

SENATE BILL 650

E4

3lr1705
CF HB 789

By: Senators Elfreth, Bailey, Beidle, Hester, Gile, ~~and Rosapepe~~ Rosapepe, Benson, Corderman, Guzzone, Hettleman, Jackson, Jennings, King, McCray, Salling, ~~and Zucker~~ Zucker, Brooks, Carozza, Kagan, Lewis Young, Watson, and Simonaire

Introduced and read first time: February 6, 2023

Assigned to: Budget and Taxation and Education, Energy, and the Environment

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 11, 2023

CHAPTER _____

1 AN ACT concerning

2 **Public Safety – State Disaster Recovery Fund**

3 FOR the purpose of establishing the State Disaster Recovery Fund to provide disaster
4 related assistance under certain circumstances; requiring the Maryland Department
5 of Emergency Management to administer the State Disaster Recovery Fund;
6 authorizing a portion of the State Disaster Recovery Fund to be transferred by the
7 Governor to the Federal Government Shutdown Employee Assistance Loan Fund in
8 the event of a government shutdown; repealing the Catastrophic Event Account;
9 requiring the Governor to transfer the balance of the Catastrophic Event Account to
10 the State Disaster Recovery Fund; and generally relating to the State Disaster
11 Recovery Fund.

12 BY adding to

13 Article – Public Safety
14 Section 14–110.5
15 Annotated Code of Maryland
16 (2022 Replacement Volume)

17 BY repealing

18 Article – State Finance and Procurement
19 Section 7–324
20 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2021 Replacement Volume and 2022 Supplement)

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

4 **Article – Public Safety**

5 **14-110.5.**

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (2) “FUND” MEANS THE STATE DISASTER RECOVERY FUND.

9 (3) “LOCAL DISASTER DECLARATION” MEANS A FORMAL REQUEST
10 FOR STATE DISASTER RELIEF AND RECOVERY ASSISTANCE MADE AS A RESULT OF
11 AN EMERGENCY BY THE SENIOR ELECTED OFFICIAL THROUGH THE LOCAL
12 ORGANIZATION FOR EMERGENCY MANAGEMENT.

13 (B) THERE IS A STATE DISASTER RECOVERY FUND.

14 (C) THE PURPOSE OF THE FUND IS TO PROVIDE:

15 (1) DISASTER RECOVERY ASSISTANCE TO INDIVIDUALS AND FAMILIES
16 WHEN A UNIT OF LOCAL GOVERNMENT HAS SUBMITTED A REQUEST FOR A DISASTER
17 DECLARATION BUT A FEDERAL DISASTER DECLARATION IS NOT RECEIVED;

18 (2) DISASTER RECOVERY ASSISTANCE TO UNITS OF LOCAL
19 GOVERNMENT OF THE STATE FOR THE REPAIR, RESTORATION, RECONSTRUCTION,
20 OR REPLACEMENT OF A PUBLIC FACILITY DAMAGED OR DESTROYED WHEN A
21 FEDERAL DISASTER DECLARATION IS NOT RECEIVED;

22 (3) LOW-INTEREST OR NO-INTEREST LOANS TO BUSINESSES AND
23 NONPROFITS FOR DISASTER RECOVERY ASSISTANCE WHEN A FEDERAL DISASTER
24 DECLARATION IS NOT RECEIVED;

25 (4) DISASTER-RELATED ASSISTANCE FOR UNMET NEEDS OF
26 INDIVIDUALS AND FAMILIES FOLLOWING A FEDERAL DISASTER DECLARATION;

27 (5) DISASTER-RELATED ASSISTANCE FOR UNMET NEEDS OF
28 INDIVIDUALS AND FAMILIES WHO HAVE BEEN DENIED FEDERAL ASSISTANCE BUT
29 OTHERWISE MEET CRITERIA ESTABLISHED FOR THE FUND; AND

30 (6) MATCHING FUNDS FOR ASSISTANCE TO INDIVIDUALS AND STATE
31 AND LOCAL GOVERNMENTAL UNITS AFTER A FEDERAL DISASTER DECLARATION.

