SENATE BILL 826

By: Senators Klausmeier, Bailey, Carozza, Eckardt, Jackson, and West, West, Hershey, Jennings, and Salling

Introduced and read first time: February 7, 2022
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 4, 2022

CHAPTER _____

1 AN ACT concerning

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

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

Preamble

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

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

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

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

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

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

Article – Economic Development

10–526.

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

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

(i) A TIDAL FISH LICENSE UNDER § 4–701 OF THE NATURAL RESOURCES ARTICLE; AND

(ii) 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 A TIDAL FISH LICENSE UNDER § 4–701 OF THE NATURAL RESOURCES ARTICLE; AND

(ii) 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.

(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.
(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 fiscal years 2024 and 2025, the Governor shall include in the annual State budget bill an appropriation of $750,000 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 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.