



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
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Lieutenant Governor

DAVID R. BRINKLEY
Secretary

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Deputy Secretary

SENATE BILL 901 Public Safety - Emergency Management - Resilient Maryland Revolving Loan Fund (Hester)

STATEMENT OF INFORMATION

DATE: March 4, 2021

COMMITTEE: Senate Education, Health & Environmental Affairs and Senate Budget & Taxation

SUMMARY OF BILL: SB 901 mandates an annual appropriation in the amount of \$5 million to a newly created Resilient Maryland Revolving Loan Fund. The Fund is administered by the Maryland Emergency Management Agency (MEMA), the purpose of which is to provide low interest loans to local governments and non-profit organizations for projects that address hazards, including natural disasters. Loans may be used to meet federal matching requirements for federal resilience grants, including Building Resilient Infrastructures and Communities.

EXPLANATION: In general, mandates reduce the ability of the State government to address budgetary constraints as well as changing funding needs and priorities. The Department of Budget and Management would note that once a revolving loan fund is fully capitalized and the repayments are sufficient to cover new loans, it is arguably not the highest and best use of resources to continue adding to the Fund.

The loans to be provided by the proposed program would partially duplicate projects already eligible for loans or grants under the Department of the Environment, Department of Housing and Community Development, and Public School Construction Program.

MEMA currently administers another revolving loan program, the Volunteer Company Assistance Fund (VCAF).

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