

SB0690-BT_MACo_SUP.pdf

Uploaded by: Kevin Kinnally

Position: FAV



Senate Bill 690

*Property and Casualty Insurance - Distribution of Premium Tax Proceeds to State
Disaster Recovery Fund*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 4, 2026

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 690. This bill establishes a modest, defined annual funding commitment to the State Disaster Recovery Fund (SDRF), ensuring Maryland can respond and deliver relief to residents and communities when federal disaster assistance proves unavailable or insufficient.

Disasters begin and end at the local level. Counties open shelters, clear debris, repair infrastructure, and stabilize neighborhoods immediately, but federal disaster aid no longer provides a dependable backstop. Federal officials have recently denied disaster requests even when counties met established eligibility thresholds, forcing them to move forward with recovery without certainty that federal assistance will arrive.

MACo and its County Emergency Managers Affiliate worked with the General Assembly to establish the Fund because counties lacked reliable support for smaller-scale disasters that fall short of a federal disaster declaration. The SDRF allows the State to provide targeted recovery assistance when local capacity proves insufficient.

Western Maryland's recent severe flooding illustrates the importance of the SDRF. Damage far exceeded local fiscal capacity, and MDEM worked directly with county officials to deploy SDRF assistance to residents when the federal government failed to provide timely disaster relief.

This bill makes a modest but meaningful commitment to the SDRF, ensuring communities have support when disaster costs outpace available local resources amid growing uncertainty surrounding the federal government's role in disaster response and recovery.

For these reasons, MACo respectfully requests a **FAVORABLE** report on SB 690.

SB 690 Written Testimony - B&T.pdf

Uploaded by: Mike McKay

Position: FAV

MIKE MCKAY
Legislative District 1
Garrett, Allegany, and Washington Counties



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 416
Annapolis, Maryland 21401
410-841-3565 • 301-858-3565
800-492-7122 Ext. 3565
Mike.McKay@senate.state.md.us

Judicial Proceedings Committee
Executive Nominations Committee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Cumberland Office
100N Mechanic Street
Cumberland, Maryland 21502
240-362-7040

Joint Committees
Administrative, Executive,
and Legislative Review
Children, Youth, and Families
Program Open Space and Agricultural
Land Preservation

Williamsport Office
2N Conococheque Street
Williamsport Town Hall
Williamsport, Maryland

**Senate Bill 690 – Real Property - Property and Casualty Insurance - Distribution of Premium Tax
Proceeds to State Disaster Recovery Fund**

March 4, 2026

Dear Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee,

I am writing to express strong support for Senate Bill 690, which proposes the annual distribution of \$5,000,000 from the property and casualty insurance premium tax to the State Disaster Recovery Fund. This legislation represents a proactive and fiscally responsible approach to ensuring Maryland is better prepared for natural disasters and emergencies. By allocating a dedicated stream of funding, the bill strengthens our state's ability to respond swiftly and effectively to crises, reducing long-term recovery costs and safeguarding the well-being of our communities.

The State Disaster Recovery Fund plays a critical role in providing immediate resources for disaster response and recovery efforts. SB 690 ensures that this fund is consistently supported without imposing new taxes or financial burdens on Maryland residents. Instead, it leverages existing revenue from insurers to enhance resilience and protect lives and property.

I thank you for your time and I urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike McKay".

Senator Mike McKay
Representing the Appalachia Region of Maryland
Serving Garrett, Allegany, and Washington Counties

Letter in Support of HB 1189 , SB 690 2026 Session

Uploaded by: Preeti Emrick

Position: FAV



MARYLAND
Association of
COUNTIES

COUNTY EMERGENCY MANAGERS AFFILIATE

LETTER IN SUPPORT OF HB 1189 /SB 690

**PROPERTY AND CASUALTY INSURANCE - DISTRIBUTION OF PREMIUM TAX PROCEEDS TO
STATE DISASTER RECOVERY FUND**

HOUSE JUDICIARY COMMITTEE/ SENATE BUDGET AND TAXATION COMMITTEE

MARCH 2, 2026

The Maryland Association of Counties (MACo) Emergency Managers Affiliate respectfully submits this letter to emphasize the critical importance of establishing a dedicated and sustainable funding stream for the State Disaster Recovery Fund (SDRF) SUPPORT of Senate Bill 690 - Property And Casualty Insurance - Distribution Of Premium Tax Proceeds To State Disaster Recovery Fund.

Local Offices of Emergency Management across the state increasingly rely on the SDRF to support recovery operations when disasters exceed local capacity and federal assistance is reduced or unavailable. It is an essential tool for safeguarding Maryland's residents, infrastructure, and economic stability.

The SDRF's first allocation in June 2025, to assist Allegany County after significant flooding, demonstrated both the necessity and the vulnerability of the current funding model. The award played a central role in supporting recovery efforts, particularly in light of a delayed and limited federal response. This incident highlighted an emerging reality: Maryland jurisdictions are facing more frequent and more costly disasters while experiencing increasing uncertainty regarding federal assistance.

Despite its value, the SDRF currently lacks a dedicated revenue source and is funded only on an ad hoc basis. This approach inhibits the State's ability to provide timely, predictable, and sufficient aid during recovery and undermines local governments' capacity to plan appropriately for future events. Reliable recovery operations require financial stability, and the absence of consistent funding places Maryland communities at heightened risk.