1 (D) THE FUND:

2 (1) IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO §
3 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

4 (2) SHALL BE AVAILABLE IN PERPETUITY FOR THE PURPOSE OF
5 PROVIDING DISASTER RECOVERY ASSISTANCE IN ACCORDANCE WITH THE
6 PROVISIONS OF THIS SECTION;

7 (3) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, MAY
8 BE USED ONLY IF:

9 (I) THE GOVERNOR HAS DECLARED A STATE OF EMERGENCY;
10 OR

11 (II) A LOCAL ORGANIZATION FOR EMERGENCY MANAGEMENT
12 REQUESTS ASSISTANCE FROM THE FUND;

13 (4) IS NOT INTENDED TO DUPLICATE OR REPLACE FEDERAL
14 DISASTER ASSISTANCE; AND

15 (5) MAY NOT BE USED FOR ANY OTHER PURPOSE OTHER THAN THOSE
16 DESCRIBED IN THIS SECTION.

17 (E) A PORTION OF THE FUND MAY BE USED TO ADMINISTER THE FUND,
18 INCLUDING PROVIDING DISASTER CASE MANAGEMENT RESOURCES.

19 (F) ~~(1) BEGINNING IN FISCAL YEAR 2025, THE THE GOVERNOR SHALL~~
20 ~~MAY INCLUDE IN THE ANNUAL BUDGET BILL A SUFFICIENT AN APPROPRIATION TO~~
21 ~~BRING THE MINIMUM BALANCE OF THE FUND TO AT LEAST \$20,000,000 AT THE~~
22 ~~START OF EACH FISCAL YEAR, WITH FUNDS CONSISTING.~~

23 (2) THE FUND SHALL CONSIST OF:

24 ~~(1)~~ (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE
25 FUND;

26 ~~(2)~~ (II) REPAYMENTS OF PRINCIPAL AND INTEREST FROM LOANS
27 MADE FROM THE FUND;

28 ~~(3)~~ (III) REIMBURSEMENTS FROM THE FEDERAL GOVERNMENT OR
29 OTHER LEGAL ENTITIES FOR DISASTER RECOVERY ASSISTANCE EXPENDITURES
30 MADE FROM THE FUND; AND

1 ~~(4)~~ (IV) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED
2 FOR THE BENEFIT OF THE FUND.

3 (G) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN
4 THE SAME MANNER THAT OTHER STATE MONEY MAY BE INVESTED.

5 (H) ANY FUNDS EXPENDED FROM THE FUND ARE SUPPLEMENTAL TO AND
6 ARE NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE
7 APPROPRIATED TO ELIGIBLE RECIPIENTS FROM THE FUND FOR ANY OTHER
8 PURPOSE.

9 (I) THE DEPARTMENT SHALL:

10 (1) ADMINISTER THE FUND;

11 (2) ESTABLISH ELIGIBILITY CRITERIA, POLICIES, AND PROCEDURES
12 FOR THE ADMINISTRATION OF THE FUND, WHILE CONSIDERING EXISTING STATE
13 DISASTER RECOVERY PROGRAMS AND FEDERAL DISASTER RELIEF AND RECOVERY
14 REQUIREMENTS; AND

15 (3) CONSULT WITH APPROPRIATE STATE AGENCIES AND LOCAL
16 ORGANIZATIONS FOR EMERGENCY MANAGEMENT IN THE DEVELOPMENT OF
17 ELIGIBILITY CRITERIA, POLICIES, AND PROCEDURES FOR ADMINISTRATION OF THE
18 FUND.

19 (J) THE DEPARTMENT MAY ESTABLISH:

20 (1) REGULATIONS RELATED TO THE ADMINISTRATION OF THE FUND;

21 (2) ACCOUNTS AND SUB-ACCOUNTS WITHIN THE FUND TO
22 EFFECTUATE THE PURPOSES OF THIS SECTION; AND

23 (3) FORMAL ADVISORY BODIES TO ADVISE ON THE ADMINISTRATION
24 OF THE FUND.

25 (K) (1) ON OR BEFORE DECEMBER 31, 2023, AND ON OR BEFORE EACH
26 DECEMBER 31 THEREAFTER, THE SECRETARY SHALL REPORT TO THE GOVERNOR
27 AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE
28 GENERAL ASSEMBLY ON THE USE OF THE FUND FOR THE PREVIOUS FISCAL YEAR.

