



House Bill 789

Catastrophic Event Account - Unit of Local Government - Authorized Fund

MACo Position: **SUPPORT**

To: Budget and Taxation and Education,
Energy, and the Environment Committees

Date: April 4, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 789. By implementing the recommendations of the State Disaster Recovery Fund Workgroup, this bill will help counties streamline and expedite community resources in times of crisis.

While a disaster always begins and ends at the local level, a strong partnership among federal, state, and local governments is vital to emergency preparedness and community resilience. Currently, a federal emergency declaration is the trigger event for a wide range of public and private sector relief available in a crisis or disaster. However, in smaller scale events, similar problems arise for those affected – but local governments are restricted in the funds and resources they can activate without federal declaration.

In lieu of federal assistance, county governments and their residents rely on state relief programs. However, Maryland’s current relief mechanisms are siloed, mostly unfunded programs, which create barriers to access and significant delays in distributing aid. As such, HB 789 establishes a State Disaster Recovery Fund, administered by the Maryland Department of Emergency Management (MDEM), to provide disaster recovery assistance to county governments, individuals, and families when federal aid is not available or insufficient – typically due to the nature and breadth of the event.

Specifically, the State Disaster Recovery Fund will provide disaster recovery assistance to county governments for the repair, restoration, reconstruction, or replacement of a public facility, expedite low-interest or no-interest loans to businesses and nonprofits, allocate disaster-related assistance for unmet needs of individuals and families following a federal disaster declaration, and other needed assistance, as specified.

Furthermore, beginning in fiscal year 2025 and each year thereafter, the bill requires the governor to include a sufficient appropriation in the annual budget bill to bring the minimum balance of the fund to at least \$20 million. In addition, MDEM, in consultation with local emergency managers, must develop eligibility criteria, policies, and procedures to administer the fund, while considering existing state disaster recovery programs and federal disaster relief and recovery requirements.

HB 789 provides much-needed resources to serve residents and businesses in all 24 jurisdictions when a disaster strikes, and the help is most needed. Accordingly, MACo urges a **FAVORABLE** report for HB 789.