

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 25, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The Texas Division of Emergency Management is required to implement provisions of the bill relating to the Disaster Recovery Loan Program, as added by the bill, only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the division may, but is not required to, implement those provisions using other appropriations available for that purpose.

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.

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.

This legislation 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

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, LBO, CMa, SMi, AI, SZ, SD