

SENATE BILL 901

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By: **Senator Hester**

Introduced and read first time: February 9, 2021

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Public Safety – Emergency Management – Resilient Maryland Revolving Loan**
3 **Fund**

4 FOR the purpose of establishing the Resilient Maryland Revolving Loan Fund as a special,
5 nonlapsing fund; establishing the purpose of the Fund; authorizing uses for the
6 Fund; requiring certain loans to be for a fixed period; requiring the Maryland
7 Emergency Management Agency (MEMA) to administer the Fund; requiring MEMA
8 to prioritize making loans to certain projects; requiring the State Treasurer to hold
9 the Fund and the Comptroller to account for the Fund; specifying the contents of the
10 Fund; requiring investment of the money from the Fund; requiring interest earnings
11 of the Fund to be credited to the Fund; exempting the Fund from a certain provision
12 of law requiring interest earnings on State money to accrue to the General Fund of
13 the State; specifying that money expended from the Fund is supplemental to certain
14 other funds; authorizing loans from the Fund to be used to satisfy the nonfederal
15 match for federal mitigation grants; requiring MEMA to establish application
16 procedures and certain eligibility criteria for loans from the Fund; requiring the
17 Governor to include a certain amount in the annual budget bill beginning in a certain
18 fiscal year for the Fund; specifying the intent of the General Assembly that MEMA
19 apply to the Federal Emergency Management Agency for certain funding; requiring
20 MEMA to grant loans to local jurisdictions, at least in part, to meet certain federal
21 matching requirements; defining a certain term; and generally relating to the
22 Resilient Maryland Revolving Loan Fund.

23 BY adding to

24 Article – Public Safety

25 Section 14–110.4

26 Annotated Code of Maryland

27 (2018 Replacement Volume and 2020 Supplement)

28 BY repealing and reenacting, without amendments,

29 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(i)
2 Annotated Code of Maryland
3 (2015 Replacement Volume and 2020 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)122. and 123.
7 Annotated Code of Maryland
8 (2015 Replacement Volume and 2020 Supplement)

9 BY adding to
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(ii)124.
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2020 Supplement)

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

16 **Article – Public Safety**

17 **14–110.4.**

18 (A) IN THIS SECTION, “FUND” MEANS THE RESILIENT MARYLAND
19 REVOLVING LOAN FUND.

20 (B) THERE IS A RESILIENT MARYLAND REVOLVING LOAN FUND.

21 (C) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS FOR LOCAL
22 RESILIENCE PROJECTS THAT ADDRESS MITIGATION OF ALL HAZARDS, INCLUDING
23 NATURAL DISASTERS.

24 (D) (1) THE FUND MAY BE USED ONLY TO PROVIDE LOW- OR
25 NO-INTEREST LOANS TO LOCAL GOVERNMENTS AND NONPROFIT ORGANIZATIONS
26 FOR LOCAL RESILIENCE PROJECTS.

27 (2) THE LOANS PROVIDED UNDER PARAGRAPH (1) OF THIS
28 SUBSECTION SHALL BE FOR A FIXED LOAN PERIOD.

29 (E) THE MARYLAND EMERGENCY MANAGEMENT AGENCY SHALL
30 ADMINISTER THE FUND.

31 (F) THE MARYLAND EMERGENCY MANAGEMENT AGENCY SHALL
32 PRIORITIZE MAKING LOANS TO PROJECTS IT DETERMINES TO HAVE THE GREATEST
33 IMPACT ON ELIMINATING HAZARDS.

1 **(G) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT SHALL BE**
2 **AVAILABLE IN PERPETUITY FOR THE PURPOSE OF PROVIDING LOANS IN**
3 **ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.**

4 **(2) THE FUND IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE**
5 **AND PROCUREMENT ARTICLE.**

6 **(3) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
7 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

8 **(H) THE FUND CONSISTS OF:**

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

10 **(2) INVESTMENT AND INTEREST EARNINGS OF THE FUND;**

11 **(3) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS MADE**
12 **FROM THE FUND; AND**

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

15 **(I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
16 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

17 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
18 **THE FUND.**

19 **(J) MONEY EXPENDED FROM THE FUND IS SUPPLEMENTAL TO AND IS NOT**
20 **INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE**
21 **APPROPRIATED TO LOCAL GOVERNMENTS FOR RESILIENCE PROJECTS.**

22 **(K) LOANS FROM THE FUND MAY BE USED TO SATISFY THE NONFEDERAL**
23 **MATCH FOR FEDERAL MITIGATION GRANTS.**

24 **(L) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
25 **MARYLAND EMERGENCY MANAGEMENT AGENCY SHALL ESTABLISH APPLICATION**
26 **PROCEDURES AND ELIGIBILITY CRITERIA FOR LOANS FROM THE FUND.**

27 **(2) THE ELIGIBILITY CRITERIA SHALL REQUIRE THAT A LOCAL**
28 **GOVERNMENT OR NONPROFIT ORGANIZATION DEMONSTRATE:**

- 1 **(I) NEED FOR A LOAN TO ADDRESS HAZARD MITIGATION; AND**
 2 **(II) THE ABILITY TO REPAY THE LOAN, IF REQUIRED, AT A LATER**
 3 **DATE.**

4 **(M) FOR FISCAL YEAR 2023 AND EACH FISCAL YEAR THEREAFTER, THE**
 5 **GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF**
 6 **\$5,000,000 FOR THE FUND.**

7 **Article – State Finance and Procurement**

8 6–226.

9 (a) (2) (i) Notwithstanding any other provision of law, and unless
 10 inconsistent with a federal law, grant agreement, or other federal requirement or with the
 11 terms of a gift or settlement agreement, net interest on all State money allocated by the
 12 State Treasurer under this section to special funds or accounts, and otherwise entitled to
 13 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
 14 Fund of the State.

15 (ii) The provisions of subparagraph (i) of this paragraph do not apply
 16 to the following funds:

17 122. the Racing and Community Development Financing Fund;
 18 **[and]**

19 123. the Racing and Community Development Facilities Fund;
 20 **AND**

21 **124. THE RESILIENT MARYLAND REVOLVING LOAN FUND.**

22 **SECTION 2. AND BE IT FURTHER ENACTED, That:**

23 (a) It is the intent of the General Assembly that the Maryland Emergency
 24 Management Agency apply to the Federal Emergency Management Agency under the
 25 provisions of the federal Safeguarding Tomorrow through Ongoing Risk Mitigation
 26 (STORM) Act, when funding is available, to capitalize the revolving loan fund established
 27 under this Act with money appropriated to the Fund.

28 (b) The Maryland Emergency Management Agency shall grant loans under this
 29 Act to local jurisdictions, at least in part, to meet federal matching requirements for federal
 30 resilience grants, including Building Resilient Infrastructures and Communities.

31 **SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect**
 32 **October 1, 2021.**