11 residential property owner, or group of residential property owners, with land  
12 abutting a channel adjacent to a federal, State, county, or municipal main channel or  
13 harbor for dredging the adjacent channel; AND

14 (12) TO PROVIDE INTEREST-FREE AND LOW-INTEREST LOANS TO  
15 OWNERS OF COMMERCIAL MARINAS TO PAY FOR STRUCTURAL ENHANCEMENTS AND  
16 MARKETING OF COMMERCIAL MARINAS UNDER THE COMMERCIAL MARINA LOAN  
17 PROGRAM, ESTABLISHED UNDER § 8-708.2 OF THIS SUBTITLE.

18 8-708.2.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
20 INDICATED.

21 (2) "LOAN" MEANS A LOAN GRANTED UNDER THIS SECTION.

22 (3) "PROGRAM" MEANS THE COMMERCIAL MARINA LOAN PROGRAM.

23 (B) THERE IS A COMMERCIAL MARINA LOAN PROGRAM IN THE DEPARTMENT.

24 (C) THE DEPARTMENT MAY GRANT A LOAN TO AN OWNER OF A COMMERCIAL  
25 MARINA TO PAY FOR STRUCTURAL ENHANCEMENTS AND MARKETING OF A  
26 COMMERCIAL MARINA.

27 (D) (1) THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THE  
28 PROVISIONS OF THIS SECTION.

29 (2) THE REGULATIONS SHALL ESTABLISH:

30 (I) APPLICATION PROCEDURES;

31 (II) CRITERIA FOR THE AWARD OF A LOAN;

32 (III) CRITERIA FOR DETERMINING THE INTEREST RATE; AND

33 (IV) PROCEDURES FOR AN APPLICANT TO DEMONSTRATE THAT THE  
34 APPLICANT HAS THE FINANCIAL CAPACITY TO REPAY A LOAN.

1 (E) THE INTEREST RATE ON A LOAN GRANTED UNDER THIS SECTION MAY  
2 RANGE FROM 0% TO THE MARKET INTEREST RATE.

3 (F) REPAYMENT OF A LOAN SHALL BEGIN NOT LATER THAN 1 YEAR AFTER  
4 COMPLETION OF THE PROJECT OR PROGRAM FUNDED BY THE LOAN.

5 (G) THE TERM OF A LOAN MAY NOT EXCEED 20 YEARS.

6 (H) A LOAN SHALL BE EVIDENCED BY A LOAN AGREEMENT THAT:

7 (1) DESCRIBES THE TERMS AND CONDITIONS OF THE LOAN; AND

8 (2) COMPLIES WITH THE PROVISIONS OF THIS SECTION AND  
9 REGULATIONS ADOPTED TO CARRY OUT THE PROVISIONS OF THIS SECTION.

10 (I) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, WITH  
11 THE CONSENT OF A LOAN RECIPIENT, THE DEPARTMENT MAY MODIFY THE TERMS  
12 AND CONDITIONS OF A LOAN AGREEMENT.

13 (2) A LOAN RECIPIENT'S OBLIGATION TO REPAY A LOAN MAY NOT BE  
14 WAIVED OR REDUCED.

15 (J) PROCEEDS FROM THE REPAYMENT OF LOANS SHALL BE CREDITED TO  
16 THE WATERWAY IMPROVEMENT FUND, ESTABLISHED UNDER § 8-707 OF THIS  
17 SUBTITLE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2003.