

## **BILL ANALYSIS**

H.B. 1576  
By: Oliverson  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee that Texas has faced a volatile property and casualty insurance market over the past two years, with rising premiums placing an increasingly unsustainable financial burden on homeowners. According to the Office of Public Insurance Counsel, these rising premiums are the result of a combination of severe weather events, an increase in catastrophic losses, inflation in repair and labor costs, and challenges within the insurance industry itself. The bill author has further informed the committee that, while some proposed solutions have focused on artificially capping or setting rates, as in California, such measures have been ineffective; however, other states have taken different approaches in driving down home insurance premiums, and in 2011, Alabama created a grant fund to help homeowners retrofit their homes to withstand severe weather. H.B. 1576 seeks to offer a similar program as a proactive, long-term solution to rising home insurance premiums by creating a grant program under the Texas Department of Insurance that aims to help Texans strengthen their homes against hurricanes and windstorms.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 1576 amends the Insurance Code to require the commissioner of insurance to establish the hurricane and windstorm loss prevention grant program to provide grants to retrofit eligible residential property to resist hurricane and windstorm losses. The bill establishes that an owner of residential property may apply for a grant under the program under the following conditions:

- the property to be retrofitted is a single-family home or HUD-code manufactured home, as defined by the Texas Manufactured Housing Standards Act, and the owner's residence homestead, as defined by applicable Property Tax Code provisions; and
- the owner and the property meet other eligibility requirements for the program prescribed by commissioner rule.

The bill authorizes the commissioner to adopt rules necessary to implement the bill's provisions. The bill expressly does not create an entitlement for property owners or obligate the state to fund the inspection or retrofitting of residential property in Texas.

H.B. 1576 authorizes the commissioner to award grants under the program to eligible applicants to ensure the state purpose of protecting public safety during a hurricane or windstorm is achieved. The commissioner may award a grant only under a contract between the Texas

Department of Insurance (TDI) and a grant recipient that includes provisions under which TDI is given sufficient control to ensure the state purpose is accomplished and Texas receives the return benefit.

H.B. 1576 restricts the use of the grant to retrofitting property that is the subject of the grant to one of the following:

- the fortified home hurricane standard or fortified home high wind and hail standard adopted by the Institute for Business and Home Safety; or
- another mitigation program, construction technique, or standardized code that may be submitted by an insurer and approved by the commissioner.

A property that is a HUD-code manufactured home in wind zone III as designated by the U.S. Department of Housing and Urban Development must be retrofitted to the fortified home hurricane manufactured/modular home guidelines adopted by the Institute for Business and Home Safety.

H.B. 1576 requires the recipient of a grant to secure all required local permits and inspections for a retrofitting project to be performed using the grant and ensure that the project is performed in accordance with local building codes. The bill authorizes TDI or a political subdivision in which property for which a grant is awarded is located to inspect the property at any time during the progress of or following completion of the retrofitting project for compliance with laws applicable to the project.

H.B. 1576 establishes that the hurricane and windstorm mitigation account is a dedicated account in the general revenue fund. Money in the account may be appropriated only to TDI and only for the purpose of implementing the program. The account is composed of gifts, grants, donations, and legislative appropriations, and interest earned on the investment of money in the account. The bill excepts the account from statutory provisions relating to the reallocation of accrued interest on certain dedicated revenue. The bill establishes that TDI administers the account and authorizes TDI to solicit and receive gifts, grants, and donations from any source for the benefit of the account.

H.B. 1576 authorizes the commissioner to make grants or funding available through the program to a nonprofit organization for use by the organization to retrofit eligible property in the manner required by the bill's provisions. The bill requires a nonprofit organization that received a grant or funding under the program to administer the grant or funding in the same manner as the program is required to administer grants or funding and to provide any documentation requested by TDI in a timely manner.

#### **EFFECTIVE DATE**

September 1, 2025.