

BILL ANALYSIS

C.S.H.B. 4102
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Defense & Veterans' Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas suffered numerous natural disasters over the past biennium. These disasters include Hurricanes Dolly, Gustav, and Ike, along with various wildfires and floods. The estimated total cost to state agencies and institutions of higher education from these disasters is nearly \$1.75 billion, and this estimate does not include costs to local governmental entities and personal and commercial property.

The Disaster Contingency Fund (DCF) created by the 80th Legislature, Regular Session, 2007, was an acknowledgement that Federal Emergency Management Agency (FEMA) assistance typically has long delays between the time a disaster occurs and the time benefits are actually received. Although FEMA operations are out of Texas' control, Texas is not excused from its duty to ensure that the residents of a disaster-affected area are attended to financially. The DCF is a mechanism that mitigates any delay of support by providing financial assistance to state agencies, local governments, and other eligible entities as a supplement to federal assistance. However, the legislature neglected to properly fund the DCF, making it ineffective for the emergency response to 2008's Hurricane Ike. Had the DCF been properly funded, it could have provided revolving lines of credit, providing governmental entities assistance for immediate disaster expenses and providing Texas the opportunity to seek reimbursement from FEMA; low-interest, long-term loans to governmental entities to recover from disasters; the purchase of generators by governmental entities; a contract between the Texas Department of Housing and Community Affairs and mobile homes/modular homes companies to immediately address housing needs; the creation of a fund with "easy to use" monies for use by long-term recovery organizations or other community groups dedicated to helping families rebuild their homes after disasters, in addition to monies that would be used for special grants to nonprofits; and emergency and temporary housing.

C.S.H.B. 4102 ensures appropriations are made to the disaster contingency fund and requires that payments made out of the fund be reimbursed by any entity that receives funding if they are then reimbursed by the federal government, an insurer, or another source for the same purposes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4102 amends Section 418.073(c), Government Code, as added by Chapter 1250 (H.B. 2694), Acts of the 80th Legislature, Regular Session, 2007, to authorize a state or local government entity or other eligible entity that participates in disaster recovery to request and receive funding from the disaster contingency fund to pay for costs incurred in recovering from a disaster for which the presiding officer of a municipal or county government has declared a local state of disaster for affected areas within the municipality's or county's jurisdiction and the governor has also declared a state of disaster for the affected county or counties.

C.S.H.B. 4102 amends the Government Code to require a state or local government entity or other eligible entity that receives funding from the disaster contingency fund to pay for costs associated with disaster recovery and that subsequently receives reimbursement from the federal government, an insurer, or another source for those same costs to reimburse the disaster contingency fund for the reimbursed amounts. The bill requires the governor's division of emergency management, in developing rules and procedures for administering the disaster contingency fund, to prescribe accounting and other procedures necessary to efficiently and effectively implement this provision.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4102 differs from the original by authorizing other eligible entities, which were struck in the original, to request and receive funding from the disaster contingency fund. The substitute differs from the original by authorizing the entities to request and receive funding to pay for costs associated in recovering from a disaster, whereas the original authorizes the entities to request and receive funding to pay for costs incurred in preparing for or recovering from a disaster. The substitute differs from the original by requiring an eligible entity that receives funding from the disaster contingency fund to pay for costs associated with disaster recovery and that subsequently receives reimbursement from the federal government, an insurer, or another source for those same costs to reimburse the disaster contingency fund for the reimbursed amounts, whereas the original only specified subsequent reimbursement from the federal government for those same costs to be reimbursed to the disaster contingency fund. The substitute differs from the original by retaining existing language relating to the declaration of a state of disaster.