House Bill 1312

Public Safety - Resilient Maryland Revolving Loan Fund - Alterations

MACo Position: **SUPPORT WITH AMENDMENTS**

To: Environment and Transportation Committee

Date: March 8, 2022

From: D'Paul Nibber

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1312 **WITH AMENDMENTS**. The bill, in part, revises Maryland's Resilient Maryland Revolving Loan Fund to have county governments provide loans to private property owners for hazard mitigation projects. **MACo seeks amendments to clarify that county participation is at its local option, and will not trigger unforeseen local project liability.**

Hazard mitigation project loans assist homeowners in protecting their homes from recurring environmental issues including flooding, earthquakes, and other naturally occurring phenomenon. To receive hazard mitigation loans, owners often provide completed applications and documentation to county emergency management offices, who then submit these materials to the Maryland Department of Emergency Management. The Department reviews all loan application materials and submits them to the Federal Emergency Management Agency (FEMA) for a funding decision.

HB 1312 allows county emergency management offices to submit applications directly to FEMA and be the primary administrator of a hazard mitigation loan. However, the bill is unclear as to whether a county may decide whether to take on this role. Moreover, upon assuming the role of loan administrator, counties are responsible for forgiving loan amounts under certain circumstances — potentially resulting in substantial losses.

To address these concerns, MACo offers the following amendments:

- On page 2, line 8, after "**GOVERNMENTS**" insert "**UPON A LOCAL GOVERNING BODY'S REQUEST**"
- On page 2, line 17, after "**GOVERNMENTS**" insert "**UPON A LOCAL GOVERNING BODY'S REQUEST**"
- On page 4, after line 29 insert "**(3) ANY FORGIVEN PORTION OF A LOAN UNDER A LOCAL GOVERNMENT'S GRADUATED LOAN FORGIVENESS PROGRAM SHALL BE REIMBURSED TO THE ADMINISTERING LOCAL GOVERNMENT THROUGH THE RESILIENT MARYLAND REVOLVING LOAN FUND OR, IF FUNDS ARE INSUFFICIENT, BY THE STATE.**"

The above amendments clarify that counties may opt-in to administering loan programs and, in doing so, will not absorb potentially excessive loan forgiveness costs. With this increased flexibility and support, MACo urges a **FAVORABLE WITH AMENDMENTS** report for HB 1312.