

By: Darby

H.B. No. 66

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the disaster relief and prevention matching grant and loan program and the disaster relief and prevention account.

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

SECTION 1. Chapter 418, Government Code, is amended by adding Subchapter D-2 to read as follows:

SUBCHAPTER D-2. TEXAS DISASTER RELIEF AND PREVENTION MATCHING GRANT AND LOAN PROGRAM

Sec. 418.091. DEFINITIONS. In this subchapter:

(1) "Account" means the disaster relief and prevention account created under Section 418.097.

(2) "Administration" means the United States Small Business Administration.

(3) "Agency" means the Federal Emergency Management Agency.

(4) "Disaster area" means an area of this state that has been declared to be a disaster area by the governor.

Sec. 418.092. ESTABLISHMENT OF PROGRAM; RULES. (a) The division shall establish a program that uses money from the account to provide matching grants and loans to eligible individuals and entities for the purposes of providing disaster relief and preventing future disasters.

(b) The division may adopt rules as necessary to implement

and administer this subchapter.

Sec. 418.093. MATCHING GRANTS. (a) The division may use money in the account to provide matching grants to political subdivisions and businesses that are eligible under Subsection (b) for:

(1) disaster recovery and remediation; and
(2) construction of infrastructure to mitigate the effects of future disasters.

(b) A political subdivision or business may apply to the division for a matching grant under this subchapter if:

(1) the political subdivision or business is located wholly or partly in an area declared to be a disaster area; and

(2) the political subdivision or business is eligible for:

(A) assistance under the agency's public assistance program; or

(B) a disaster loan from the administration.

Sec. 418.094. LOANS. (a) The division may use money in the account to provide loans to:

(1) political subdivisions and businesses that are eligible under Subsection (b) for:

(A) disaster recovery and remediation; and

(B) construction of infrastructure to mitigate the effects of future disasters; and

(2) individuals who are eligible under Subsection (c) for:

(A) the repair or rebuilding of a residence owned

1 by the individual and damaged by a disaster; and

2 (B) additional improvements to the residence
3 described by Paragraph (A) to mitigate the effects of future
4 disasters.

5 (b) A political subdivision or business that is located
6 wholly or partly in an area declared to be a disaster area may apply
7 to the division for a loan under this subchapter if the political
8 subdivision or business is eligible for:

9 (1) assistance under the agency's public assistance
10 program; or

11 (2) a disaster loan from the administration.

12 (c) An individual who owns a residence located wholly or
13 partly in an area declared to be a disaster area may apply to the
14 division for a loan under this subchapter if the individual is
15 eligible for assistance under the agency's public assistance
16 program for the residence.

17 Sec. 418.095. APPLICATION FOR MATCHING GRANT OR LOAN. (a)
18 The division shall develop and implement an application process for
19 a matching grant or loan under this subchapter.

20 (b) The application process developed by the division must
21 require an applicant to provide:

22 (1) a description of the disaster that is the basis for
23 the application;

24 (2) a description of the disaster recovery and
25 remediation project, mitigating infrastructure, or repairs and
26 improvements to a residence, as applicable, for which the applicant
27 intends to use the proceeds of the matching grant or loan;

1 (3) documentation demonstrating the estimated cost of
2 each item or project described by Subdivision (2);

3 (4) evidence that the applicant meets the eligibility
4 requirements under Section 418.093 or 418.094, as applicable;

5 (5) if the application is for a matching grant,
6 evidence that the applicant has the ability to provide the required
7 matching funds; and

8 (6) if the application is for a loan, evidence that the
9 applicant has the ability to repay the loan.

10 (c) The division shall develop and make available on its
11 publicly available Internet website an electronic form an applicant
12 may use to apply for a matching grant or loan under this subchapter.

13 Sec. 418.096. USE OF MATCHING GRANT OR LOAN PROCEEDS;
14 TERMS. (a) A matching grant or loan provided under this subchapter
15 may only be used for a purpose authorized under this subchapter and
16 as authorized by division rule.

17 (b) A loan under this subchapter must be made at or below
18 market interest rates for a term not to exceed 10 years.

19 (c) The division shall enter into a written agreement with
20 the recipient of a matching grant or loan under this subchapter.
21 The agreement must give the division the authority to audit the
22 individual or entity receiving the matching grant or loan to ensure
23 the money is used in compliance with this subchapter.

24 Sec. 418.097. CREATION OF ACCOUNT; GIFTS, GRANTS, AND
25 DONATIONS. (a) The disaster relief and prevention account is
26 created as an account in the general revenue fund with the
27 comptroller, to be administered by the division.

1 (b) The account consists of:

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

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

6 (3) gifts, grants, or other donations made to the
7 division for deposit to the account.

8 (c) Money in the account may be appropriated to the division
9 only for a purpose described by this subchapter.

10 (d) The division may solicit or accept gifts, grants, and
11 donations of money from any source for purposes of this subchapter.

12 SECTION 2. As soon as practicable after the effective date
13 of this Act, the Texas Division of Emergency Management shall:

14 (1) establish the matching grant and loan program
15 required by Subchapter D-2, Chapter 418, Government Code, as added
16 by this Act; and

17 (2) adopt the rules necessary to implement and
18 administer the matching grant and loan program.

19 SECTION 3. This Act takes effect on the 91st day after the
20 last day of the legislative session.