

Chapter 245

(Senate Bill 814)

AN ACT concerning

**Public Safety – Resilient Maryland Revolving Loan Fund – Alterations**

FOR the purpose of altering the Resilient Maryland Revolving Loan Fund to provide for loans to be made to ~~the Department of Housing and Community Development and local governments~~ private property owners; authorizing the Fund to include money from the Federal Emergency Management Agency; requiring a portion of the Fund to be ~~reserved~~ used for a certain purpose under certain circumstances; authorizing loan forgiveness under certain circumstances; and generally relating to the Resilient Maryland Revolving Loan Fund.

BY repealing and reenacting, with amendments,  
Article – Public Safety  
Section 14–110.4  
Annotated Code of Maryland  
(2018 Replacement Volume and 2021 Supplement)

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

**Article – Public Safety**

14–110.4.

(a) (1) In this section[, “Fund”] **THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(2) **“FUND”** means the Resilient Maryland Revolving Loan Fund.

(3) **“STORM ACT” MEANS THE FEDERAL SAFEGUARDING TOMORROW THROUGH ONGOING RISK MITIGATION ACT.**

(b) There is a Resilient Maryland Revolving Loan Fund.

(c) The purpose of the Fund is to provide loans for [local] resilience projects that address mitigation of all hazards, including natural disasters.

(d) (1) The Fund may be used [only]:

**(I)** to provide low- or no-interest loans to local governments, ~~THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT~~, and nonprofit organizations for [local] resilience projects; **AND**

**(II)** FOR THE ADMINISTRATION AND MANAGEMENT OF THE FUND.

**(2)** ~~LOANS~~ ON APPLICATION OF A LOCAL GOVERNING BODY, LOANS FROM THE FUND MAY BE MADE DIRECTLY TO LOCAL GOVERNMENTS, AT LEAST IN PART, TO:

**(I)** MEET FEDERAL MATCHING REQUIREMENTS FOR FEDERAL RESILIENCE GRANT PROGRAMS, INCLUDING BUILDING RESILIENT INFRASTRUCTURES AND COMMUNITIES, FLOOD MITIGATION ASSISTANCE, AND U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT MITIGATION; **AND**

**(II)** WORK WITH THE U.S. ARMY CORPS OF ENGINEERS FLOOD RISK MANAGEMENT PROGRAM.

**(3)** **(I)** ~~THE~~ ON APPLICATION OF A LOCAL GOVERNING BODY, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MAY LOAN FUNDS TO LOCAL GOVERNMENTS FOR THE PURPOSE OF LOCAL GOVERNMENTS OFFERING LOAN FUNDS TO PRIVATE PROPERTY OWNERS TO USE FOR HAZARD MITIGATION PROJECTS FOR A BUILDING.

**(II)** HAZARD MITIGATION PROJECTS FOR PRIVATE PROPERTY OWNERS MAY INCLUDE WIND RETROFITS, FLOOD MITIGATION ELEVATION, FLOODPROOFING, WILDLAND FIRE RETROFIT MITIGATION, AND EARTHQUAKE RETROFIT MITIGATION.

**(4)** **(I)** REPAYMENT OF A LOAN PROVIDED UNDER PARAGRAPH **(3)** OF THIS SUBSECTION BY A LOCAL GOVERNMENT TO A PRIVATE PROPERTY OWNER MAY BE COLLECTED IN THE SAME MANNER AS PROPERTY TAXES.

**(II)** A PROPERTY OWNER MAY SELL A PROPERTY AFTER RECEIVING A LOAN UNDER PARAGRAPH **(3)** OF THIS SUBSECTION IF THE PROPERTY OWNER REPAYS THE LOAN OR THE NEW OWNER AGREES IN WRITING TO ASSUME THE OBLIGATION FOR REPAYMENT OF THE LOAN.

