

MAINE STATE LEGISLATURE

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Date: 4/1/24 Report 'C'

L.D. 2225
(Filing No. H-896)

APPROPRIATIONS AND FINANCIAL AFFAIRS

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "C" to H.P. 1426, L.D. 2225, "An Act to Provide Funding to Rebuild Infrastructure Affected by Extreme Inland and Coastal Weather Events"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

PART A

Sec. A-1. Transfer from unappropriated surplus of General Fund; Infrastructure Adaptation Fund. Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$50,000,000 by the close of the fiscal year ending June 30, 2024 from the unappropriated surplus of the General Fund to the Department of Transportation, Infrastructure Adaptation Fund, Other Special Revenue Funds account for municipal, state or regionally significant infrastructure adaptation, repair and improvements that support public safety, protection of essential community assets, regional economic needs and long-term infrastructure resiliency.

Sec. A-2. Administration of funds. Funds provided under section 1 of this Part must be administered by the Department of Transportation and must be awarded by interagency boards using competitive processes. The interagency boards shall identify and document an equitable basis for allocating funds between inland and coastal projects. Project rating criteria may include the potential extent of public safety; emergency management and infrastructure resiliency benefits; future climate conditions; ability to leverage federal and other funding; and community, economic and environmental benefits. Funds must be used for public infrastructure projects and may be used for some types of private infrastructure upgrades with significant community benefits, such as working waterfront infrastructure. For the purposes of this Part, "working waterfront infrastructure" means wharves and piers that support commercial fisheries and aquaculture businesses in this State. Projects must demonstrate increased resilience to future storm and flooding impacts. The award criteria must prioritize proposals that demonstrate a significant and compelling community benefit; recipients that are not covered by Federal Emergency

COMMITTEE AMENDMENT

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1 Management Agency disaster funds; and recipients that demonstrate that the damage is not
2 covered by insurance and that all emergency relief currently available has been exhausted.
3 The administration of the funds must include sufficient documentation and record-keeping
4 requirements to provide assurance that funds have been awarded consistent with the
5 program guidelines and used for the intended purpose.

6 **Sec. A-3. Transfers from Infrastructure Adaptation Fund authorized.**
7 Funds provided under section 1 of this Part may be transferred by financial order upon the
8 recommendation of the State Budget Officer and approval of the Governor for purposes
9 described in section 1 of this Part and to facilitate the administration of the funds as
10 described in section 2 of this Part.

11 **Sec. A-4. Appropriations and allocations.** The following appropriations and
12 allocations are made.

13 **TRANSPORTATION, DEPARTMENT OF**
14 **Infrastructure Adaptation Fund Z318**

15 Initiative: Provides one-time funding for municipal, state or regionally significant
16 infrastructure adaptation, repair and improvements that support public safety, protection of
17 essential community assets, regional economic needs and long-term infrastructure
18 resiliency. Project types may include working waterfront infrastructure, culverts, storm
19 water systems, water system upgrades and other interventions that support infrastructure
20 repair and reducing or eliminating climate impacts, especially coastal and inland flooding.
21 Funds may be used to support project planning and federal matching funds. Funds will be
22 used for public infrastructure projects with project exemptions available for some types of
23 private infrastructure upgrades with significant community benefits, such as working
24 waterfronts. For the purposes of this fund, working waterfront infrastructure is defined as
25 wharves and piers that support the State's commercial fisheries and aquaculture businesses.

26	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
27	All Other	\$50,000,000	\$500
28			
29	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$50,000,000</u>	<u>\$500</u>

30 **PART B**

31 **Sec. B-1. Business Recovery and Resilience Fund program established.** The
32 Business Recovery and Resilience Fund program is established in the Department of
33 Economic and Community Development to provide grant opportunities for businesses and
34 organizations, including nonprofit organizations, affected by severe weather-related
35 events.

36 **Sec. B-2. Transfer from unappropriated surplus of General Fund; Business**
37 **Recovery and Resilience Fund program, Other Special Revenue Funds**
38 **account.** Notwithstanding any provision of law to the contrary, the State Controller shall
39 transfer \$10,000,000 by the close of the fiscal year ending June 30, 2024 from the
40 unappropriated surplus of the General Fund to the Department of Economic and
41 Community Development, Business Recovery and Resilience Fund program, Other Special
42 Revenue Funds account for economic recovery and resilience grants to businesses and
43 nonprofit organizations within areas that were impacted in the December 18, 2023 storm,

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1 the January 10, 2024 storm or the January 13, 2024 storm. Projects may include a recovery
2 component for damage sustained and must include efforts to increase business resilience
3 to future storms and other climate conditions.

