

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 896 (Chair, Government, Labor, and Elections
Committee)(By Request - Departmental - Military)
Government, Labor, and Elections

Military Department - National Guard State Active Duty Mobilization Fund

This departmental bill establishes the National Guard State Active Duty Mobilization Fund as a special, nonlapsing fund administered by the Office of the Adjutant General within the Military Department. The purpose of the fund is to pay for personnel and equipment for State active-duty mobilization of the National Guard, as ordered by the Governor. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures that would occur anyway are accelerated to capitalize the fund, likely with at least \$1.0 million in FY 2027; special fund revenues increase correspondingly. Special fund expenditures increase beginning in FY 2027 depending on the occurrence of State active duty mobilization of the National Guard. Similarly, general fund expenditures are accelerated as needed for ongoing fund replenishments, with special fund revenues and expenditures increasing correspondingly.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: The Military Department has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: The fund consists of money appropriated in the State budget to the fund and any other money from any other source accepted for the benefit of the fund. Any investment earnings of the fund must be credited to the general fund.

The fund may be used only for the expenses of and to support the operations of the National Guard in State active-duty status. Money expended from the fund for State active-duty mobilization of the National Guard is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for State active-duty mobilization of the National Guard. Money expended from the fund must be replenished in a timely manner to maintain the operational effectiveness of future State active-duty mobilization of the National Guard.

Current Law:

State Active Duty

The Public Safety Article defines “State active duty” to mean military duty performed in service of the State by a unit or member of the militia under orders issued by the Governor under the Maryland Constitution or as specified under the Public Safety Article.

The Governor may order the militia (specifically, the Maryland Defense Force and the National Guard) into State active duty (1) in times or on reasonable apprehension of imminent public crisis, disaster, rioting, catastrophe, insurrection, invasion, tumult, or breach of peace; (2) when martial law is declared; (3) to enforce the laws; or (4) to carry on any function of the militia of the State.

To enforce the laws, a member of the militia in State active duty has all the authority of a peace or law enforcement officer. The authority of the member extends throughout the State during the State active duty. Whenever the militia is in State active duty, the ranking officer of the militia ordered into State active duty or that officer’s subordinates on State active duty must (1) cooperate with local law enforcement authorities or (2) if the exigencies of the case require, and subject only to order from the Governor, direct and control local law enforcement authorities and the Department of State Police and assume all the powers vested in these subordinated law enforcement authorities.

The Military Department and Adjutant General

The Military Department provides overall direction and maintenance of the Maryland National Guard, which is comprised of the Maryland Army National Guard and the Maryland Air National Guard. The Maryland National Guard may be called up by the Governor during State emergencies or may be activated by the U.S. Department of Defense.

The Adjutant General is the head of the Military Department. Among other things, the Adjutant General must be appointed by the Governor with the advice and consent of the Senate and is subordinate only to the Governor in matters relating to the Military

Department. The Adjutant General must have a commissioned grade not above that of Lieutenant General and must be a full-time employee of the Military Department in State active-duty status.

Background/State Fiscal Effect: The Military Department advises that its current operating budget was never designed to absorb significant, unplanned expenditures, which creates dangerous funding gaps compromising its operational effectiveness. Mobilization of the National Guard for State active duty often depletes available funding and necessitates additional funding facilitated through reimbursements via deficiency appropriations or budget amendments. For example, the Maryland National Guard deployed for eight days in January 2026 to respond to snowstorm-related local emergencies, with an estimated cost of approximately \$443,000. The availability of a special fund will allow the department to access funding more quickly and process budget amendments more readily. According to the Military Department, an initial fund capitalization of \$1.0 million will allow the department to ensure that the Maryland National Guard can respond rapidly, equitably, and effectively to emergencies.

While the bill specifies that money expended from the fund is supplemental to and not intended to replace funding that would otherwise be appropriated for State active duty mobilization, based on information provided by the Military Department and current challenges faced by the department, this estimate assumes that the intended purpose of the new special fund is to establish an accelerated and more efficient funding mechanism for expenditures the department would incur absent the bill for State active duty mobilization of the National Guard.

The Military Department can administer the fund with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Military Department; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2026
me/aad

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Military Department - National Guard State Active Duty Mobilization Fund**

BILL NUMBER: HB 896

PREPARED BY: Dr. Tony Campbell

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed bill will have NO economic impact on Maryland Small Businesses