

Chapter 76

(House Bill 254)

AN ACT concerning

Supporting Inclusive Community Adaptation Act

FOR the purpose of requiring the Department of Natural Resources to facilitate community participation in project planning and development; establishing the Resilience Through Restoration Capital Grant Fund in the Department as a special, nonlapsing fund to provide certain grant funding for certain projects that reduce the State's climate change vulnerabilities and enhance the resilience of the State's communities and public lands; requiring interest earnings of the Resilience Through Restoration Capital Grant Fund to be credited to the Fund; requiring, by a certain date, the Department to develop a website, guidance, and training for certain planning tools and resources; requiring, by a certain date, the Department to take certain actions relating to climate change mitigation, adaptation, and resilience projects on certain land owned, leased, or managed by the Department; altering certain provisions of law relating to the Shore Erosion Control Construction Loan Fund, including altering the eligibility for loans, authorizing the Department to forgive loans under certain circumstances, and requiring interest earnings of the Fund to be credited to the Fund; and generally relating to community participation in project planning and development and climate change resilience.

BY adding to

Article – Natural Resources

Section 1–408; 3–1201 and 3–1202 to be under the new subtitle “Subtitle 12. Resilience Through Restoration Capital Grant Fund”; 3–1301 and 3–1302 to be under the new subtitle “Subtitle 13. Increasing Climate Change Resilience of Local Jurisdictions”; and 5–2201 and 5–2202 to be under the new subtitle “Subtitle 22. Increasing Climate Change Resilience on Department Lands”

Annotated Code of Maryland

(2023 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 8–1005(a)

Annotated Code of Maryland

(2023 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(1) and (2)(i) and (ii)

Annotated Code of Maryland

(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
 Article – State Finance and Procurement
 Section 6–226(a)(2)(iii)212. and 213.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2025 Supplement)

BY adding to
 Article – State Finance and Procurement
 Section 6–226(a)(2)(iii)214. and 215.
 Annotated Code of Maryland
 (2021 Replacement Volume and 2025 Supplement)

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

Article – Natural Resources

1–408.

(A) IN THIS SECTION, “COMMUNITY PARTICIPATION” INCLUDES:

- (1) FACILITATING, HOSTING, OR ATTENDING COMMUNITY MEETINGS;**
- (2) PROVIDING COMMUNITY PERSPECTIVES THROUGHOUT PROJECT PLANNING AND DEVELOPMENT; AND**
- (3) SERVING AS A DEDICATED PROJECT PARTNER OR COMMUNITY LIAISON.**

(B) THE DEPARTMENT SHALL FACILITATE COMMUNITY PARTICIPATION IN PROJECT PLANNING AND DEVELOPMENT TO ENSURE:

- (1) EQUITABLE PARTICIPATION; AND**
- (2) THAT COMMUNITY PERSPECTIVES, GOALS, AND NEEDS ARE MEANINGFULLY INFORMING PROJECT DEVELOPMENT.**

(C) (1) THE DEPARTMENT MAY ENTER INTO CONTRACTUAL AGREEMENTS WITH OTHER STATE AGENCIES, LOCAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS TO PROMOTE AND ENHANCE COMMUNITY PARTICIPATION IN PROJECT PLANNING AND DEVELOPMENT.

(2) A CONTRACTUAL AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) MAY ALLOW FOR OTHER STATE AGENCIES, LOCAL GOVERNMENTS, OR NONPROFIT ORGANIZATIONS TO PROVIDE COMPENSATION TO INDIVIDUALS FOR COMMUNITY PARTICIPATION IN PROJECT PLANNING AND DEVELOPMENT; AND

(II) SHALL SPECIFY THE TERMS OF ANY GRANT OR PAYMENT TO BE RECEIVED.

SUBTITLE 12. RESILIENCE THROUGH RESTORATION CAPITAL GRANT FUND.

3-1201.

IN THIS SUBTITLE, “FUND” MEANS THE RESILIENCE THROUGH RESTORATION CAPITAL GRANT FUND.

3-1202.

(A) THERE IS A RESILIENCE THROUGH RESTORATION CAPITAL GRANT FUND IN THE DEPARTMENT.

