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CHESAPEAKE BAY FOUNDATION

*Environmental Protection and Restoration
Environmental Education*

Senate Bill 363

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

Date: March 4, 2025
To: Education, Energy, and the Environment Committee

Position: **FAVORABLE**
From: Dr. Allison Colden,
Executive Director

Chesapeake Bay Foundation (CBF) **SUPPORTS** Senate Bill 363 which would modify the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) oyster shucking house loan program to make it more accessible to industry participants.

The recently completed report by the Governor’s Task Force on Oyster Shell and Substrate indicated that oyster shell continues to be a limiting resource in Maryland’s oyster recovery efforts. Approximately 50-75% of Maryland’s oysters are sold to out-of-state shucking houses due, in part, to a lack of shucking houses in-state. Each year DNR is forced to purchase shells back for use in restoration and fishery replenishment programs at significant expense to the state.

In 2022, the General Assembly established the MARBIDCO oyster shucking house loan program to make capital available for industry members to stand up new shucking houses in Maryland. SB 363 would expand eligibility for this program by reducing the required number of years in business from five to three and would allow up to \$25,000 to be borrowed (up from \$10,000) for each seasonal full-time job created. These changes would likely increase access to this program and more closely reflect the operations of Maryland’s seafood processors.

While there is no one “silver bullet” to address the availability of oyster shell, increasing the proportion of oysters shucked in-state is a key part of the solution.

For these reasons, CBF urges the Committee’s FAVORABLE report on SB 363.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at mstegman@cbf.org.

Maryland Office • Philip Merrill Environmental Center • 6 Herndon Avenue • Annapolis • Maryland • 21403

The Chesapeake Bay Foundation (CBF) is a non-profit environmental education and advocacy organization dedicated to the restoration and protection of the Chesapeake Bay. With over 200,000 members and e-subscribers, including 71,000 in Maryland alone, CBF works to educate the public and to protect the interest of the Chesapeake and its resources.

ShoreRivers Testimony SB363 - Oyster shucking hous

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**Testimony in SUPPORT of SB 363
Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster
Shucking House Loan Program**

Feb 28, 2025

Chairperson Feldman, Vice Chair Kagan, and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 363. ShoreRivers is an organization dedicated to protecting and restoring the Eastern Shore's waterways through science-based advocacy, restoration, and education. ShoreRivers has long been engaged in oyster restoration efforts in collaboration with partners such as the Oyster Recovery Partnership, the Oyster Advisory Commission, the Eastern Bay Oyster Workgroup, and the Marylanders Grow Oysters program.

Senate Bill 363 represents a crucial step in strengthening Maryland's seafood economy while ensuring the retention of oyster shells within the state to support aquaculture, public fishery repletion programs, oyster hatcheries, and large-scale restoration projects. Oyster shells are an irreplaceable resource for the Chesapeake Bay's ecological health and economic sustainability. These shells provide the necessary substrate for new oysters to attach and grow, supporting both natural populations and aquaculture efforts. **Without a reliable supply of shell, Maryland's ambitious oyster restoration goals—key to improving water quality, enhancing fish habitat, and fostering coastal resilience—are at risk.**

By providing targeted financial assistance to seafood dealers and tidal fish license holders, SB 363 will facilitate much-needed infrastructure investments in oyster processing facilities and equipment. Importantly, the bill's loan forgiveness mechanism incentivizes the return of oyster shells to the Department of Natural Resources or their use in spat-on-shell planting. These provisions help close the shell loop in Maryland's oyster economy, keeping this critical resource within the state rather than losing it to out-of-state markets. **Retaining oyster shells locally strengthens the public fishery and bolsters restoration programs that are essential to restoring the Chesapeake Bay's oyster population.**

The economic benefits of SB 363 also cannot be overstated. The bill encourages job creation and retention within the seafood industry, providing loans of up to \$250,000 to expand operations and modernize processing facilities. This investment will help seafood businesses remain competitive while contributing to the sustainability of Maryland's working waterfronts and coastal communities.

Sincerely,

Benjamin Ford, Miles-Wye Riverkeeper, on behalf of ShoreRivers

ShoreRivers

Isabel Hardesty, Executive Director
Annie Richards, Chester Riverkeeper | Matt Pluta, Choptank Riverkeeper
Ben Ford, Miles Wye Riverkeeper | Zack Kelleher, Sassafras Riverkeeper

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Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 4, 2025

BILL NUMBER: Senate Bill 363 – First Reader

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

DEPARTMENT’S POSITION: SUPPORT

EXPLANATION OF DEPARTMENT’S POSITION

The Department supports Senate Bill 363. By lowering the number of years from five to three for the length of time a person must be licensed as a seafood dealer to be eligible for a loan, the loans will be available to more seafood dealers. Having to hold the license for at least three years is still an adequate amount of time to show an individual has been an active seafood dealer.

Additionally, the bill would allow for loans up to \$250,000, not to exceed \$25,000 for each full-time job or seasonal full-time job that is projected to be created or retained. The law currently only allows up to \$10,00 for each seasonal full-time job. Seasonal full-time jobs are commonly used by the oyster shucking house industry and treating seasonal and non-seasonal full-time jobs the same provides a more fair assessment of employment activity in this industry.

BACKGROUND INFORMATION

None.

BILL EXPLANATION

The bill makes changes to the Maryland Agricultural and Resource-Based Industry Development Corporation including removing the loan limit based on seasonal full-time jobs and reducing the number of years a person must be a licensed seafood dealer in order to be eligible for a loan.

