

By: Alvarado

S.B. No. 2503

A BILL TO BE ENTITLED

AN ACT

relating to the use of money in the Texas infrastructure resiliency fund to finance projects related to natural disaster relief.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Subchapter L, Chapter 16, Water Code, is amended to read as follows:

SUBCHAPTER L. FLOOD PROJECT AND OTHER NATURAL DISASTER RELIEF

PROJECT FUNDING

SECTION 2. Section 16.451, Water Code, is amended by adding Subdivision (3-a) to read as follows:

(3-a) "Natural disaster relief project" means a project to mitigate the effects of a natural disaster other than flooding. The term includes a project to prevent future damage from a natural disaster other than a flood.

SECTION 3. Section 16.454, Water Code, is amended to read as follows:

Sec. 16.454. NATURAL DISASTER RECOVERY [~~HURRICANE HARVEY~~] ACCOUNT. (a) The natural disaster recovery [~~Hurricane Harvey~~] account is an account in the resiliency fund.

(b) To the extent allowed by federal law, the [~~The~~] board may use the account only to provide money [~~moneys~~] to the Texas Division of Emergency Management for the division to provide financing for projects related to damage caused by natural disasters [~~Hurricane Harvey~~]. Money in the account subject to

1 federal restrictions on the purposes for which the money may be
2 spent may be used only for those purposes. Financing under this
3 section includes making a:

4 (1) grant to an eligible political subdivision to
5 provide nonfederal matching funds to enable the subdivision to
6 participate in a federal program for the participation in or
7 development of:

8 (A) a hazard mitigation project, under
9 guidelines issued by the Federal Emergency Management Agency or the
10 Texas Division of Emergency Management or the successor in function
11 to those entities;

12 (B) a public assistance project, under
13 guidelines issued by the Federal Emergency Management Agency or the
14 Texas Division of Emergency Management or the successor in function
15 to those entities; or

16 (C) assistance under guidelines issued by the
17 Natural Resources Conservation Service, the United States Economic
18 Development Administration, or the United States Department of
19 Housing and Urban Development, or the successor in function to
20 those entities; and

21 (2) loan to an eligible political subdivision at or
22 below market interest rates for the political subdivision's
23 planning or design costs, permitting costs, construction costs, or
24 other costs associated with state or federal regulatory activities
25 with respect to a natural disaster relief project or flood project.

26 (c) A grant or loan awarded under this section may not
27 provide more than 75 percent of the portion of the cost of the

1 project that is paid with money other than money from a federal
2 program.

3 (d) In collaboration with the Texas Division of Emergency
4 Management, the board shall establish a point system for
5 prioritizing natural disaster relief projects or flood projects
6 other than public assistance grants for which money from the
7 natural disaster recovery [~~Hurricane Harvey~~] account is sought.
8 The system must include a standard for the board to apply in
9 determining whether a natural disaster relief project or flood
10 project qualifies for funding at the time the application for
11 funding is filed with the board.

12 (e) The Texas Division of Emergency Management shall give
13 the highest consideration in awarding points to a natural disaster
14 relief project or flood project that will have a substantial
15 effect, including a natural disaster relief project or flood
16 project that:

17 (1) is recommended or approved by the director of the
18 Texas Division of Emergency Management or the successor in function
19 to that entity; and

20 (2) meets an emergency need in a county where the
21 governor has declared a state of disaster.

22 (f) After review and recommendation by the executive
23 administrator and with input from the director of the Texas
24 Division of Emergency Management or the successor in function to
25 that entity, the Texas Division of Emergency Management may approve
26 an application for financial assistance under this section only if
27 the Texas Division of Emergency Management finds that:

1 (1) the application and assistance applied for meet
2 the requirements of this subchapter and Texas Division of Emergency
3 Management rules;

4 (2) the application demonstrates a sufficient level of
5 cooperation among applicable political subdivisions and includes
6 all of the political subdivisions substantially affected by the
7 natural disaster relief project or flood project; and

8 (3) the taxes or other revenue, or both the taxes and
9 other revenue, pledged by the applicant, if applicable, will be
10 sufficient to meet all the obligations assumed by the applicant.

11 (g) Principal and interest payments on loans made under
12 Subsection (b)(2) may be deferred for not more than 10 years or
13 until construction of the natural disaster relief project or flood
14 project is completed, whichever is the shorter period.

15 (h) Money from the account may be awarded to several
16 eligible political subdivisions for a single natural disaster
17 relief project or flood project.

18 (i) An eligible political subdivision that receives a grant
19 for a natural disaster relief project or flood project also may
20 receive a loan from the account.

21 (j) This section expires September 1, 2031. The remaining
22 balance of the account on that date is transferred to the flood plan
23 implementation account.

24 SECTION 4. This Act takes effect September 1, 2023.