29 (2) THE REPORT SHALL INCLUDE:

1 (I) THE NUMBER OF STATE OF EMERGENCY DECLARATIONS BY
2 THE GOVERNOR;

3 (II) THE NUMBER OF LOCAL STATE OF EMERGENCY
4 DECLARATIONS AND LOCAL DISASTER DECLARATIONS SUBMITTED TO THE
5 SECRETARY AND THE REASON FOR EACH DECLARATION;

6 (III) A SUMMARY OF THE DAMAGE ASSESSMENT DATA RELATED
7 TO EACH DECLARATION, AND THE DISPOSITION OF EACH REQUEST FOR THE
8 PREVIOUS FISCAL YEAR;

9 (IV) THE AMOUNT OF FUNDING DISTRIBUTED TO EACH ELIGIBLE
10 ENTITY BY THE FUND FOR THE PREVIOUS FISCAL YEAR;

11 (V) THE FUND BALANCE AT THE END OF THE PREVIOUS FISCAL
12 YEAR;

13 (VI) ANY FEDERAL DISASTER DECLARATIONS REQUESTED AND
14 ASSOCIATED DAMAGE ASSESSMENT DATA FOR THE PREVIOUS FISCAL YEAR;

15 (VII) A SUMMARY OF ANY FEDERAL DISASTER ASSISTANCE
16 RECEIVED DURING THE PREVIOUS FISCAL YEAR;

17 (VIII) A SUMMARY OF ANY REGULATIONS ISSUED RELATED TO THE
18 FUND DURING THE PREVIOUS FISCAL YEAR; AND

19 (IX) ANY RECOMMENDED CHANGES TO THIS SECTION TO
20 INCREASE THE EFFICIENCY AND EFFICACY OF THE FUND.

21 (L) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AFTER A
22 15-DAY REVIEW AND COMMENT PERIOD BY THE LEGISLATIVE POLICY COMMITTEE,
23 THE GOVERNOR MAY TRANSFER FUNDS BY BUDGET AMENDMENT FROM THE FUND
24 TO THE EXPENDITURE ACCOUNTS OF THE APPROPRIATE UNIT OF STATE
25 GOVERNMENT.

26 (2) IF THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL
27 SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS, AFTER A 2-DAY REVIEW AND
28 COMMENT PERIOD BY THE LEGISLATIVE POLICY COMMITTEE, THE GOVERNOR MAY
29 TRANSFER FUNDS BY BUDGET AMENDMENT FROM THE FUND TO THE FEDERAL
30 GOVERNMENT SHUTDOWN EMPLOYEE ASSISTANCE LOAN FUND ESTABLISHED
31 UNDER § 7-327 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

32 Article – State Finance and Procurement

1 [7-324.

2 (a) In this section, "Account" means the Catastrophic Event Account.

3 (b) Subject to the provisions of this section, the Account is established to enable
4 the State to respond without undue delay to a natural disaster or other catastrophic
5 situation, or federal civilian employee financial hardship from a full or partial federal
6 government shutdown due to a lapse in federal appropriations that cannot be taken care of
7 within the resources of existing appropriations.

8 (c) The Governor may provide an appropriation in the budget bill to the Account.

9 (d) (1) Subject to paragraph (2) of this subsection, after a 15-day review and
10 comment period by the Legislative Policy Committee, the Governor may transfer funds by
11 budget amendment from the Account to the expenditure accounts of the appropriate unit
12 of State government.

13 (2) If the federal government is in a full or partial shutdown due to a lapse
14 in appropriations, after a 2-day review and comment period by the Legislative Policy
15 Committee, the Governor may transfer funds by budget amendment from the Account to
16 the Federal Government Shutdown Employee Assistance Loan Fund established under §
17 7-327 of this subtitle.

18 (e) Funds appropriated to the Catastrophic Event Account:

19 (1) may not be used to offset operating deficiencies in regular programs of
20 State government; but

21 (2) may be expended to assist a unit of State government in funding costs
22 in connection with a natural disaster, a catastrophic situation, or a full or partial federal
23 government shutdown due to a lapse in appropriations.

24 (f) (1) The Account is a continuing, nonlapsing fund which is not subject to §
25 7-302 of this subtitle.

26 (2) The Treasurer shall separately hold, and the Comptroller shall account
27 for, the Account.

28 (3) The Account shall be invested and reinvested in the same manner as
29 other State funds.

30 (4) Any investment earnings shall be subject to § 7-311(d) of this subtitle.

31 (g) Money appropriated to the Account does not revert to the Revenue
32 Stabilization Account.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That the balance of the
2 Catastrophic Event Account shall be transferred by the Governor to the State Disaster
3 Recovery Fund established under § 14-110.5 of the Public Safety Article, as enacted by
4 Section 1 of this Act.

5 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.