**[(2)] (5)** The loans provided under [paragraph (1) of] this subsection shall be for a fixed loan period.

(e) The [Maryland Emergency Management Agency] **DEPARTMENT** shall administer the Fund.

(f) The [Maryland Emergency Management Agency] **DEPARTMENT** shall prioritize making loans to projects it determines to have the greatest impact on eliminating hazards.

(g) (1) The Fund is a special, nonlapsing fund that shall be available in perpetuity for the purpose of providing loans in accordance with the provisions of this section.

(2) The Fund is not subject to § 7-302 of the State Finance and Procurement Article.

(3) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(h) The Fund consists of:

- (1) money appropriated in the State budget to the Fund;
- (2) investment and interest earnings of the Fund;
- (3) repayments of principal and interest from loans made from the Fund;

[and]

**(4) MONEY RECEIVED FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY; AND**

**[(4) (5)** any other money from any other source accepted for the benefit of the Fund.

**(I) ~~A PORTION OF THE FUND SHALL BE RESERVED FOR ALLOCATION ONLY TO THE HAZARD MITIGATION OF BUILDINGS AND MAY NOT BE AVAILABLE FOR OTHER USES~~ PRIVATE FUNDS RECEIVED BY THE FUND FOR THE PURPOSE OF HAZARD MITIGATION PROJECTS FOR A BUILDING SHALL BE USED ONLY FOR HAZARD MITIGATION PROJECTS FOR A BUILDING.**

**[(i) (J)** (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.

**[(j)] (K)** Money expended from the Fund is supplemental to and is not intended to take the place of funding that otherwise would be appropriated to local governments for resilience projects.

**[(k)** Loans from the Fund may be used to satisfy the nonfederal match for federal mitigation grants.]

**(l) (1)** Subject to paragraph (2) of this subsection, the [Maryland Emergency Management Agency] **DEPARTMENT, TAKING INTO CONSIDERATION REQUIREMENTS FROM THE STORM ACT**, shall establish application procedures and eligibility criteria for loans from the Fund.

**(2)** The eligibility criteria shall require that a local government, ~~THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT~~, or A nonprofit organization demonstrate:

- (i)** need for a loan to address hazard mitigation; and
- (ii)** the ability to repay the loan, if required, at a later date.

**(M) (1) LOCAL GOVERNMENTS THAT PROVIDE LOANS TO PRIVATE PROPERTY OWNERS ~~SHALL~~ MAY ESTABLISH A GRADUATED LOAN FORGIVENESS PROGRAM FOR PRIVATE PROPERTY OWNERS.**

**(2) ~~THE~~ A GRADUATED LOAN FORGIVENESS PROGRAM SHALL, AT A MINIMUM:**

**(I) PROVIDE FULL LOAN FORGIVENESS FOR HOUSEHOLDS WITH BETWEEN 50% AND 80% OF THE MEDIAN INCOME FOR THE AREA IN WHICH THE PROPERTY TO WHICH THE LOAN APPLIES IS LOCATED;**

**(II) PROVIDE 50% LOAN FORGIVENESS FOR HOUSEHOLDS WITH 80% TO 100% OF THE MEDIAN INCOME FOR THE AREA IN WHICH THE PROPERTY TO WHICH THE LOAN APPLIES IS LOCATED; AND**

**(III) PROVIDE ADDITIONAL LOAN FORGIVENESS PERCENTAGES FOR HOUSEHOLDS WITH INCOMES NOT WITHIN 50% TO 100% OF THE MEDIAN INCOME FOR THE AREA IN WHICH THE PROPERTY TO WHICH THE LOAN APPLIES IS LOCATED BASED ON:**

- 1. THE NUMBER OF PRIVATE PROPERTY OWNERS WITH OUTSTANDING LOANS;**
- 2. THE AVAILABILITY OF FUNDING; AND**

**3. ANY OTHER FACTS THE LOCAL GOVERNMENT FINDS REASONABLE AND NECESSARY.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.

**Approved by the Governor, May 12, 2022.**