

# SENATE BILL 826

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2lr2541  
CF 2lr2659

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By: **Senators Klausmeier, Bailey, Carozza, Eckardt, Jackson, and West**  
Introduced and read first time: February 7, 2022  
Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Maryland Watermen’s Microloan**  
3 **Program – Establishment**

4 FOR the purpose of establishing the Maryland Watermen’s Microloan Program in the  
5 Maryland Agricultural and Resource–Based Industry Development Corporation;  
6 providing for certain loans to eligible watermen and seafood processing businesses  
7 under the Program; and generally relating to the Maryland Watermen’s Microloan  
8 Program.

9 BY renumbering

10 Article – Economic Development  
11 Section 10–526 and 10–527, respectively  
12 to be Section 10–527 and 10–528, respectively  
13 Annotated Code of Maryland  
14 (2018 Replacement Volume and 2021 Supplement)

15 BY adding to

16 Article – Economic Development  
17 Section 10–526  
18 Annotated Code of Maryland  
19 (2018 Replacement Volume and 2021 Supplement)

20 Preamble

21 WHEREAS, For generations Maryland watermen have labored to harvest delicious  
22 fish and shellfish products from the Chesapeake Bay for the benefit of consumers in this  
23 State and beyond; and

24 WHEREAS, Maryland’s iconic seafood industry has contributed greatly to  
25 Maryland’s economy and stature as a wonderful tourist destination and a great place to  
26 live; and

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, Maryland watermen have historically had a difficult time accessing  
2 affordable commercial capital and credit; and

3 WHEREAS, Maryland's generational watermen have faced many challenges in  
4 recent years and were especially hard-hit during the COVID-19 pandemic due to loss of  
5 markets; now, therefore,

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That Section(s) 10-526 and 10-527, respectively, of Article – Economic Development of the  
8 Annotated Code of Maryland be renumbered to be Section(s) 10-527 and 10-528,  
9 respectively.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
11 as follows:

12 **Article – Economic Development**

13 **10-526.**

14 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
15 **INDICATED.**

16 **(2) “BEGINNER WATERMAN” MEANS AN INDIVIDUAL WHO HAS:**

17 **(I) A TIDAL FISH LICENSE UNDER § 4-701 OF THE NATURAL**  
18 **RESOURCES ARTICLE; AND**

19 **(II) AT LEAST 2 YEARS AND NOT MORE THAN 10 YEARS OF**  
20 **EXPERIENCE IN COMMERCIAL SEAFOOD HARVESTING.**

21 **(3) “GENERATIONAL WATERMAN” MEANS AN INDIVIDUAL WHO:**

22 **(I) HAS A TIDAL FISH LICENSE UNDER § 4-701 OF THE**  
23 **NATURAL RESOURCES ARTICLE; AND**

24 **(II) CAN DEMONSTRATE, THROUGH THE SUBMISSION OF THE**  
25 **TWO MOST RECENT FEDERAL INCOME TAX RETURNS AND OTHER SUPPORTING**  
26 **DOCUMENTS, THAT AT LEAST 50% OF THE INDIVIDUAL’S ANNUAL INCOME IS**  
27 **DERIVED FROM COMMERCIAL SEAFOOD HARVESTING.**

28 **(4) “PROGRAM” MEANS THE MARYLAND WATERMEN’S MICROLOAN**  
29 **PROGRAM.**

30 **(5) “QUALIFIED COMMERCIAL FISHERMAN” INCLUDES:**

1 (I) A BEGINNER WATERMAN; AND

2 (II) A GENERATIONAL WATERMAN.

3 (B) THERE IS A MARYLAND WATERMEN'S MICROLOAN PROGRAM IN THE  
4 CORPORATION.

5 (C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE LOANS TO QUALIFIED  
6 COMMERCIAL FISHERMEN TO CONTINUE COMMERCIAL OPERATIONS IN THE STATE,  
7 INCLUDING FOR PURCHASING:

8 (1) BOATS;

9 (2) MECHANICAL EQUIPMENT;

10 (3) FISHING GEAR;

11 (4) FISHING QUOTA; AND

12 (5) ANY OTHER ITEM USED IN COMMERCIAL SEAFOOD HARVESTING.

13 (D) THE CORPORATION SHALL IMPLEMENT AND ADMINISTER THE  
14 PROGRAM IN ACCORDANCE WITH THIS SECTION.

15 (E) (1) THROUGH JUNE 30, 2025, ONLY GENERATIONAL WATERMEN ARE  
16 ELIGIBLE TO RECEIVE A LOAN UNDER THE PROGRAM.

17 (2) STARTING JULY 1, 2025, THE FOLLOWING PERSONS ARE  
18 ELIGIBLE TO RECEIVE A LOAN UNDER THE PROGRAM:

19 (I) GENERATIONAL WATERMEN;

20 (II) BEGINNER WATERMEN; AND

21 (III) SEAFOOD PROCESSING BUSINESSES.

22 (F) (1) FOR LOANS MADE UNDER THE PROGRAM, THE CORPORATION  
23 SHALL DETERMINE:

24 (I) THE ELIGIBILITY OF AN APPLICANT;

25 (II) THE AMOUNT OF LOAN TO BE GIVEN TO A BORROWER;

1                   **(III) THE TERMS AND CONDITIONS OF A LOAN CONTRACT; AND**

2                   **(IV) THE AMOUNT OF DEBT FORGIVENESS THAT MAY BE**  
3 **PROVIDED TO A BORROWER FOR LOAN REPAYMENT PERFORMANCE.**

4                   **(2) A LOAN MADE UNDER THE PROGRAM SHALL BE AT LEAST \$7,000**  
5 **AND NOT MORE THAN \$15,000.**

6                   **(3) A BORROWER UNDER THE PROGRAM MAY NOT HAVE MORE THAN**  
7 **ONE OUTSTANDING LOAN FROM THE PROGRAM DURING ANY PERIOD OF TIME.**

8                   **(G) (1) FOR FISCAL YEARS 2024 AND 2025, THE GOVERNOR SHALL**  
9 **INCLUDE IN THE ANNUAL STATE BUDGET BILL AN APPROPRIATION OF \$750,000 TO**  
10 **THE PROGRAM.**

11                   **(2) THE APPROPRIATION IN PARAGRAPH (1) OF THIS SUBSECTION**  
12 **SHALL BE DISTRIBUTED TO A SPECIAL FUND, TO BE USED ONLY TO:**

13                   **(I) MAKE LOANS UNDER THE PROGRAM; AND**

14                   **(II) PAY THE COSTS NECESSARY TO ADMINISTER AND OPERATE**  
15 **THE PROGRAM.**

16                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2022.