

## HOUSE COMMITTEE ON ECONOMIC MATTERS

February 5, 2026, 1PM ET

### AFCA TESTIMONY IN SUPPORT OF MD HB 200

Thank you Chair Valderrama and members of the committee. For the record my name is Matt Shafer on behalf of American Flood Coalition Action expressing our strong support for HB 200 which **will mandate a comprehensive flood disclosure for residential real estate sales in Maryland.**

AFCA is the advocacy arm of the American Flood Coalition — a **non-partisan, nonprofit coalition** comprised of **more than 500 state and local elected officials and municipalities from across the country** that work together to advance flood solutions at the local, state, and federal levels.

Here in Maryland, we have several AFC members, including the state comptroller Brooke Lierman, one of our bill co-sponsors Delegate Behler and Senator Katie Fry Hester.

Passing HB 200 is a necessary step in informing prospective homeowners about the flood risk associated with a given property. Buying a home is often the largest investment an individual or family makes, and by establishing a strong flood disclosure form, Maryland's residents will have access to essential information about the flood risk associated with the home they are interested in purchasing.

Buyers are often in the dark when it comes to a property's flood risk and history. Flood disclosure statements give buyers and renters the information they need to make informed decisions about where to buy property. Similar to how sellers must submit a form telling prospective buyers about lead paint or restrictive covenants, flood disclosure statements require landlords and sellers to divulge potential flood risk.

While Maryland currently requires sellers to state whether or not they are in a flood zone, this bill goes far beyond that by requiring additional questions related to whether or not the property is located in a FEMA designated 100 or 500 year floodplain, has prior flood damage, flood insurance, and any previous flood related insurance claims.

There are currently 36 states with some sort of flood disclosure laws, but only 8 states currently require these important questions contained in HB 200.

States with strong flood risk disclosure requirements generally have a higher percentage of residents with flood insurance. This means that residents are better informed of the risks at hand and better protected when those risks turn into reality and flooding occurs.

In fact, one study found that states that require sellers to disclose whether the property is situated within a 100-year floodplain led to an almost **15 percent increase** in the purchase of flood insurance.

Flood insurance is necessary for vulnerable properties because flooding is not covered under traditional property insurance thus flood insurance helps homeowners recover faster after damage.

When a flood disaster occurs, impacted homeowners who do not have flood insurance can either request individual assistance from FEMA which maxes out at \$37,900 (less than 11% of

what an insured person can get), or pay out of pocket. **According to FEMA, even just two inches of flood water can cause up to \$25,000 in damage.** That's money the average Maryland homeowner likely doesn't have on hand.

I'll conclude just by emphasizing for the committee that passing comprehensive flood disclosure is a **no-cost policy and it equips buyers with crucial information** and are not left vulnerable to potentially devastating loss.

HB 200 empowers Maryland residents to make well-informed, safer decisions about the most expensive investment of their life. With information readily available about flood risk, home buyers can ensure they have adequate insurance and protection from present and future flooding.

Thank you for your time and consideration of this bill and I would be happy to take any questions from the committee.

