

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 23, 2015

TO: Honorable Larry Phillips, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2376 by Turner, Sylvester (Relating to the creation and administration of a disaster recovery fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2376, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

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

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Volunteer Fire Dept Assistance</i> 5064	Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated</i>
2016	(\$30,000,000)	\$30,000,000
2017	\$0	\$0
2018	\$0	\$0
2019	\$0	\$0
2020	\$0	\$0

Fiscal Analysis

This bill implements recommendations from the Texas State Government Effectiveness and Efficiency Report (January 2015). It would amend the Government Code to establish a disaster recovery fund account. The Texas Division of Emergency Management (TDEM) at the Texas Department of Public Safety (DPS) would administer the account. Funds from the account may be

used for grants to state and local entities and volunteer fire departments in an area where the governor declares a state of disaster. Grants may be used for 1) the nonfederal match for Federal Emergency Management Agency qualifying projects; 2) a disaster recovery project; and 3) reimbursing employee costs related to disaster recovery. The bill would create an application process for entities to receive grants and specifies information to be collected that TDEM may use to evaluate applications.

The bill would direct the Comptroller of Public Accounts (CPA) to transfer \$30 million from the Volunteer Fire Department Assistance Fund, General Revenue-Dedicated Account 5064, to the new disaster recovery fund account created by the bill. According to CPA, the fund transfer authorized by this bill would have no effect on the state's cash flow.

The bill would take effect September 1, 2015 or immediately, if it receives a two-thirds vote of all members elected to each house.

Methodology

Based on the Legislative Budget Board's analysis of DPS, duties and responsibilities associated with implementing the bill could be accomplished by utilizing existing resources.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

If a local government receives a grant from the disaster recovery fund, the state assistance would help alleviate the fiscal burden on the local government and would provide a cost savings to them. Otherwise, no significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety

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