

Amend CSSB 6 (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

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

SUBCHAPTER C-1. DISASTER RECOVERY LOAN PROGRAM

Sec. 418.061. DEFINITIONS. In this subchapter:

(1) "Account" means the disaster recovery loan account created under Section 418.066.

(2) "Eligible political subdivision" means a county, municipality, or school district that meets the qualifications prescribed by Section 418.062.

Sec. 418.062. ELIGIBILITY FOR LOAN. A political subdivision may apply to the division for a loan under this subchapter if:

(1) the political subdivision:

(A) is located wholly or partly in an area declared to be a disaster area by the governor or the president of the United States; and

(B) before applying to the division for a loan under this subchapter:

(i) has submitted to the division, within 15 days of the date of its adoption by the governing body of the political subdivision, the political subdivision's operating budget for the most recent fiscal year; and

(ii) has submitted an application for a loan from the Federal Emergency Management Agency's community disaster loan program;

(2) an assessment of damages due to the disaster for which the declaration was made has been conducted in the political subdivision; and

(3) the division, in consultation with the Federal Emergency Management Agency, determines that the estimated cost to rebuild the political subdivision's infrastructure damaged in the disaster is greater than 50 percent of the political subdivision's total revenue for the current year as shown in the most recent operating budget of the political subdivision submitted to the

division under this section.

Sec. 418.063. DISASTER RECOVERY LOAN PROGRAM. The division by rule shall establish a loan program to use money from the account to provide short-term loans for disaster recovery projects to eligible political subdivisions.

Sec. 418.064. LOANS. (a) A loan made from the account must be subject to the following conditions:

(1) the loan must be made at or below market interest rates for a term not to exceed 10 years; and

(2) the loan proceeds must be expended by the eligible political subdivision solely for disaster recovery projects.

(b) The comptroller shall credit to the account all principal and interest payments on a loan from the account.

(c) If the term of a loan from the account exceeds two years, the state auditor shall, on the second anniversary of the date on which the eligible political subdivision received the loan, conduct a limited audit of the political subdivision to determine whether the political subdivision has the ability to repay the loan under the terms of the loan. The division may forgive a loan made to an eligible political subdivision if the state auditor determines that the political subdivision is unable to repay the loan. The state auditor's participation under this subsection is subject to approval by the legislative audit committee for inclusion in the audit plan under Section 321.013(c).

Sec. 418.065. APPLICATION FOR LOAN. The division shall develop and implement an application process for a loan under this subchapter. At a minimum, the application must include:

(1) a description of the disaster recovery project for which the applicant is requesting the loan;

(2) an estimate of the total cost of the project;

(3) a statement of the amount of federal money that the applicant will receive for the project, or, if that information is not available on the date the applicant submits the application, an estimate of the amount of that money; and

(4) evidence that the applicant has staff, policies, and procedures in place adequate to complete the project.

Sec. 418.066. CREATION OF ACCOUNT. (a) The disaster

recovery loan account is created as an account in the general revenue fund with the comptroller, to be administered by the division.

(b) Money in the account may be used only to provide short-term loans to eligible political subdivisions in the manner provided by this subchapter.

(c) The account consists of:

(1) money appropriated, credited, or transferred to the account by the legislature;

(2) money received by the comptroller for the repayment of a loan made from the account;

(3) gifts or grants contributed to the account; and

(4) interest earned on deposits and investments of the account.

Sec. 418.067. RULES. The division shall adopt rules to implement and administer this subchapter. The rules adopted by the division to implement this subchapter must include the development of a form on which a political subdivision may electronically submit its budget to the division.

SECTION _____. The amount of \$60 million is appropriated from the general revenue fund to the disaster recovery loan account for the state fiscal biennium ending August 31, 2021, for the purpose of providing short-term loans to political subdivisions affected by a disaster in the manner provided by Subchapter C-1, Chapter 418, Government Code, as added by this Act.