

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 397 (Delegate D. Jones, *et al.*)  
Environment and Transportation

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Maryland Agricultural and Resource-Based Industry Development Corporation  
- Oyster Shucking House Loan Program

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This bill increases the amount, from \$10,000 to \$25,000, that the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) may loan per “seasonal full-time job” projected to be created or retained under the Maryland Oyster Shucking House Loan Fund (MOSHLLF). The bill also reduces the number of years, from five to three, that a person must have been a licensed seafood dealer in order to be eligible for loans under the program. Other program requirements remain unchanged. **The bill takes effect July 1, 2025.**

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Fiscal Summary

**State Effect:** Nonbudgeted revenues and expenditures for MARBIDCO increase beginning in FY 2026 to the extent that the bill increases overall amounts loaned under the program, as discussed below.

**Local Effect:** None.

**Small Business Effect:** Meaningful.

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Analysis

**Current Law:** MARBIDCO is a quasi-public economic development organization chartered by the State; MARBIDCO employees are not State employees.

Chapters 30 and 574 of 2022 required MARBIDCO to provide loans of up to \$250,000 to licensed seafood dealers to finance costs of eligible seafood processing projects that

support the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay (with specified loan forgiveness available that is based on the value of bushels of oyster shells returned to the Department of Natural Resources at no cost or \$25 per bushel of spat-on-shell planted on a public fishery bottom).

In addition to other requirements, a person is eligible to receive a loan if the person (1) has been a licensed seafood dealer for at least five years or (2) has held a tidal fish license issued under § 4-701 of the Natural Resources Article for at least five years and agrees to obtain a seafood dealer license on receipt of financing. “Licensed seafood dealer” means a person licensed under § 4-701 of the Natural Resources Article to buy, process, pack, resell, market or otherwise deal in fish caught in the tidal waters of the State.

Loan amounts range from \$25,000 to \$250,000, with up to \$25,000 provided for each full-time job or \$10,000 for each seasonal full-time job that is projected to be created or retained. “Seasonal full-time job” means a position for which an individual is required to work a minimum of 420 hours during 12 weeks of a three-month period.

Loan proceeds can be used to renovate or construct a new oyster processing facility or expand an existing facility, as well as to purchase oyster processing equipment.

The Acts also required the Governor to include an appropriation of \$1.0 million in the annual budget bill for fiscal 2024 to MARBIDCO to provide the loans and administer and operate the loan program. Also, although the Acts did not establish a name for the loan program, it is administratively known as [MOSHFL](#).

**State Fiscal Effect:** MARBIDCO advises that, despite receiving a \$1.0 million general fund appropriation in fiscal 2024 as required under Chapters 30 and 574, the corporation has approved only one loan under MOSHFL, which still has \$750,000 available to lend. The bill does not alter the amount of general funds that must be provided to MARBIDCO for MOSHFL under current law, and subsequent lending activity under the program is nonbudgeted. Accordingly, nonbudgeted expenditures (and subsequent revenues, as loans are only partially forgivable) for MARBIDCO increase beginning in fiscal 2026 to the extent that the bill increases overall amounts loaned under the program due to increased program interest, eligibility, and/or average loan amounts.

**Small Business Effect:** Generally, small businesses benefit from increased eligibility and loan amounts under MOSHFL beginning in fiscal 2026, although funding may be reallocated between eligible businesses if program interest increases substantially.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 363 (Senator Bailey) - Education, Energy, and the Environment.

**Information Source(s):** Maryland Agricultural and Resource-Based Industry Development Corporation; Department of Commerce; Maryland Department of Agriculture; Department of Natural Resources; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2025  
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