

By: Eiland

H.B. No. 2749

A BILL TO BE ENTITLED

AN ACT

relating to economic recovery grants for certain municipalities following public calamities.

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

SECTION 1. Chapter 418, Government Code, is amended by adding Subchapter D-1 to read as follows:

SUBCHAPTER D-1. GRANTS FOR ECONOMIC RECOVERY FOLLOWING PUBLIC CALAMITY

Sec. 418.081. DEFINITIONS. In this subchapter:

(1) "Designated disaster area" means a geographical area of this state declared a disaster area by the governor under this chapter.

(2) "Disaster remediation project" means a project undertaken to restore the economy of a designated disaster area following a disaster, or to otherwise economically recover from or mitigate the effects of a disaster in a designated disaster area. The term includes projects financed in part using matching funds from a federal or state governmental entity and projects for removal, cleaning, sanitizing, demolition, reconstruction, or other treatment of improvements to real property undertaken because of damage or destruction to that property caused by a natural disaster.

Sec. 418.082. REQUEST FOR ECONOMIC RECOVERY GRANT. (a) The governing body of a municipality located in a designated disaster

1 area may submit to the governor a request for a grant of public
2 money authorized under Section 52-a, Article III, Texas
3 Constitution, subject to the requirements of this subchapter, for
4 the public purposes of redeveloping the municipality's economy
5 following a disaster and mitigating the effects of that disaster on
6 both the municipality's and the state's economies.

7 (b) A request made under this section must include a
8 detailed disaster remediation plan that specifies:

9 (1) the period for which the grant is requested, not to
10 exceed two years from the date of the governor's initial
11 proclamation or executive order declaring the area in which the
12 municipality is located to be a disaster area; and

13 (2) the disaster remediation projects that grant
14 funds, if approved, would be used to wholly or partly finance,
15 subject to Subsection (c).

16 (c) The governor may approve a municipality's request or may
17 require that the municipality modify and resubmit the request for
18 consideration and approval. The governor shall notify the
19 comptroller of an approved request and the period for which the
20 grant is approved.

21 Sec. 418.083. FUNDING. (a) An economic recovery grant
22 approved by the governor under this subchapter for a municipality
23 is a grant of state aid necessitated by a public calamity and shall
24 be funded using proceeds from the collection of the taxes imposed by
25 Chapter 151, Tax Code, in connection with a sale, storage, use, or
26 other consumption that is consummated in the municipality during
27 the grant period specified in the municipality's disaster

1 remediation plan. Notwithstanding Section 151.801(a), Tax Code,
2 and subject to Sections 151.801(b) and (c), Tax Code, the
3 comptroller shall deposit the taxes described by this subsection
4 that are collected by the comptroller in trust in a separate
5 suspense account of the municipality.

6 (b) Not later than the fifth day of each month, the
7 comptroller shall send to the municipal treasurer or to the person
8 who performs the office of the municipal treasurer the taxes
9 deposited in the suspense account under Subsection (a), payable to
10 the municipality.

11 Sec. 418.084. USE OF GRANT FUNDS. (a) Economic recovery
12 grant funds received under this subchapter may be used only for
13 disaster remediation projects included in the municipality's
14 approved grant request that are undertaken in the municipality to
15 which the grant is awarded. The municipality shall give first
16 priority to using the funds to leverage matching funds available
17 from the Federal Emergency Management Agency and to stabilize the
18 bond ratings of bonds issued by the municipality.

19 (b) A municipality may not use grant funds under this
20 subchapter for ordinary operating expenses of the municipality
21 unrelated to a disaster remediation project included in the
22 municipality's approved grant request.

23 Sec. 418.085. QUARTERLY REPORTS. Not later than the 30th
24 day after the last day of each calendar quarter during the period
25 for which a grant is approved, the governing body of the
26 municipality for which the grant was approved shall submit to the
27 governor a report regarding the use of the grant funds. The report

1 must provide a detailed accounting of the amount of funds received
2 from the comptroller as provided by Section 418.083, the
3 expenditures of grant funds during the previous calendar quarter,
4 and the amount of unencumbered grant funds remaining on hand.

5 Sec. 418.086. FINAL REPORT. (a) Not later than the 180th
6 day after the expiration of the period for which a grant is
7 approved, the governing body of the municipality for which the
8 grant was approved shall submit to the governor and the comptroller
9 a final report regarding the use of the grant funds. The report
10 must provide a detailed accounting of the amount of funds received
11 from the comptroller as provided by Section 418.083 not included on
12 a previous report, the expenditures of grant funds not included on a
13 previous report, and the amount of unencumbered grant funds
14 remaining on hand.

15 (b) The comptroller shall adjust the municipality's
16 allocation and distribution of funds under Sections 321.501 and
17 321.502, Tax Code, in an amount equal to the amount of unencumbered
18 grant funds remaining on hand or funds the comptroller determines
19 were used for a purpose not authorized by this subchapter.

20 SECTION 2. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2009.