4 **Sec. B-3. Administration of funds.** Funds provided under section 2 of this Part
5 must be administered by the Department of Economic and Community Development and
6 must be awarded using competitive processes. Project rating criteria may include the
7 viability of the business or nonprofit organization, the ability to match grant funds and the
8 efficacy of the recovery and resilience plan offered in the application. The award criteria
9 must require that recipients demonstrate that the damage or project costs are not covered
10 by Federal Emergency Management Agency disaster funds, or other insurance, and that the
11 recipient has exhausted all emergency relief funding programs currently available. The
12 administration of the funds must include sufficient documentation and record-keeping
13 requirements to provide assurance that funds have been awarded consistent with the
14 program guidelines and used for the intended purpose.

15 **Sec. B-4. Appropriations and allocations.** The following appropriations and
16 allocations are made.

17 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**
18 **Business Recovery and Resilience Fund N491**

19 Initiative: Allocates funds for grants to businesses and nonprofit organizations impacted by
20 the December 18, 2023 storm, the January 10, 2024 storm or the January 13, 2024 storm
21 for recovery, rebuilding and investments in more resilient infrastructure. Infrastructure
22 project types may include infrastructure upgrades, improvements or installation of drainage
23 systems, moving electrical or business equipment, relocating the business to a more
24 protected location and investing in additional insurance.

25	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
26	All Other	\$10,000,000	\$500
27			
28	OTHER SPECIAL REVENUE FUNDS TOTAL	\$10,000,000	\$500

29

30 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
31 number to read consecutively.

32 **SUMMARY**

33 This amendment, which is one of 2 minority reports of the committee, replaces the bill.
34 As in the bill, the amendment provides \$50,000,000 to the Department of Transportation,
35 Infrastructure Adaptation Fund, Other Special Revenue Funds account for municipal, state
36 or regionally significant infrastructure adaptation, repair and improvements that support
37 public safety, protection of essential community assets, regional economic needs and long-
38 term infrastructure resiliency. This amendment provides the funding through a transfer
39 from the unappropriated surplus of the General Fund instead of from the Maine Budget
40 Stabilization Fund. This amendment also creates the Business Recovery and Resilience
41 Fund program within the Department of Economic and Community Development and
42 transfers \$10,000,000 from the unappropriated surplus of the General Fund for economic

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COMMITTEE AMENDMENT "C" to H.P. 1426, L.D. 2225

1 recovery and resilience grants for businesses and nonprofit organizations affected by the
2 December 18, 2023 storm, the January 10, 2024 storm or the January 13, 2024 storm.

3 **FISCAL NOTE REQUIRED**

4 (See attached)



131st MAINE LEGISLATURE

LD 2225

LR 3090(04)

An Act to Provide Funding to Rebuild Infrastructure Affected by Extreme Inland and Coastal Weather Events

Fiscal Note for Bill as Amended by Committee Amendment "C" (H-896)
Committee: Appropriations and Financial Affairs
Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$60,000,000	\$0	\$0	\$0
Appropriations/Allocations				
Other Special Revenue Funds	\$60,000,000	\$1,000	\$0	\$0
Transfers				
General Fund	(\$60,000,000)	\$0	\$0	\$0
Other Special Revenue Funds	\$60,000,000	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time Other Special Revenue Funds allocation of \$50,000,000 in fiscal year 2023-24 and \$500 in fiscal year 2024-25 to the Department of Transportation for municipal, state or regionally significant infrastructure adaptation, repair and improvements that support public safety, protection of essential community assets, regional economic needs and long-term infrastructure resiliency. A one-time Other Special Revenue Funds allocation of \$500 in fiscal year 2024-25 is included to authorize the expenditure of any unspent funds carried forward from the previous fiscal year. The bill also includes a one-time transfer of \$50,000,000 in fiscal year 2023-24 from the unappropriated surplus of the General Fund to the Infrastructure Adaptation Fund to fund the allocation.

This bill also includes a one-time Other Special Revenue Funds allocation of \$10,000,000 in fiscal year 2023-24 to a newly established Business Recovery and Resilience Program within the Department of Economic and Community Development to provide grant opportunities for businesses and organizations, including non-profit organizations, affected by severe weather-related events. A one-time Other Special Revenue Funds allocation of \$500 in fiscal year 2024-25 is included to authorize the expenditure of any unspent funds carried forward from the previous fiscal year. A one-time transfer of \$10,000,000 in fiscal year 2023-24 from the unappropriated surplus of the General Fund to the Business Recovery and Resilience Program Other Special Revenue Funds account is provided to fund the grant opportunities.