



MARBIDCO

MARYLAND AGRICULTURAL AND RESOURCE-BASED  
INDUSTRY DEVELOPMENT CORPORATION  
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Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

## TESTIMONY STATEMENT

**BILL:** Senate Bill 363 (Maryland Agricultural and Resource-Based Industry Development Corporation – Oyster Shucking House Loan Program)

**COMMITTEE:** Education, Energy, and Environment

**DATE:** March 4, 2025

**POSITION:** Favorable

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The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports SB 363, which makes two changes to MARBIDCO's Oyster Shucking House Loan Program. It reduces the number of years that a borrower must be a licensed seafood dealer to apply from five years to three years. It also simplifies how the amount an applicant can borrow is determined.

Currently, MARBIDCO may provide loans up to \$250,000, not to exceed \$25,000 for each full-time job projected to be created or retained and \$10,000 for each seasonal full-time job projected to be created or retained. Senate Bill 363 simplifies this to allow loans of \$25,000 for each full-time *or* seasonal full-time job projected to be created or retained.

Legislation enacted in 2022 (HB 1228/SB 830) included several provisions with the goal of replenishing oysters in the Chesapeake Bay. It included creating a loan fund for MARBIDCO to administer to help finance the cost of eligible seafood processing projects, including historic oyster shucking facilities, to help facilitate an increase in the amount of oyster shells retained in the State and returned to the Chesapeake Bay. The legislation also required that the Governor include \$1 million in MARBIDCO's FY 2024 budget for the new loan fund.

This legislation enables MARBIDCO to offer low interest loans of up to \$250,000 to finance the eligible costs of qualifying oyster processing projects. Loan amounts can range from \$10,000 to \$250,000, which is dependent upon the number of full-time jobs being created or retained. Under current law, for each full-time job projected to be created or retained, MARBIDCO can provide \$25,000 in financing. For every seasonal full-time job projected to be created or retained, MARBIDCO can provide \$10,000 in financing. Loan proceeds can be used to renovate or construct a new oyster processing facility or expand an existing one, as well as purchase oyster processing equipment.

Under current law, eligible applicants must be a licensed Maryland Seafood Dealer for at least five years OR be a Tidal Fisheries License-holder for at least five years and agree to obtain a Seafood Dealer License if approved for financing.

The program supports the goal of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay by offering loan forgiveness under certain circumstances. The amount of loan forgiveness is based on: 1) the current market value of each bushel of oyster shells that the loan recipient returns to DNR at no cost, and 2) \$25 for each bushel of spat-on-shell that the person plants on a public fishery bottom, as verified by DNR. In either case, the amount of forgiveness is determined by DNR and reported to MARBIDCO.

MARBIDCO has approved one loan for oyster processing equipment for a project in Dorchester County and has \$750,000 left in its loan fund.

As noted earlier, one way for an applicant to be eligible to apply for loan is to be a licensed Maryland Seafood Dealer for at least five years. We have had two prospective applicants inquire recently: one with a Seafood Dealer's License for three years and another for nearly four years. The passage of this legislation will enable both to be able to apply for a loan on July 1, 2025.

The other change that this legislation makes is that it permits a larger loan amount to be advanced for each seasonal full-time job that is being created or retained (from \$10,000 to \$25,000). Since the program opened, we have had about a half dozen inquiries from smaller oyster shucking businesses seeking funding for somewhat larger projects including facilities renovation and cold storage replacement (needing \$100,000 or more).

We believe the changes proposed in SB 363 will simplify the program and make it easier for oyster processors to qualify, thus increasing the utilization of the program.

**As such, MARBIDCO respectfully requests a Favorable Report for Senate Bill 363.**

*MARBIDCO Contact: Steve McHenry, 410.267.6807*

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*MARBIDCO was established 18 years ago by the Maryland General Assembly to help enhance the sustainability and profitability of the State's agricultural and resource-based industries in order to help bolster rural economies, support locally grown and processed food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-governmental financial intermediary organization that has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification. In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and farm credit associations, as well as a host of federal, State, regional, and local government agencies, and universities. Since 2007, MARBIDCO has approved some 1,411 financings totaling more than \$111 million for food and fiber business projects located in all Maryland's counties – and in the process has leveraged more than \$236 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: [www.marbidco.org](http://www.marbidco.org)*