

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 22, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SB6 by Kolkhorst (Relating to emergency and disaster management, response, and recovery.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB6, As Passed 2nd House: a negative impact of (\$60,000,000) through the biennium ending August 31, 2021.

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
2020	(\$30,000,000)
2021	(\$30,000,000)
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from New General Revenue Dedicated
2020	(\$30,000,000)	\$30,000,000
2021	(\$30,000,000)	\$30,000,000
2022		\$0
2023		
2024		

Fiscal Analysis

The bill would amend statute to require the Texas Division of Emergency Management (TDEM) to develop guides, plans, and training for disaster response and recovery. The bill would also

establish a wet debris study group and an emergency management work group, and require a study.

The bill would amend statute and create a disaster recovery loan program, established by the Texas Emergency Management Division (TDEM) of the Department of Public Safety. The loan would provide short-term loans for disaster recovery projects to eligible political subdivisions, subject to certain provisions in the bill.

The new account, the Disaster Recovery Loan Account, would consist of: money appropriated, created or transferred by the Legislature; money received by the Comptroller for the repayment of loans made from the account; and interest earned on deposits and investments of the account.

The bill would appropriate \$60.0 million from the General Revenue Fund to the newly created Disaster Recovery Loan Account in the 2020-21 biennium.

According to the State Auditor's Office (SAO), to complete the work described by this legislation, in accordance with Section 321.013, Government Code, all additional duties and responsibilities prescribed by the legislation would be proposed in the SAO's annual audit plan submitted to the Legislative Audit Committee. This scope of work is estimated to require 3,500 audit hours to complete at a cost of \$325,500 using the SAO's standard billing rate. It is assumed that the SAO could perform duties described by this bill using existing resources.

The State Auditor's participation is subject to approval by the Legislative Audit Committee for inclusion in the audit plan.

The bill would take effect September, 1, 2019.

Methodology

According to analysis by the Comptroller of Public Accounts, \$60.0 million in the General Revenue Fund would be appropriated to the newly created General Revenue Dedicated Account - Disaster Recovery Loan Account. This analysis assumes that the appropriation would be made in equal amounts for two fiscal years.

Local Government Impact

According to the Texas Association of Counties, the bill would provide long-term benefits to counties affected by future disasters, but the extent of the benefit to specific counties cannot be determined at this time.

Source Agencies: 405 Department of Public Safety, 529 Health and Human Services Commission, 582 Commission on Environmental Quality, 712 Texas A&M Engineering Experiment Station

LBB Staff: WP, SMi, LBO, AI, SZ, SD