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*Susan O'Neill, Chair*

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Testimony in Support of  
House Bill 397 – Maryland Agricultural and Resource-Based Industry Development Corporation  
- Oyster Shucking House Loan Program  
House Environment and Transportation Committee  
February 12, 2025

**The Rural Maryland Council supports House Bill 397 – 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 House Bill 397.

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.