

By: Murphy

H.B. No. 1917

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the disaster response loan fund and the permissible uses of that fund; making an appropriation; authorizing a fee.

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

SECTION 1. Chapter 403, Government Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. DISASTER RESPONSE LOAN FUND

Sec. 403.501. DEFINITION. In this subchapter, "fund" means the disaster response loan fund.

Sec. 403.502. CREATION OF FUND. (a) The disaster response loan fund is created as a fund outside the state treasury with the comptroller, to be administered by the comptroller.

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

(c) The fund consists of:

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

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

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

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

1       Sec. 403.503. USE OF MONEY IN FUND. The comptroller by rule  
2 shall establish a loan program to use money from the fund to provide  
3 short-term loans for disaster relief or recovery projects to  
4 political subdivisions that are located wholly or partly in an area  
5 declared by the governor to be a disaster area and that the Federal  
6 Emergency Management Agency has determined are eligible to receive  
7 financial assistance from the agency in response to the disaster.

8       Sec. 403.504. LOANS FROM FUND. (a) A loan made from the  
9 fund must be subject to the following conditions:

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

12           (2) the loan proceeds must be expended solely for  
13 disaster relief and recovery.

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

16           (c) The comptroller shall suspend the award of loans from  
17 the fund for the duration of a period during which the balance of  
18 the fund is less than an amount equal to 75 percent of the total  
19 balance of the fund on September 1, 2019. This subsection expires  
20 August 31, 2020.

21           (d) The comptroller may not award a loan under this  
22 subchapter if the award would affect the political subdivision's  
23 receipt of federal money to which the political subdivision is  
24 eligible as a result of the disaster.

25       Sec. 403.505. APPLICATION FOR LOAN. (a) The comptroller  
26 and the General Land Office shall jointly develop and implement an  
27 application process for a loan under this subchapter. At a minimum,

1 the application must include:

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

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

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

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

11 (b) The comptroller may charge the applicant a fee  
12 sufficient to cover the costs of processing the application.

13 Sec. 403.506. REPORT. Not later than December 31 of each  
14 even-numbered year, the comptroller shall prepare and submit to the  
15 governor, lieutenant governor, and each member of the legislature a  
16 report that includes:

17 (1) the total amount of loans made from the fund during  
18 the preceding two-year period;

19 (2) a summary of the disaster relief and recovery  
20 projects for which the loans were made; and

21 (3) the total balance of the fund as of the date on  
22 which the report is submitted.

23 SECTION 2. (a) The amount of \$1 billion is appropriated  
24 from the economic stabilization fund to the comptroller for the  
25 purpose of transferring that amount immediately to the credit of  
26 the disaster response loan fund, as created by this Act.

27 (b) This section takes effect only if this Act is approved

H.B. No. 1917

1 by a vote of two-thirds of the members present in each house of the  
2 legislature, as provided by Section 49-g(m), Article III, Texas  
3 Constitution.

4 SECTION 3. Except as otherwise provided by this Act, this  
5 Act takes effect September 1, 2019.