

HOUSE BILL 865

E4, P1

(5lr1989)

ENROLLED BILL

— *Appropriations/Budget and Taxation* —

Introduced by **Delegate D. Jones**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Catastrophic Event Account – Transfer of Funds – State Disaster Recovery Fund**

3 FOR the purpose of authorizing the transfer of funds from the Catastrophic Event Account
4 to the State Disaster Recovery Fund under certain circumstances; altering the
5 number of days the Legislative Policy Committee has to review and make comments
6 before the Governor may transfer certain funds from the Account through budget
7 amendment; and generally relating to the transfer of funds from the Catastrophic
8 Event Account.

9 BY repealing and reenacting, without amendments,
10 Article – Public Safety
11 Section 14–110.5(a)
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



BY repealing and reenacting, with amendments,
Article – Public Safety
Section 14–110.5(f)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 7–324
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

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

Article – Public Safety

14–110.5.

(a) (1) In this section the following words have the meanings indicated.

(2) “Fund” means the State Disaster Recovery Fund.

(3) “Local Disaster Declaration” means a formal request for State disaster relief and recovery assistance made as a result of an emergency by the senior elected official through the local organization for emergency management.

(f) (1) The Governor may include in the annual budget bill an appropriation to the Fund.

(2) The Fund shall consist of:

(i) money appropriated in the State budget to the Fund;

(ii) **MONEY TRANSFERRED TO THE FUND FROM THE CATASTROPHIC EVENT ACCOUNT IN ACCORDANCE WITH § 7–324 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;**

(iii) repayments of principal and interest from loans made from the Fund;

[(iii)] (iv) reimbursements from the federal government or other legal entities for disaster recovery assistance expenditures made from the Fund;

[(iv)] (v) interest earnings of the Fund; and

1 [(v)] (VI) any other money from any other source accepted for the
2 benefit of the Fund.

3 **Article – State Finance and Procurement**

4 7–324.

5 (a) (1) In this section[,] **THE FOLLOWING WORDS HAVE THE MEANINGS**
6 **INDICATED.**

7 (2) “Account” means the Catastrophic Event Account.

8 (3) “**FUND**” **MEANS THE STATE DISASTER RECOVERY FUND**
9 **ESTABLISHED UNDER § 14–110.5 OF THE PUBLIC SAFETY ARTICLE.**

10 (b) Subject to the provisions of this section, the Account is established to enable
11 the State or a local government to respond without undue delay to a natural disaster or
12 other catastrophic situation, or federal employee financial hardship from a full or partial
13 federal government shutdown due to a lapse in federal appropriations that cannot be taken
14 care of within the resources of existing appropriations.

15 (c) The Governor may provide an appropriation in the budget bill to the Account.

16 (d) (1) Subject to paragraph (2) of this subsection, after a [15–day] ~~5–DAY~~
17 **10–DAY** review and comment period by the Legislative Policy Committee, the Governor
18 may transfer funds by budget amendment from the Account to:

19 (I) the expenditure accounts of the appropriate unit of State
20 government or unit of local government; **OR**

21 (II) **SUBJECT TO SUBSECTION (E)(2)(II) OF THIS SECTION, THE**
22 **STATE DISASTER RECOVERY FUND.**

23 (2) If the federal government is in a full or partial shutdown due to a lapse
24 in appropriations, after a 2–day review and comment period by the Legislative Policy
25 Committee, the Governor may transfer funds by budget amendment from the Account to
26 the Federal Government Shutdown Employee Assistance Loan Fund established under §
27 7–327 of this subtitle.

28 (e) Funds appropriated to the Catastrophic Event Account:

29 (1) may not be used to offset operating deficiencies in regular programs of
30 State government; but

31 (2) (I) may be expended to assist a unit of State government or unit of
32 local government in funding costs in connection with a natural disaster, a catastrophic

situation, or a full or partial federal government shutdown due to a lapse in appropriations;
AND

**(II) MAY BE TRANSFERRED TO THE STATE DISASTER
RECOVERY FUND IF:**

**1. THE BALANCE OF THE FUND HAS BEEN DEPLETED
DUE TO USE OR TRANSFER; OR**

**2. THE ESTIMATED COSTS FOR PROVIDING ADEQUATE
DISASTER RELIEF FOR A NATURAL DISASTER OR CATASTROPHIC SITUATION ARE IN
EXCESS OF THE FUND'S BALANCE.**

(f) (1) The Account is a continuing, nonlapsing fund which is not subject to §
7-302 of this subtitle.

(2) The Treasurer shall separately hold, and the Comptroller shall account
for, the Account.

(3) The Account shall be invested and reinvested in the same manner as
other State funds.

(4) Any investment earnings shall be subject to § 7-311(d) of this subtitle.

(g) Money appropriated to the Account does not revert to the Revenue
Stabilization Account.

**SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
1, 2025.**

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.