

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 14, 2009**

**TO:** Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB4102** by Eiland (Relating to the disaster contingency fund.), **As Engrossed**

**Due to the unknown nature of any future disaster, the bill could have an indeterminate fiscal impact to the state.**

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would allow a state or local government entity that participates in disaster preparation or disaster recovery to request and receive funding from the disaster contingency fund to pay for costs incurred by the state or local government entity in preparing for or recovering from a disaster. If state or local government entities receive reimbursement from the federal government, then the entities would be required to reimburse the disaster contingency fund by the amount received from the federal government. The bill would also require the Governor's Division of Emergency Management (GDEM) to prescribe accounting and other procedures necessary to implement the provisions of the bill. Money in the disaster contingency fund may be used to pay for a disaster risk financing instrument to leverage available funds and receive proceeds greater than appropriated amounts to pay for extraordinary expenses. Money in the fund also may be used to provide local matching funds for Federal Emergency Management Agency projects or for preventing default on outstanding bonds or meeting other financial requirements.

Due to the unknown nature of any future disaster, the bill could have an indeterminate fiscal impact to the state.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2009.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 405 Department of Public Safety

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