

# **HB 397 Testimony.pdf**

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**DANA JONES**  
*Legislative District 30A*  
Anne Arundel County

Appropriations Committee

*Subcommittees*

Vice Chair, Health and Social Services

Oversight Committee on Pensions

Joint Committee on Administrative,  
Executive, and Legislative Review

Anne Arundel County Delegation

President, Women Legislators of Maryland



The Maryland House of Delegates  
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**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

**Testimony of Delegate Dana Jones  
Before the Environment and Transportation Committee**

**In Support of HB 397  
Maryland Agricultural and Resource-Based Industry Development Corporation - Oyster  
Shucking House Loan Program  
February 12th 2025, 1:00 pm**

Chair Korman, Vice-Chair Boyce, and members of the Environment and Transportation Committee,

I come before you today to introduce House Bill 397, MARBIDCO Oyster Shucking House Loan Program. Established in 2022 as part of House Bill 1228, The Maryland Oyster Shucking House Loan Program was established to help finance the cost of eligible seafood processing projects, including historic oyster shucking facilities, and to facilitate an increase in the amount of oyster shells retained in the State and returned to the Chesapeake Bay (as oyster spat or oyster habitat).

Unfortunately, despite the sizable number of general inquiries that MARBIDCO has received over the last two-plus years concerning this program, only one applicant has successfully applied to this program thus far. This bill makes two changes to the program that are aimed at increasing the usability of previously appropriated funds to support Maryland's Oyster industry and the health of the Bay.

The first change would allow MARBIDCO to make loans up to \$25,000 for each full time and each seasonal full-time job. Presently, they are only allowed to make loans of \$10,000 for each seasonal employee. This change better aligns with the seasonality of these small businesses, and will help the program make some projects more feasible. Ultimately, by making this change,

smaller businesses seeking funding for projects will be able to actually utilize the fund for its intended purpose.

The second change reduces the number of years that an applicant must have been a licensed seafood dealer from 5 to 3. This change will make it easier for newer businesses to access this funding, especially during the critical early years of a business. DNR has no concerns with this change being made, and according to MARBIDCO there are two prospective applicants, one who has held a seafood dealer license for 3 years and another nearly 4, who would become eligible with the passage of HB 397.

Combined, these two changes will lower barriers to make existing funding more accessible to businesses. More eligibility means more loans will be made to help expand seafood harvesting processing projects, including historic oyster shucking facilities, as the original legislation was intended to do. Finally, it will also help facilitate an increase in the amount of oyster shells retained in Maryland and returned to the Bay.

With that, I respectfully request a favorable report on House Bill 397.

A handwritten signature in blue ink that reads "Dana Jones" with a long horizontal flourish extending to the right.

Delegate Dana Jones

**HB0397\_DNR\_SUP\_ENT\_2-12-25.pdf**

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

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February 12, 2025

**BILL NUMBER: House Bill 397 – 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**

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The Department supports House Bill 397. 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**

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None.

### **BILL EXPLANATION**

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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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**HB 397 - CBF - FAV.pdf**

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Position: FAV



# CHESAPEAKE BAY FOUNDATION

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Environmental Protection and Restoration  
Environmental Education

## House Bill 397

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

Date: February 12, 2025

To: Environment and Transportation Committee

Position: **FAVORABLE**

From: Allison Colden,  
Executive Director

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Chesapeake Bay Foundation (CBF) **SUPPORTS** House Bill 397 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. HB 397 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 HB 397.**

For more information, please contact Matt Stegman, Maryland Staff Attorney, at [mstegman@cbf.org](mailto: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.*

# **HB397\_RMC\_SupportTestimony.pdf**

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*Susan O'Neill, Chair*

*Charlotte Davis, Executive Director*

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.

# **HB397\_MARBIDCO\_FAV**

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Position: FAV



MARBIDCO

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Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

## TESTIMONY STATEMENT

**BILL:** House Bill 397 (Maryland Agricultural and Resource-Based Industry Development Corporation – Oyster Shucking House Loan Program)

**COMMITTEE:** Environment and Transportation

**DATE:** February 12, 2025

**POSITION:** Favorable

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The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports HB 397, 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. House Bill 397 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 HB 397 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 House Bill 397.**

*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 1,410 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 \$236.1 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: [www.marbidco.org](http://www.marbidco.org)*