

Chapter 552

(Senate Bill 558)

AN ACT concerning

~~Chesapeake Bay Enhancement Program – Established~~
**Chesapeake Bay – Enhancement Program and Maryland Seafood Industry
Financial Assistance Fund – Established**

FOR the purpose of establishing the Chesapeake Bay Enhancement Program to provide funding for certain oyster propagation and replenishment projects that mitigate the effects ~~on the State’s oyster population~~ of certain transportation projects on the State’s oyster population; establishing the Maryland Seafood Industry Financial Assistance Fund to provide financial assistance to certain commercial watermen and small businesses; prohibiting the Department of Natural Resources from making certain approvals for tidal fish licenses or authorizations of certain borrowers; and generally relating to the Chesapeake Bay Enhancement Program *and Maryland Seafood Industry Financial Assistance Fund*.

BY adding to
Article – Natural Resources
Section 4–1020.1
Annotated Code of Maryland
(2023 Replacement Volume and 2025 Supplement)

BY adding to
Article – Economic Development
Section 10–526.1 and 10–526.2
Annotated Code of Maryland
(2024 Replacement Volume and 2025 Supplement)

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

Article – Natural Resources

4–1020.1.

(A) IN THIS SECTION, “PROGRAM” MEANS THE CHESAPEAKE BAY ENHANCEMENT PROGRAM.

(B) THERE IS A CHESAPEAKE BAY ENHANCEMENT PROGRAM IN THE DEPARTMENT.

(C) ~~THE PURPOSE OF THE PROGRAM IS TO PROVIDE FUNDING FOR OYSTER PROPAGATION AND REPLENISHMENT PROJECTS THAT MITIGATE THE EFFECTS ON THE STATE'S OYSTER POPULATION OF TRANSPORTATION PROJECTS THAT MAINTAIN OR EXPAND THE HELEN DELICH BENTLEY PORT OF BALTIMORE, INCLUDING:~~

~~(1) DREDGING;~~

~~(2) THE CONSTRUCTION OR MAINTENANCE OF:~~

~~(I) PIERS;~~

~~(II) BRIDGES; OR~~

~~(III) SHIPPING CHANNELS; AND~~

~~(3) CONSTRUCTION AT THE HELEN DELICH BENTLEY PORT OF BALTIMORE OF TRANSPORTATION PROJECTS ON THE STATE'S OYSTER POPULATION.~~

~~(D) FOR FISCAL YEAR 2028 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$2,000,000 \$2,250,000 TO THE PROGRAM FROM THE TRANSPORTATION TRUST FUND UNDER § 3-216 OF THE TRANSPORTATION ARTICLE.~~

~~(E) (1) THE DEPARTMENT SHALL ADMINISTER THE FUNDS APPROPRIATED UNDER SUBSECTION (D) OF THIS SECTION.~~

~~(2) THE DEPARTMENT SHALL ALLOCATE THE FUNDS APPROPRIATED UNDER SUBSECTION (D) OF THIS SECTION USE FUNDING UNDER THE PROGRAM TO SUPPORT OYSTER PROPAGATION AND REPLENISHMENT AND PROGRAM MANAGEMENT.~~

~~(3) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL ALLOCATE AT LEAST \$1,500,000 OF THE FUNDS APPROPRIATED UNDER SUBSECTION (D) OF THIS SECTION FOR OYSTER PROPAGATION AND REPLENISHMENT PROJECTS.~~

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

Article – Economic Development

10-526.1.

(A) IN THIS SECTION, "FUND" MEANS THE MARYLAND SEAFOOD INDUSTRY FINANCIAL ASSISTANCE FUND.

(B) THERE IS A MARYLAND SEAFOOD INDUSTRY FINANCIAL ASSISTANCE FUND.

(C) THE PURPOSE OF THE FUND IS TO PROVIDE FINANCIAL ASSISTANCE, INCLUDING LOANS, TO COMMERCIAL WATERMEN AND SMALL BUSINESSES IN THE SEAFOOD INDUSTRY.

