

BILL ANALYSIS

C.S.H.B. 3073
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The state's current efforts at facilitating local communities' participation in the National Flood Insurance Program are inadequate and are inhibiting access to the lower flood insurance premiums available through the Federal Emergency Management Agency's (FEMA) Community Rating System. Also, the state has been unable to fully engage FEMA regarding the conduct of floodplain mapping and studies based on river basin geography. The state's growing population and associated development increase the danger of flooding to both life and property. Sound mapping data will reduce the likelihood of building in an area at risk of flooding.

C.S.H.B. 3073 transfers responsibility for state administration, coordination, and management of local participation in the National Flood Insurance Program from the Texas Commission on Environmental Quality (TCEQ) to the Texas Water Development Board (TWDB). The bill also directs 50 percent of maintenance taxes on flood premiums to a new floodplain management account for TWDB to use in better coordinating this program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Commission on Environmental Quality is transferred to the Texas Water Development Board under SECTION 9 of this bill.

ANALYSIS

SECTION 1. Amends Section 251.004, Insurance Code, to say that for each state fiscal biennium, the comptroller is required to reallocate to the floodplain management account created in this Act the first \$6.1 million of maintenance taxes collected and deposited in the general revenue fund.

SECTION 2. Eliminates Texas Commission on Environmental Quality (TCEQ) jurisdiction over the administration of the national flood insurance program.

SECTION 3. Adds jurisdiction over the administration of the national flood insurance program to the Texas Water Development Board's (TWDB) duties and responsibilities.

SECTION 4. Replaces references to the "commission" with "board" in Section 16.314, Water Code.

SECTION 5. Replaces references to the "commission" with "board" in Section 16.315, Water Code.

SECTION 6. Replaces references to the "commission" with "board" in Section 16.316, Water Code. Adds that TWDB efforts in aiding political subdivisions in qualifying for participation in the national flood insurance program may also include: encouraging FEMA to evaluate flood-prone areas by river basin and river system; coordinating the use of federal, state, and local grant money; making floodplain maps and information accessible to the public, including through the board's website; and maintaining at least one staff members in each of the board's field offices to encourage participation in the national flood insurance program through education and outreach.

SECTION 7. Creates the Floodplain Management Account, a special fund in the state treasury outside of general revenue. The fund is composed of money deposited from maintenance taxes under the Insurance Code, money directly appropriated to the board, and money from gifts or

grants. The account is required to be administered by the board. The board is authorized to use the account to fund the performance of the board's functions in coordinating programs under the national flood insurance program. The board is authorized to invest money as provided in Section 404.024, Government Code.

SECTION 8. Replaces references to the "commission" with "board" in Section 16.317, Water Code.

SECTION 9. Transfers rulemaking authority from the commission to the board under Section 16.318, Water Code.

SECTION 10. States that not later than January 1, 2008, all powers, duties, obligations, rights, contracts, leases, records, assets, property, funds, and appropriations of the TCEQ relating primarily to the administration of the national flood insurance program are transferred to the TWDB.

States that not later than January 1, 2008, all rules, policies, forms, procedures, and decisions of the TCEQ that relate primarily to the administration of the national flood insurance program are continued in effect by the TWDB until superseded by a rule or action of the Board.

States that not later than January 1, 2008, any investigation, complaint, action, contested case, or other proceeding involving TCEQ that relates primarily to the administration of the national flood insurance program is transferred without change in status to the TWDB.

States that the transfer of powers and duties of the TCEQ relating primarily to the national flood insurance program to the TWDB does not affect the validity of actions taken by or in connection with the TCEQ.

SECTION 11. Provides the effective date of the Act, and states that the Act only takes effect contingent upon sufficient appropriations to the TWDB for the next biennium specifically for administering the national flood insurance program.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute eliminates the language from the original bill dealing with dam and levee safety, and only addresses the National Flood Insurance Program. The substitute provides a funding source for the program through a portion of the maintenance taxes collected under the Insurance Code under a new Floodplain Management Account. The substitute adds actions the TWDB may take in coordinating the national flood insurance program. The substitute provides that the bill only takes effect if sufficient money is provided to the TWDB for carrying out the provisions of this bill.