(B) THE PURPOSE OF THE FUND IS TO PROVIDE EQUITABLE GRANT FUNDING TO STATE AGENCIES, LOCAL JURISDICTIONS, AND NONPROFIT ORGANIZATIONS FOR THE PLANNING, DESIGN, CONSTRUCTION, AND ADAPTIVE MANAGEMENT OF NATURE-BASED RESTORATION PROJECTS THAT REDUCE THE STATE’S CLIMATE CHANGE VULNERABILITIES AND ENHANCE THE RESILIENCE OF THE STATE’S COMMUNITIES AND PUBLIC LANDS.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.

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

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

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

(2) MONEY FROM PRIVATE OR PUBLIC SOURCES, INCLUDING FROM FEDERAL SOURCES, ACCEPTED FOR THE BENEFIT OF THE FUND;

(3) INTEREST EARNINGS; AND

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

(F) THE FUND MAY BE USED ONLY FOR:

(1) PROVIDING GRANTS TO STATE AGENCIES, LOCAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS IN THE STATE FOR THE PLANNING, DESIGN, CONSTRUCTION, AND ADAPTIVE MANAGEMENT OF NATURE-BASED RESTORATION PROJECTS THAT REDUCE THE STATE'S CLIMATE CHANGE VULNERABILITIES AND ENHANCE THE RESILIENCE OF THE STATE'S COMMUNITIES AND PUBLIC LANDS;

(2) SUPPORTING PROGRAMMATIC AND PROJECT-LEVEL ADAPTIVE MANAGEMENT THAT REDUCES THE STATE'S OVERALL CLIMATE CHANGE VULNERABILITIES AND ENHANCES THE RESILIENCE OF THE STATE'S COMMUNITIES AND PUBLIC LANDS; AND

(3) ADMINISTRATIVE EXPENSES CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(G) A PROJECT THAT RECEIVES FUNDING UNDER THE FUND:

(1) SHALL ENHANCE THE ABILITY OF COMMUNITIES AND PUBLIC LANDS TO PREPARE FOR, RESPOND TO, OR RECOVER FROM EXTREME HAZARDS SUCH AS STORMS AND MORE FREQUENT AND INTENSE RAIN EVENTS OR CHRONIC HAZARDS SUCH AS NUISANCE FLOODING AND SEA LEVEL RISE;

(2) SHALL USE AT LEAST 3% OF THE FUNDING FOR PROGRAMMATIC OR PROJECT-LEVEL ADAPTIVE MANAGEMENT; AND

(3) MAY INCLUDE:

(I) NATURAL AND NATURE-BASED SHORELINE RESTORATION;

(II) FLOODPLAIN RESTORATION;

(III) BENEFICIAL USE OF DREDGED MATERIAL;

(IV) TIDAL AND NONTIDAL WETLAND RESTORATION;

(V) DUNE AND BEACH RESTORATION;

(VI) GREEN INFRASTRUCTURE; AND

(VII) ANY OTHER NATURE-BASED PROJECT THAT PROVIDES COMMUNITY AND ECOSYSTEM BENEFITS BY RESTORING, ENHANCING, OR CREATING HABITAT.

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

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

(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.

SUBTITLE 13. INCREASING CLIMATE CHANGE RESILIENCE OF LOCAL JURISDICTIONS.

3-1301.

IN THIS SUBTITLE, “PLANNING TOOLS AND RESOURCES” MEANS ANY MAPPING APPLICATION, DATASET, ANALYTICAL MODEL, ASSESSMENT METHODOLOGY, TECHNICAL RESOURCE, OR OTHER TOOL DEVELOPED OR MAINTAINED BY THE DEPARTMENT THAT REFLECTS THE LATEST CLIMATE AND ENVIRONMENTAL SCIENCE AND PROVIDES INFORMATION RELEVANT TO CLIMATE CHANGE AND NATURAL RESOURCE PLANNING.

3-1302.

(A) BY OCTOBER 1, 2027, THE DEPARTMENT SHALL DEVELOP:

(1) A USER-FRIENDLY WEBSITE THAT SERVES AS THE CENTRAL ACCESS POINT FOR THE DEPARTMENT’S PLANNING TOOLS AND RESOURCES;

(2) STREAMLINED GUIDANCE TO SUPPORT THE USE AND INTEGRATION OF THE DEPARTMENT’S PLANNING TOOLS AND RESOURCES INTO LOCAL JURISDICTION PLANNING EFFORTS; AND

(3) TRAINING TO ASSIST LOCAL JURISDICTIONS IN INCORPORATING CLIMATE ADAPTATION PLANNING INTO LOCAL COMPREHENSIVE PLANS AND OTHER PLANNING DOCUMENTS.

