

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 449

(Delegate Ivey, *et al.*)

Environment and Transportation and
Appropriations

Education, Energy, and the Environment and
Budget and Taxation

**Comprehensive Flood Management Grant Program - Funding for Underserved
and Overburdened Communities**

This bill authorizes the Governor, for fiscal 2026 and each fiscal year thereafter, to include in the annual State budget an appropriation for the comprehensive flood management grant program of up to \$20.0 million. The bill also requires that, for fiscal 2026 and each fiscal year thereafter, at least 40% of funding provided under the program be used for projects located in or directly benefiting underserved or overburdened communities. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The bill does not directly affect State finances, as discussed below.

Local Effect: The bill may affect local government finances, as discussed below.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: “Underserved community” and “overburdened community” have the meanings stated under existing provisions of the Environment Article of the Maryland Code that establish and govern the Commission on Environmental Justice and Sustainable Communities. “Underserved community” means any census tract in which, according to the most recent U.S. Census Bureau Survey (1) at least 25% of the residents qualify as low-income; (2) at least 50% of the residents identify as nonwhite; or (3) at least 15% of the residents have limited English proficiency. “Overburdened community” means any

census tract for which three or more of specified environmental health indicators are above the seventy-fifth percentile statewide.

Current Law: There is a comprehensive flood management grant program within the Maryland Department of the Environment (MDE). Subject to specified criteria, MDE may provide grants to local governments under the program for:

- flood control and watershed management capital projects and capital costs of automated flood warning projects;
- acquisition of any flood damaged owner-occupied dwelling, immediately after a flood; and
- infrastructure repairs, watershed management, or emergency protection work if the local government has incurred at least \$1.0 million in infrastructure damage caused by a flood event that occurred on or after January 1, 2009.

Statute required – for fiscal 2021 through 2023 – that the Governor include in the annual State budget an appropriation for the program of at least \$3.0 million in fiscal 2021 and 2022 and at least \$2.0 million in fiscal 2023.

State Fiscal Effect: The bill does not directly affect State finances since the bill authorizes funding for the comprehensive flood management grant program of up to \$20.0 million each fiscal year, beginning in fiscal 2026, and planned spending for the program, in the absence of the bill, is consistent with that authorization. The Governor’s fiscal 2025 through 2029 *Capital Improvement Program* includes \$10.0 million in general obligation bond funding for the program in each of fiscal 2026 through 2029.

It is assumed that the bill’s requirement that, beginning in fiscal 2026, at least 40% of funding provided under the program be used for projects located in or directly benefiting underserved or overburdened communities, can be implemented by MDE with existing resources.

To the extent the bill is interpreted as suggesting that a higher level of funding be provided for the program than would otherwise be provided in the absence of the bill, additional staff are likely needed within MDE to administer the additional funding, with the need for additional staff being dependent on the amount of the increase in funding. *For illustrative purposes only*, if \$20.0 million annually is provided for the program, three additional positions are needed within MDE at a cost of \$270,261 in fiscal 2026, with similar costs in future years (reflecting salaries with annual increases and employee turnover and annual increases in ongoing operating expenses).

Local Fiscal Effect: While the bill does not directly affect local government finances overall, the allocation of grant funding among individual local governments under the

program may be affected by the bill’s requirement that at least 40% of funding provided under the program be used for projects located in or directly benefiting underserved or overburdened communities.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 813 and HB 892 of 2023.

Designated Cross File: SB 148 (Senator A. Washington, *et al.*) - Education, Energy, and the Environment and Budget and Taxation.

Information Source(s): Anne Arundel, Baltimore, Frederick, and Montgomery counties; Maryland Association of Counties; Maryland Department of Emergency Management; cities of Frederick and Havre de Grace; Maryland Municipal League; Department of Budget and Management; Department of Natural Resources; Maryland Department of the Environment; Maryland Department of Planning; Board of Public Works; Department of Housing and Community Development; Department of Legislative Services

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