Based on credible analyses, **the SDRF requires approximately \$20 million annually to meet statewide recovery needs.** Establishing a stable funding stream at this level is essential to ensure that Maryland jurisdictions can rely on the SDRF as intended. **Accordingly, the MACo Emergency Managers Affiliate supports Senate Bill 690 to start the process of appropriately funding the SDRF.**

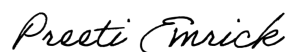
Recent actions by peer states, alongside current fiscal conditions in Maryland, underscore the urgent need for a dedicated and sustainable state funding stream for disaster recovery as federal assistance becomes increasingly unreliable. [In its FY 2025–26 budgets, Pennsylvania responded to this shift by doubling state disaster response funding from \\$20 million to \\$40 million and expanding its Commonwealth Disaster Recovery Assistance Program by an additional \\$5 million.](#) These actions demonstrate the value of predictable, state-level investment when federal aid is delayed, reduced, or unavailable.

In contrast, [Maryland's disaster recovery costs](#) are primarily supported through the Catastrophic Event Account and the State Disaster Recovery Fund (SDRF), both of which remain limited and uncertain. At the close of FY 2025, the Catastrophic Event Account held \$12.5 million and is expected to be fully utilized. The Department of Legislative Services (DLS) projected an SDRF balance of approximately \$2.3 million in FY 2027 following expenditures associated with the May 2025 Western Maryland floods, for which \$33.7 million in requested federal assistance was denied. As federal aid becomes less dependable, DLS recommends maintaining a combined state disaster recovery balance of at least \$21 million in future years as essential to ensuring timely recovery and to protect Maryland communities from prolonged harm.

Establishing a dedicated funding mechanism for the SDRF will enable Maryland to deliver timely recovery assistance, reduce administrative delays, and strengthen the overall resilience of communities statewide. Reliable funding is not only a financial matter; it is a core component of public safety and recovery. If the SDRF doesn't already have resources ready to deploy, every day that goes by exacerbates the recovery and increases potential for harm.

Maryland's emergency management professionals respectfully urge consideration of a sustainable funding solution that ensures the SDRF can fulfill its intended purpose both now and in the future. For these reasons, the Emergency Managers Affiliate respectfully requests a **favorable report on Senate Bill 690**.

Sincerely,



Preeti Emrick

President
MACo Emergency Managers Affiliate

SB 690_MAMIC_UNF.pdf

Uploaded by: Bryson Popham

Position: UNF



191 Main Street, Suite 310 – Annapolis MD 21401 – 410-268-6871

March 2, 2026

The Honorable Guy Guzzone
Chair, Senate Budget & Tax Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 690 - *Property and Casualty Insurance - Distribution of Premium Tax Proceeds to State Disaster Recovery Fund*

UNFAVORABLE

Dear Chairman Guzzone and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we respectfully oppose Senate Bill 690.

As you may recall, MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

MAMIC notes that insurance premium tax proceeds paid to the State are already committed to existing State budget items, including the operational costs of the Maryland Insurance Administration. While we do not object to the sponsor's desire to secure adequate funding for disaster relief, and we acknowledge the need for such relief from time to time, we do not believe that shifting funds from this revenue source is appropriate for this purpose.

For these reasons, MAMIC respectfully requests an unfavorable report on Senate Bill 690.

Thank you for your consideration.

Melissa Shelley
President, MAMIC

cc: Bryson Popham

DBM HB609 Opposition State Transfer Tax - Land Pr

Uploaded by: Dana Phillips

Position: UNF

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Acting Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB609 State Transfer- Land Preservation Fund- Revenue Allocation

DATE: February 10th 2026

COMMITTEE: Ways and Means

SUMMARY OF BILL: This legislation repeals the statutory authority to divert \$25 million from the State Transfer Tax to the General Fund between FY26 and FY29. Furthermore, it eliminates the current provision that exempts these transfers from mandatory reimbursement, ensuring that land preservation funds are either fully retained or legally required to be repaid

POSITION: Opposition

EXPLANATION: The Department of Budget and Management opposes HB609 because of its significant impact on the General Fund. The bill creates an immediate revenue gap while simultaneously triggering a multi-year spending requirement. In FY 2027, the State would face a reduction of \$25 million in General Fund revenue. This figure reflects the immediate loss of the \$25 million annual transfer. For fiscal years 2028 through 2030, the State would face a reduction of \$41.7 million a year, which represents the loss of the \$25 million annual transfer and a \$16.7 million a year in repayments for the \$50 million already transferred.

In light of the current fiscal crisis, the state government must be disciplined and strategic in its decisions. Any legislation that increases spending should include specific, identified, and sustainable funding offsets. Adopting HB609 would further challenge the state's ability to manage an ongoing budgetary pressure and unforeseen changes in federal policy. Consequently, DBM urges an unfavorable report on this legislation.

**For additional information, contact Dana Phillips at
(410) 260-6068 or dana.phillips@maryland.gov**

45 Calvert Street • Annapolis, MD 21401-1907

Tel: 410-260-7041 • Fax: 410-974-2585 • Toll Free: 1-800-705-3493 • TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>