(B) THE DEPARTMENT SHALL MAINTAIN AND REGULARLY UPDATE THE WEBSITE, GUIDANCE, AND TRAININGS DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION WITH BEST-AVAILABLE DATA AND INFORMATION.

SUBTITLE 22. INCREASING CLIMATE CHANGE RESILIENCE ON DEPARTMENT LANDS.

5-2201.

IN THIS SUBTITLE, “DEPARTMENT LANDS” MEANS ALL LANDS OWNED, LEASED, OR MANAGED BY THE DEPARTMENT, INCLUDING STATE PARKS, WILDLIFE MANAGEMENT AREAS, NATURAL RESOURCE MANAGEMENT AREAS, AND STATE FORESTS.

5-2202.

(A) THE DEPARTMENT SHALL:

(1) IDENTIFY CLIMATE VULNERABILITIES AND RISKS ON DEPARTMENT LANDS;

(2) EVALUATE OPPORTUNITIES TO IMPLEMENT CLIMATE CHANGE MITIGATION, ADAPTATION, OR RESILIENCE PROJECTS, INCLUDING NATURE-BASED SOLUTIONS AND ADAPTIVE MANAGEMENT, ON DEPARTMENT LANDS; AND

(3) PRIORITIZE DEPARTMENT LANDS FOR PROJECTS BASED ON CLIMATE RISK, ECOLOGICAL VALUE, AND POTENTIAL CO-BENEFITS.

(B) BY DECEMBER 31, 2035, THE DEPARTMENT SHALL CARRY OUT THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION FOR TWO COASTAL AND TWO INLAND PROPERTIES OWNED, LEASED, OR MANAGED BY THE DEPARTMENT.

8-1005.

(a) (1) There is a “Shore Erosion Control Construction Loan Fund”.

(2) The Department shall administer the Fund to provide interest-free loans or grants to persons, municipalities, or counties for design and construction of shore erosion control projects.

(3) The Fund shall be maintained by:

(i) Repayments of principal on loans made from the Fund, with the repayments made through a benefit charge the State levies on privately owned property benefited by shore erosion control projects. The benefit charge shall compensate the State for net project construction cost. The benefit charge shall be levied at a uniform rate over a period not exceeding 25 years;

(ii) Repayment of administrative costs under § 8–1004 of this subtitle; and

(iii) Annual appropriation of funds to restore the Fund to a level sufficient to carry out an effective shore erosion control construction loan program during the succeeding year.

~~[(2)] (4)~~ (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) Any ~~[investment]~~ INTEREST earnings of the Fund shall be credited to the ~~[General]~~ Fund ~~[of the State]~~.

~~[(3)] (5)~~ (I) A property owner whose project is approved is eligible to receive an interest-free loan ~~[covering 100% of the first \$60,000 of project construction cost, 50% of the next \$20,000 of project construction cost, 25% of the next \$20,000 of project construction cost, and 10% of the part of construction cost exceeding \$100,000. However, where]~~.

(II) IF 2 or more property owners are included within a shore erosion control project, the land of each property owner ~~[is]~~ **SHALL BE** considered a separate shore erosion project for the purpose of computing net project construction cost ~~[under this formula]~~.

(III) SUBJECT TO THE AVAILABILITY OF FUNDING, THE DEPARTMENT MAY, AT THE DEPARTMENT'S DISCRETION, AUTHORIZE PARTIAL FORGIVENESS OF A LOAN GRANTED UNDER THIS SUBSECTION IN ACCORDANCE WITH ECOLOGICALLY BASED, PERFORMANCE-BASED, AND EQUITY-BASED CRITERIA DEVELOPED BY THE DEPARTMENT.

Article – State Finance and Procurement

6–226.

(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.

(2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

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

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

212. the Department of Social and Economic Mobility Special Fund; [and]

213. the Population Health Improvement Fund;

214. THE RESILIENCE THROUGH RESTORATION CAPITAL GRANT FUND; AND

215. THE SHORE EROSION CONTROL CONSTRUCTION LOAN FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That the Resilience Through Restoration Capital Grant Fund established under Section 1 of this Act may not receive any appropriation from the General Fund of the State in fiscal year 2027.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.

Approved by the Governor, April 14, 2026.