

Chapter 384

(Senate Bill 826)

AN ACT concerning

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

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.

BY renumbering

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

BY adding to

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

Preamble

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 EACH OF FISCAL YEARS ~~2024 AND 2025~~ THROUGH 2026, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET BILL AN APPROPRIATION OF ~~\$750,000~~ \$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 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

Approved by the Governor, May 16, 2022.