

By: Gallegos

S.B. No. 665

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a windstorm preparedness assistance program that provides financial assistance for certain homeowners in certain counties.

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

SECTION 1. Title 2, Insurance Code, is amended by adding Subtitle C to read as follows:

SUBTITLE C. DEPARTMENT PROGRAMS

CHAPTER 151. WINDSTORM PREPAREDNESS ASSISTANCE PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 151.001. DEFINITIONS. In this chapter:

(1) "Home" means:

(A) a site-built, single-family, owner-occupied dwelling; or

(B) a single-family, owner-occupied manufactured home that is real property under Section 2.001, Property Code.

(2) "Program" means the Windstorm Preparedness Assistance Program.

(3) "Retrofit" means to renovate, or the renovation of, an existing home by adding physical enhancements designed to make the home more resistant to damage from a windstorm. The term does not include the initial construction or manufacture of the home.

Sec. 151.002. NOT AN ENTITLEMENT; NO STATE OBLIGATION.

1 This chapter does not:

2 (1) establish a homeowner's entitlement to financial
3 assistance for windstorm damage mitigation; or

4 (2) obligate the state to fund the inspection or
5 retrofitting of homes in this state.

6 [Sections 151.003-151.050 reserved for expansion]

7 SUBCHAPTER B. ADMINISTRATION OF PROGRAM

8 Sec. 151.051. ESTABLISHMENT OF PROGRAM. The department
9 shall establish the Windstorm Preparedness Assistance Program to
10 provide a comprehensive and coordinated approach for hurricane
11 damage mitigation. The program, subject to available
12 appropriations, must provide:

13 (1) a home inspection, at no cost for qualified
14 homeowners, and an inspection report that summarizes the results of
15 the inspection and identifies recommended improvements a homeowner
16 may take to mitigate hurricane damage; and

17 (2) grant money or a low-interest loan to a qualified
18 homeowner to implement a retrofit recommended by an inspector.

19 Sec. 151.052. DEPARTMENT DUTIES; RULES. (a) The
20 department shall provide fiscal accountability, contract
21 management, and strategic leadership for the program, consistent
22 with this chapter.

23 (b) The commissioner shall adopt rules as necessary to
24 implement this chapter.

25 Sec. 151.053. APPLICATION FOR PARTICIPATION IN PROGRAM.

26 (a) To be considered for participation in the program a homeowner
27 must submit an application to the department on the form prescribed

1 by the department. The application must include a sworn statement
2 that the applicant has submitted only one application for that
3 home.

4 (b) The department by rule shall establish eligibility
5 criteria for participation in the program that are consistent with
6 the requirements of this chapter. Based on the criteria and the
7 submitted application, the department shall determine whether a
8 homeowner is qualified to participate in the program.

9 (c) The department shall establish objective, reasonable
10 criteria for prioritizing applications that are consistent with the
11 requirements of this chapter. Unless a homeowner states otherwise
12 in an application, the department shall presume that a homeowner
13 prefers a grant over a loan.

14 (d) A homeowner may apply for and receive a windstorm
15 mitigation inspection without applying for a grant or loan under
16 this chapter.

17 (e) The department shall develop a process that ensures the
18 most efficient means to collect and verify applications and to
19 determine the eligibility of the applicants. The department may
20 use the Internet or other electronic means to collect and verify
21 application information and determine eligibility.

22 Sec. 151.054. WINDSTORM MITIGATION INSPECTION. (a) A
23 qualified inspector shall conduct a windstorm mitigation
24 inspection in accordance with:

25 (1) the inspection requirements for insurability
26 under Section 2210.251; or

27 (2) similar standards specified by commissioner rule.

1 (b) Not later than the 30th day after the date a windstorm
2 mitigation inspection is conducted, an inspector shall submit to
3 the department and to the homeowner a written inspection report.

4 The inspection report must contain:

5 (1) the name of the inspector;

6 (2) the name of the homeowner;

7 (3) the date of inspection;

8 (4) a list of recommended retrofits and necessary
9 mitigation measures to reduce the home's vulnerability to hurricane
10 damage;

11 (5) a range of cost estimates regarding each
12 recommended retrofit and mitigation measure;

13 (6) insurer-specific information regarding available
14 insurance premium discounts correlated with:

15 (A) specific features of the home as inspected;
16 and

17 (B) specific retrofits and mitigation measures
18 recommended by the inspector; and

19 (7) an assessment of the home's windstorm resistance
20 capabilities:

21 (A) as inspected; and

22 (B) if retrofitted and improved in accordance
23 with the inspector's recommendations.

24 Sec. 151.055. QUALIFIED INSPECTORS; INSPECTOR LIST. (a) A
25 windstorm mitigation inspection conducted under this chapter must
26 be conducted by a person who:

27 (1) is a qualified inspector under Section 2210.254;

1 or

2 (2) meets similar qualifications specified by
3 commissioner rule.

4 (b) The department shall maintain and make available to the
5 public a current list of inspectors in this state who are qualified
6 to conduct windstorm mitigation inspections under this chapter.