(D) THE CORPORATION SHALL ADMINISTER THE FUND.

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

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

~~(F)~~ (F) THE FUND CONSISTS OF:

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

(2) FEES AND LOAN REPAYMENTS, INCLUDING INTEREST, LOAN PRINCIPAL REPAYMENTS RELATED TO THE FINANCIAL ASSISTANCE UNDER THIS SECTION;

(3) MONEY MADE AVAILABLE FROM THE FEDERAL, STATE, OR LOCAL GOVERNMENT; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

~~(G)~~ (F) THE FUND MAY BE USED ONLY FOR:

(1) FINANCIAL ASSISTANCE, INCLUDING LOANS; AND

(2) THE COSTS OF THE CORPORATION TO ADMINISTER THIS SECTION.

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

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

~~(J)~~ (G) FOR FINANCIAL ASSISTANCE, INCLUDING LOANS, PROVIDED UNDER THIS SECTION, THE CORPORATION SHALL DETERMINE THE FOLLOWING:

(1) THE APPLICATION AND AWARD PROCESS;

(2) ELIGIBILITY CRITERIA;

(3) THE AMOUNT OF THE FINANCIAL ASSISTANCE, INCLUDING LOANS, FOR EACH APPLICANT;

(4) THE TERMS AND CONDITIONS OF FINANCIAL ASSISTANCE, INCLUDING LOANS;

(5) THE AMOUNT OF LOAN FORGIVENESS THAT THE CORPORATION MAY PROVIDE FOR LOAN REPAYMENT PERFORMANCE; AND

(6) ANY OTHER PROVISIONS NECESSARY TO CARRY OUT THIS SECTION.

10-526.2.

(A) (1) IF A BORROWER WHO HOLDS A TIDAL FISH LICENSE UNDER § 4-701 OF THE NATURAL RESOURCES ARTICLE IS DELINQUENT IN THE REPAYMENT OF A LOAN UNDER THIS SUBTITLE, THE CORPORATION SHALL NOTIFY THE DEPARTMENT OF NATURAL RESOURCES.

(2) IF A BORROWER UNDER PARAGRAPH (1) OF THIS SUBSECTION BECOMES COMPLIANT WITH THE REPAYMENT OF A LOAN UNDER THIS SUBTITLE, THE CORPORATION SHALL NOTIFY THE DEPARTMENT OF NATURAL RESOURCES.

(B) NOTWITHSTANDING § 4-701 OF THE NATURAL RESOURCES ARTICLE, AFTER RECEIVING A NOTIFICATION UNDER SUBSECTION (A)(1) OF THIS SECTION AND UNTIL RECEIVING A NOTIFICATION UNDER SUBSECTION (A)(2) OF THIS SECTION, THE DEPARTMENT OF NATURAL RESOURCES MAY NOT APPROVE A TRANSFER OF THE TIDAL FISH LICENSE OR AUTHORIZATION.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(1) the Maryland Agricultural and Resource-Based Industry Development Corporation may transfer up to \$337,500 each from the Oyster Shucking House Loan

Program and the Watermen's Microloan Program to the Maryland Seafood Industry Financial Assistance Fund established under Section 2 of this Act to provide additional financial assistance to commercial watermen and small businesses in the seafood industry; and

(2) the Maryland Agricultural and Resource-Based Industry Development Corporation shall repay any funds transferred from the Oyster Shucking House Loan Program or the Watermen's Microloan Program to the Maryland Seafood Industry Financial Assistance Fund established under Section 2 of this Act on or before June 30, 2028.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That ~~Section 2~~ Sections 2 and 3 of this Act shall take effect July 1, 2026.

SECTION ~~2~~ ~~4~~ 5. AND BE IT FURTHER ENACTED, That, except as provided in Section ~~3~~ 4 of this Act, this Act shall take effect October 1, 2026.

Approved by the Governor, May 12, 2026.