

Chapter 696

(Senate Bill 739)

AN ACT concerning

Climate Change, Homeowner's Insurance, and Emergency Management – Study

FOR the purpose of requiring the University System of Maryland to conduct a study to evaluate the relationship between climate change, homeowner's insurance, and emergency and disaster preparedness; and generally relating to a study on the relationship between climate change, homeowner's insurance, and emergency management.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

(a) The University System of Maryland shall conduct a study to evaluate the relationship between climate change, the availability and price of homeowner's insurance, and emergency and disaster preparedness.

(b) The University System of Maryland shall conduct the study required under subsection (a) of this section in coordination with and oversight by:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Department of Natural Resources;

(4) the Department of the Environment;

(5) the Maryland Department of Emergency Management;

(6) the Maryland Insurance Administration;

(7) a County Emergency Manager, appointed by the Maryland Association of Counties; ~~and~~

(8) a Municipal Emergency Manager, appointed by the Maryland Municipal League; and

(9) a representative of the Independent Insurance Agents of Maryland, designated by the Independent Insurance Agents of Maryland.

(c) The study shall evaluate:

(1) the extent to which climate change has contributed to the decreasing availability of and increasing costs associated with homeowner's insurance;

(2) the impact of recent and future changes in federal policies and grant funding streams related to disaster preparedness, response, recovery, mitigation, and resilience;

(3) how federal funding has supported emergency management capabilities across the five emergency management mission areas identified by the Federal Emergency Management Agency; and

(4) existing local resources or reserve funds available for disaster recovery needs.

(d) (1) On or before ~~January~~ July 1, 2027, the University System of Maryland shall submit its findings and recommendations to the General Assembly, in accordance with § 2-1257 of the State Government Article.

(2) The report required under this subsection shall:

(i) include an overview of the current state of the National Flood Insurance Program, Community Rating System, and the private flood insurance market; and

(ii) make recommendations on:

1. how the State can incentivize residents to invest in improvements to protect homes or mitigate damage from extreme weather events, using:

A. tax credits;

B. waivers;

C. grants;

D. loans; or

E. free inspections of structural enhancements by municipal or State officials;

2. potential modifications to the Insurance Article to better ensure that insurers adequately adjust rates for policyholders who:

A. have invested in improvements that have been proven to enhance resilience to severe weather; or

B. are located in an area where improvements have been made to local infrastructure or local building codes that reduce risk to the insured home;

3. best practices for funding emergency management capabilities based on an evaluation of similar practices in other states;

4. potential modifications to § 14–110.5 of the Public Safety Article;

5. recurring, dedicated funding mechanisms;

6. annual per capita funding levels; and

7. allocation ratios between emergency management programming, including training and staff, and disaster response funds for recovery assistance.

(e) Notwithstanding any other provision of law, up to ~~\$150,000~~ \$100,000 of the money in the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article is authorized to be used by the University System of Maryland to conduct the study required under subsection (a) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026.

Approved by the Governor, May 26, 2026.