

# SENATE BILL 433

C8, M2

3lr2077

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By: **Senator Klausmeier**

Introduced and read first time: February 2, 2023

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Woman– and Minority–Owned Shellfish Aquaculture**  
3 **Enterprise Fund**

4 FOR the purpose of establishing the Woman– and Minority–Owned Shellfish Aquaculture  
5 Enterprise Fund as a special, nonlapsing fund to assist woman– and minority–owned  
6 businesses entering into or expanding in the shellfish aquaculture industry;  
7 requiring the Maryland Agricultural and Resource–Based Industry Development  
8 Corporation to develop partnerships with certain entities to facilitate the award of  
9 loans from the Fund and identify potential loan recipients; requiring interest  
10 earnings of the Fund to be credited to the Fund; and generally relating to the  
11 Woman– and Minority–Owned Shellfish Aquaculture Enterprise Fund.

12 BY adding to  
13 Article – Economic Development  
14 Section 10–526.1  
15 Annotated Code of Maryland  
16 (2018 Replacement Volume and 2022 Supplement)

17 BY repealing and reenacting, without amendments,  
18 Article – State Finance and Procurement  
19 Section 6–226(a)(2)(i)  
20 Annotated Code of Maryland  
21 (2021 Replacement Volume and 2022 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article – State Finance and Procurement  
24 Section 6–226(a)(2)(ii)170. and 171.  
25 Annotated Code of Maryland  
26 (2021 Replacement Volume and 2022 Supplement)

27 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – State Finance and Procurement  
2 Section 6–226(a)(2)(ii)172.  
3 Annotated Code of Maryland  
4 (2021 Replacement Volume and 2022 Supplement)

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

7 **Article – Economic Development**

8 **10–526.1.**

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

11 (2) “FUND” MEANS THE WOMAN– AND MINORITY–OWNED  
12 SHELLFISH AQUACULTURE ENTERPRISE FUND.

13 (3) “SHELLFISH AQUACULTURE ENTERPRISE PROJECT” MEANS A  
14 PROJECT TO ESTABLISH OR EXPAND A SHELLFISH AQUACULTURE BUSINESS THAT  
15 MEETS THE CRITERIA ESTABLISHED BY THE CORPORATION.

16 (B) THERE IS A WOMAN– AND MINORITY–OWNED SHELLFISH  
17 AQUACULTURE ENTERPRISE FUND.

18 (C) THE PURPOSE OF THE FUND IS TO ASSIST WOMAN– AND  
19 MINORITY–OWNED BUSINESSES ENTERING INTO OR EXPANDING IN THE SHELLFISH  
20 AQUACULTURE INDUSTRY.

21 (D) THE CORPORATION SHALL ADMINISTER THE FUND.

22 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
23 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,  
25 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

26 (F) THE FUND CONSISTS OF:

27 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

28 (2) INTEREST EARNINGS; AND

1           **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
2 **THE BENEFIT OF THE FUND.**

3           **(G) (1) THE FUND MAY BE USED ONLY FOR:**

4                   **(I) PROVIDING NO-INTEREST LOANS NOT EXCEEDING \$50,000**  
5 **EACH TO FINANCE THE COSTS OF ELIGIBLE SHELLFISH AQUACULTURE ENTERPRISE**  
6 **PROJECTS FOR WOMAN- AND MINORITY-OWNED BUSINESSES IN ACCORDANCE WITH**  
7 **THIS SECTION, INCLUDING:**

8                           **1. AQUACULTURE LEASE APPLICATION ASSISTANCE;**

9                           **2. ASSISTANCE WITH THE OPERATING OR CAPITAL**  
10 **EXPENSES OF THE AQUACULTURE BUSINESS; AND**

11                           **3. TRAINING TO SUPPORT PARTICIPATION IN THE**  
12 **AQUACULTURE INDUSTRY; AND**

13                   **(II) ADMINISTRATIVE EXPENSES RELATED TO THE FUND.**

14           **(2) A BUSINESS IS ELIGIBLE TO RECEIVE FINANCING FROM THE FUND**  
15 **IF THE BUSINESS:**

16                   **(I) IS OWNED BY A WOMAN OR MINORITY WHO HAS A TOTAL**  
17 **PERSONAL NET WORTH NOT EXCEEDING \$1,700,000;**

18                   **(II) DEMONSTRATES TO THE SATISFACTION OF THE**  
19 **CORPORATION THROUGH A BUSINESS PLAN OR FINANCIAL PROJECTIONS THAT,**  
20 **WITHIN 5 YEARS AFTER RECEIVING FINANCING FROM THE FUND, THE SHELLFISH**  
21 **AQUACULTURE PORTION OF THE BUSINESS WILL HAVE THE POTENTIAL TO ACHIEVE**  
22 **VIABILITY;**

23                   **(III) AGREES TO THE FINANCING TERMS AND CONDITIONS**  
24 **ESTABLISHED BY THE CORPORATION; AND**

25                   **(IV) MEETS ANY OTHER ELIGIBILITY REQUIREMENTS**  
26 **ESTABLISHED BY THE CORPORATION.**

27           **(3) TO FACILITATE THE AWARD OF LOANS FROM THE FUND AND**  
28 **IDENTIFY POTENTIAL LOAN RECIPIENTS, THE CORPORATION SHALL DEVELOP**  
29 **PARTNERSHIPS WITH:**

1                   **(I) TRADITIONAL MINORITY-SERVING INSTITUTIONS IN THE**  
2 **STATE AND SURROUNDING JURISDICTIONS, INCLUDING HISTORICALLY BLACK**  
3 **COLLEGES AND UNIVERSITIES;**

4                   **(II) TRADE ASSOCIATIONS REPRESENTING WOMAN- AND**  
5 **MINORITY-OWNED BUSINESSES;**

6                   **(III) TRADE ASSOCIATIONS REPRESENTING THE AQUACULTURE**  
7 **INDUSTRY; AND**

8                   **(IV) THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND**  
9 **WOMEN BUSINESS AFFAIRS.**

10           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
11 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

12                   **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
13 **THE FUND.**

14           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
15 **WITH THE STATE BUDGET.**

16           **(J) FOR FISCAL YEAR 2025, THE GOVERNOR SHALL INCLUDE IN THE**  
17 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$1,000,000 TO THE FUND.**

18                                   **Article – State Finance and Procurement**

19 6–226.

20           (a) (2) (i) Notwithstanding any other provision of law, and unless  
21 inconsistent with a federal law, grant agreement, or other federal requirement or with the  
22 terms of a gift or settlement agreement, net interest on all State money allocated by the  
23 State Treasurer under this section to special funds or accounts, and otherwise entitled to  
24 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General  
25 Fund of the State.

26                                   (ii) The provisions of subparagraph (i) of this paragraph do not apply  
27 to the following funds:

28   170. the Cannabis Public Health Fund; [and]

29   171. the Community Reinvestment and Repair Fund; AND

