

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 225

(Senators M. Washington and Brooks)

Education, Energy, and the Environment

Environment and Transportation

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**Environment - Interjurisdictional Watersheds - Flood Management**

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This bill, in accordance with COMAR 26.17.02.07 and § 5-503 of the Environment Article, designates the following four watersheds and all their headwaters and tributaries as interjurisdictional flood hazard watersheds: (1) Carroll Creek in Frederick City and Frederick County; (2) Gwynns Falls in Baltimore City and Baltimore County; (3) Jones Falls in Baltimore City and Baltimore County; and (4) Herring Run in Baltimore City and Baltimore County.

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**Fiscal Summary**

**State Effect:** Under one set of assumptions, State finances are not materially affected, as discussed below.

**Local Effect:** Under one set of assumptions, local finances are not materially affected, as discussed below.

**Small Business Effect:** Minimal or none, under one set of assumptions, as discussed below.

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**Analysis**

**Current Law:**

*Flood Hazard Management Act of 1976*

Pursuant to the Flood Hazard Management Act of 1976, the Maryland Department of the Environment (MDE) is responsible for various initiatives designed to address flood hazards, including (1) assisting in the development of guidance to minimize the impacts of

flooding; (2) providing State guidelines and technical assistance to local governments to manage flood areas; and (3) administering the Comprehensive Flood Management Grant Program. For the purposes of State law regarding flood control and watershed management, “subdivision” is defined as any county, including Baltimore City, and any incorporated municipality that has the authority to adopt and enforce land use and control measures for the areas within its jurisdiction.

MDE and subdivisions must coordinate flood management activities with all related programs, including the National Flood Insurance Program, the Sediment Control Program, and the State water pollution control and abatement programs.

*Watershed Studies:* MDE was required, by January 1, 1982, in consultation with specified agencies and with the consideration of recommendations submitted by subdivisions, to designate a priority list of watersheds for the purpose of flood control planning and management and to establish a schedule for the completion of studies of those watersheds. For each watershed designated as a priority, MDE, in cooperation with the subdivisions and specified State agencies, must conduct flood assessment studies of the watersheds that include specified information. By mutual agreement between MDE and an affected subdivision, MDE may delegate all or part of the study of the priority watershed to the appropriate subdivision.

*Flood Management Plans:* By July 1, 1990, each subdivision, in cooperation with MDE and other specified agencies, was required to prepare a flood management plan based on the findings of the watershed studies. In any interjurisdictional watershed, the portions of the plan that relate to the watershed must be reviewed and approved by MDE as one plan. Each subdivision must implement the flood management plan for its watershed within one year of completion, as specified.

*Comprehensive Flood Management Grant Program:* MDE’s Comprehensive Flood Management Grant Program was established as a component of the Flood Hazard Management Act of 1976 to promote the development of local flood management plans, fund the studies of watersheds, and support capital projects for flood control and watershed management. The grant program was unfunded and dormant from calendar 2002 until 2019, when capital budget funding was provided again. Since then, the *Capital Improvement Program* (CIP) has included funding for the grant program each year. The Governor’s fiscal 2027 through 2031 CIP includes \$9.5 million in Strategic Energy Investment Fund special funds and \$4.4 million in general obligation (GO) bond funding for the program in fiscal 2027 and \$10.0 million annually in GO bond funding for the program from fiscal 2028 through 2031.

Among other authorized uses, and subject to approval of the Board of Public Works, MDE is authorized to use proceeds from the State debt created to fund the Comprehensive Flood Management Grant Program to pay for watershed studies.

### *Development Restricted in Specified Watersheds*

State stormwater management regulations (COMAR 26.17.02.07), that took effect in 1983, identify Carroll Creek in Frederick City and Frederick County and Gwynns Falls and Jones Falls in Baltimore City and Baltimore County as interjurisdictional flood hazard watersheds. Development is restricted in these interjurisdictional flood hazard watersheds and (1) may not increase the downstream peak discharge for the 100-year frequency storm event and (2) must comply with MDE-approved flood management plans developed in accordance with the Flood Hazard Management Act of 1976.

Statute also establishes requirements for Baltimore City and Baltimore County to adopt regulations and incorporate development restrictions for structures in and around the Jones Falls watershed and the 100-year floodplain into their flood management plans. Further, Baltimore City and Baltimore County must impose conditions to require the risk of injury to people and property to be minimized to the greatest extent practicable when issuing any permit or approval to modify or renovate any existing structures or the use of open land in the 100-year floodplain of the nontidal Jones Falls.

**State/Local Fiscal Effect:** MDE advises that the bill has no fiscal impact; this estimate is based on the interpretation that codifying the designation of Carroll Creek, Gwynns Falls, Jones Falls, and Herring Run as interjurisdictional flood hazard watersheds under the State's flood hazard management statute does *not* trigger any requirements for MDE to conduct studies of the watersheds, for affected subdivisions to develop new or updated flood management plans, or for MDE to oversee, approve, and assist the subdivisions with plan development and implementation. Based on this interpretation, the bill has minimal or no fiscal or operational impact on the State or local governments.

The Department of Legislative Services (DLS) advises, however, that to the extent that the bill *does* trigger those requirements, both State and local expenditures likely increase, potentially significantly. DLS notes that for a largely identical bill introduced during the 2025 legislative session, MDE anticipated that designating Carroll Creek, Gwynns Falls, Jones Falls, and Herring Run as interjurisdictional flood hazard watersheds would trigger statutory requirements to conduct watershed studies, develop new or updated flood management plans, and for MDE to oversee, approve, and assist the subdivisions with plan development and implementation. As a result, the fiscal and policy note for the 2025 legislation estimated an increase in costs for both MDE and affected local jurisdictions.

If the bill does indeed trigger requirements for local governments to develop or update watershed studies and/or flood management plans, a survey of affected local governments gleaned the following information:

- Frederick County and the City of Frederick estimate that costs to hire consultants to develop flood management plans range from \$250,000 to \$400,000 each in fiscal 2027.
- Baltimore City estimates that a watershed study costs approximately \$250,000.
- Baltimore County does not anticipate a significant fiscal effect.

**Small Business Effect:** Similar to the discussion above, if the bill’s designation of Carroll Creek, Gwynns Falls, Jones Falls, and Herring Run as interjurisdictional flood hazard watersheds does *not* trigger any requirements or additional regulatory restrictions, there is no impact on small businesses.

On the other hand, to the extent that the bill restricts development, particularly within the Herring Run (which is newly categorized as an interjurisdictional flood hazard watershed under the bill), there are potentially significant impacts on affected projects and businesses, including small businesses. However, any impact ultimately depends on any new development restrictions resulting from the bill, which cannot be predicted in advance.

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### Additional Information

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 42 of 2025.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of the Environment; Maryland Department of Emergency Management; Anne Arundel, Baltimore, Carroll, Frederick, and Howard counties; Baltimore City; City of Frederick; Maryland Municipal League; Department of Legislative Services

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Analysis by: Kathleen P. Kennedy

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510