7 Sec. 151.056. ELIGIBILITY FOR INSPECTION AT NO COST. To be
8 eligible for a windstorm mitigation inspection at no cost under the
9 program, a homeowner must demonstrate that:

10 (1) the property to be inspected is a home;

11 (2) the homeowner has been granted a residence
12 homestead exemption under Section 11.13, Tax Code, for the property
13 to be inspected;

14 (3) the property to be inspected has an insured value
15 of \$300,000 or less; and

16 (4) the property to be inspected is located in a
17 seacoast territory as defined by Section 2210.003.

18 Sec. 151.057. LOAN FOR RETROFITTING. (a) The department
19 shall implement a low-interest loan program to pay for recommended
20 retrofits and necessary mitigation measures identified in a
21 windstorm mitigation inspection report. The department must use
22 not less than 30 percent of the money appropriated for the program
23 to subsidize low-interest loans from a private financial
24 institution chartered by this state or the federal government for
25 retrofitting a qualified homeowner's home.

26 (b) A homeowner may use loan money awarded under this
27 chapter only to implement on the homeowner's home a retrofit or

1 necessary mitigation measure recommended by a qualified inspector
2 in a windstorm mitigation inspection report provided to the
3 homeowner under this chapter.

4 (c) To be eligible for a loan under this chapter, a
5 homeowner must demonstrate that the home has undergone a windstorm
6 mitigation inspection under this chapter.

7 Sec. 151.058. GRANT FOR RETROFITTING. (a) The department
8 shall implement a grant program to pay for recommended retrofits
9 and necessary mitigation measures identified in a windstorm
10 mitigation inspection report. The department must use not less
11 than 30 percent of the money appropriated for the program to award
12 grants to qualified homeowners.

13 (b) A homeowner receiving a grant must contribute an amount
14 equal to the amount of the grant money awarded by the department on
15 a dollar-for-dollar basis. The total amount of the grant and
16 homeowner contribution may not exceed \$10,000, and the amount of
17 the department's grant may not exceed \$5,000.

18 (c) A homeowner may use grant money awarded under this
19 chapter only to implement on the homeowner's home a retrofit or
20 mitigation measure recommended by a qualified inspector in a
21 windstorm mitigation inspection report provided to the homeowner
22 under this chapter.

23 (d) To be eligible for a grant under this chapter, a
24 homeowner must demonstrate that the home has undergone a windstorm
25 mitigation inspection under this chapter.

26 (e) It is the intent of the legislature that grant money
27 awarded under this chapter constitutes a disaster relief payment

1 for purposes of Section 139, Internal Revenue Code of 1986.

2 Sec. 151.059. CONTRACTORS; CONTRACTOR LIST. (a) The
3 department shall publicize the program to contractors and provide
4 incentives for contractors to participate in the program.

5 (b) To participate in the program, a contractor:

6 (1) must secure all required local building permits;

7 (2) must not have been subject to disciplinary action
8 by a state regulatory agency for the five years preceding the date
9 on which the contractor enters the program as a participating
10 contractor; and

11 (3) must meet any other qualifications required by
12 commissioner rule.

13 (c) The department shall maintain and make available to the
14 public a current list of participating contractors from which a
15 homeowner who is awarded a grant or loan through the program may
16 select a contractor for the purpose of retrofitting.

17 (d) To ensure the quality of participating contractors'
18 work, the department shall conduct random inspections of the
19 finished retrofit work of at least five percent of all retrofit
20 projects completed under the program.

21 (e) A person may participate in the program as a qualified
22 inspector and as a participating contractor if the person meets the
23 qualifications for inspectors and contractors under this chapter.

24 Sec. 151.060. PUBLIC EDUCATION CAMPAIGN. The department
25 may undertake a statewide multimedia public outreach and
26 advertising campaign to inform consumers of:

27 (1) the availability of windstorm mitigation

1 inspections and financial assistance to qualified homeowners; and
2 (2) the safety and financial benefits of retrofitting
3 a home to mitigate windstorm damage.

4 Sec. 151.061. AUTHORITY TO CONTRACT. The department may
5 contract with third parties for loan management and services, grant
6 management, inspection services, contractor services, information
7 technology, educational outreach, and auditing services as
8 necessary to administer this chapter.

9 Sec. 151.062. GIFTS, GRANTS, AND DONATIONS. In addition to
10 money appropriated to the department, the department may receive
11 and accept a gift, grant, donation, or other thing of value from any
12 source for the purposes of this chapter.

13 Sec. 151.063. REPORTING. The department annually shall
14 submit to the legislature a written report regarding the program.
15 The report must include:

- 16 (1) an account of the use of state money;
17 (2) the number of windstorm mitigation inspections
18 requested;
19 (3) the number of windstorm mitigation inspections
20 conducted;
21 (4) the number of applications received requesting a
22 grant or a loan;
23 (5) the number and value of grants approved; and
24 (6) the number and value of loans approved.

25 SECTION 2. Not later than January 1, 2010, the commissioner
26 of insurance shall adopt rules necessary to administer Chapter 151,
27 Insurance Code, as added by this Act.

1 SECTION 3. Not later than September 1, 2010, the Texas
2 Department of Insurance shall submit the initial report required
3 under Section 151.063, Insurance Code, as added by this Act.

4 SECTION 4. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2009.