Contact: Emily Wilson, Director, Legislative and Constituent Services (Acting)
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SenatorBailey_FAV_SB363.pdf

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JACK BAILEY
Legislative District 29
Calvert and St. Mary's Counties

Budget & Taxation Committee



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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March 4, 2025

Senate Bill 363 - Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster Shucking House Loan Program

Dear Chair Feldman and Members of the Committee,

I am writing to introduce Senate Bill 363, which makes alterations to the Oyster Shucking House Loan Program available through the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO).

The Maryland Oyster Shucking House Loan Program was established in 2022 to help finance the cost of eligible seafood processing projects, including historic oyster shucking facilities, with the intention of increasing the amount of oyster shells retained in the State and returned to the Chesapeake Bay. However, despite the number of inquiries that MARBIDCO has received about this program since its enactment, only one applicant has successfully applied to this program. Last year, the General Assembly passed Senate Bill 32, which included provisions intended to expand access to this Program. Senate Bill 363 makes two further changes to the statute creating the Program to give MARBIDCO even greater ability to provide these loans to more of these facilities.

The first change would permit MARBIDCO to make loans of up to \$25,000 for each seasonal full-time job that is projected to be created or retained by the project as they are presently allowed to for each full-time job. Currently, MARBIDCO is only permitted to give \$10,000 for each seasonal full-time job. This would enable MARBIDCO to lend out more funding towards an eligible project, thus helping to make some projects more feasible to undertake. It is important to note that many of these facilities often add employees in the winter, as this is when wild caught oysters are being harvested and consumer demand is the highest.

The second change would reduce the number of years from at least 5 to 3 years that an eligible person must be a licensed seafood dealer to be eligible for a loan under this program. MARBIDCO has made me aware that there is at least one facility that will become eligible for this program with this change in the law and they are hopeful that this change will allow other businesses to be able to access this program as well.

I respectfully request a favorable report on Senate Bill 363. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bailey', written over a horizontal line.

Senator Jack Bailey

SB 363

Uploaded by: Jeannie Haddaway-Riccio

Position: FAV



Talbot Watermen Association, Inc.

P.O. Box 324 • Bozman, MD 21612 • (410) 745-9759 • info@talbotwatermen.org

March 4, 2025

The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee
The Honorable Cheryl Kagan
Vice Chair, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Dear Chair Feldman and Vice Chair Kagan,

We are writing to express our **support** for **Senate Bill 363 Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster Shucking House Loan Program**.

Senate Bill 363 makes changes to the Oyster Shucking House Loan Program under the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). We believe these changes more adequately reflect industry conditions and will increase participation in the program. Providing growth opportunities for Maryland's historic oyster shucking houses and for new oyster processing facilities is critical to oyster population restoration efforts and the commercial industry.

We thank you in advance for your consideration and respectfully request a favorable report for Senate Bill 363.

Sincerely,

Herman Jeffrey Harrison
President

Contact: Jeannie Haddaway-Riccio
R&R Solutions, LLC
(443) 786-2137
jeannie@randrsolutions.us

SB363_RMC_SupportTestimony.pdf

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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 363 – Maryland Agricultural and Resource-Based Industry Development Corporation
- Oyster Shucking House Loan Program
Senate Education, Energy and the Environment Committee
March 4, 2025

The Rural Maryland Council supports Senate Bill 363 – Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster Shucking House Loan Program. The bill involves modifying a specific loan program to allow the Maryland Agricultural and Resource-Based Industry Development Corporation to offer loans of up to \$25,000 for certain seasonal full-time jobs. Additionally, it seeks to reduce the eligibility period for financing under the loan program from 5 years to 3 years for individuals who have been licensed seafood dealers.

The legislation enacted in 2022 (HB 1228/SB 830) provides provisions for replenishing oyster populations in Chesapeake Bay by establishing a loan fund managed by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO). This fund is designed to finance eligible seafood processing projects, including historic oyster shucking facilities, thus promoting the retention of oyster shells within the State.

The Governor is required to allocate \$1 million in the MARBIDCO budget for fiscal year 2024 for this purpose. MARBIDCO will offer low-interest loans ranging from \$10,000 to \$250,000, depending on the number of full-time jobs created or retained. The current structure allows funding of \$25,000 for each projected full-time job and \$10,000 for each seasonal full-time job.

Loan proceeds may be utilized for constructing new facilities, expanding existing ones, or purchasing processing equipment. To qualify, applicants must have a Maryland Seafood Dealer license or a Tidal Fisheries License for at least five years and agree to obtain a Seafood Dealer License if approved for financing.

Loan forgiveness is also available under specific conditions, based on the market value of returned oyster shells and the planting of spat-on-shell on public fisheries, as verified by the Department of Natural Resources (DNR). To date, MARBIDCO has approved one loan for a project in Dorchester County and has \$750,000 remaining in the fund. Proposed changes in HB 397 seek to simplify the program and enhance accessibility for oyster processors.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 363.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic, or regulatory solutions.

SB 363 Testimony MARBIDCO FAV.pdf

Uploaded by: Steve McHenry

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MARBIDCO

MARYLAND AGRICULTURAL AND RESOURCE-BASED
INDUSTRY DEVELOPMENT CORPORATION
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Office: 410-267-6807 ~ Fax: 410-267-6809
www.marbidco.org

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

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

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