By:  Oliverson, et al. H.B. No. 1576

A BILL TO BE ENTITLED

AN ACT

relating to a grant program for hurricane and windstorm loss mitigation for single-family residential property.

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

SECTION 1.  Subtitle A, Title 10, Insurance Code, is amended by adding Chapter 1813 to read as follows:

CHAPTER 1813. GRANT PROGRAM FOR HURRICANE AND WINDSTORM LOSS MITIGATION FOR SINGLE-FAMILY RESIDENTIAL PROPERTY

Sec. 1813.001.  DEFINITION. In this chapter, "program" means the hurricane and windstorm loss prevention grant program established under this chapter.

Sec. 1813.002.  CONSTRUCTION OF CHAPTER. This chapter does not create an entitlement for property owners or obligate the state to fund the inspection or retrofitting of residential property in this state.

Sec. 1813.003.  RULEMAKING. The commissioner may adopt rules necessary to implement this chapter.

Sec. 1813.004.  ESTABLISHMENT OF PROGRAM. The commissioner shall establish the hurricane and windstorm loss prevention grant program to provide grants to retrofit eligible residential property to resist hurricane and windstorm losses.

Sec. 1813.005.  ELIGIBILITY. An owner of residential property may apply for a grant under the program if:

(1)  the property to be retrofitted is:

(A)  a single-family home or HUD-code manufactured home, as defined by Section 1201.003, Occupations Code; and

(B)  the owner's residence homestead, as defined by Section 11.13, Tax Code; and

(2)  the owner and the property meet other eligibility requirements for the program prescribed by commissioner rule.

Sec. 1813.006.  AWARD OF GRANTS. The commissioner may 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 only award a grant under a contract between the department and a grant recipient that includes provisions under which the department is given sufficient control to ensure the state purpose is accomplished and the state receives the return benefit.

Sec. 1813.007.  USE OF GRANT. (a) A grant under the program must be used to retrofit the property that is the subject of the grant to one of the following:

(1)  the fortified home hurricane standard or fortified home high wind and hail standard adopted by the Institute for Business and Home Safety; or

(2)  another mitigation program, construction technique, or standardized code that is:

(A)  submitted by an insurer or other entity and approved by the commissioner; or

(B)  adopted by the commissioner on the commissioner's own initiative.

(b)  A property that is a HUD-code manufactured home, as defined by Section 1201.003, Occupations Code, in wind zone II as designated by the United States 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.

Sec. 1813.008.  PERMITTING AND INSPECTIONS. (a) The recipient of a grant under this chapter shall 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.

(b)  The department or a political subdivision in which property for which a grant is awarded is located may 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.

Sec. 1813.009.  HURRICANE AND WINDSTORM MITIGATION ACCOUNT. (a) The hurricane and windstorm mitigation account is a dedicated account in the general revenue fund. Money in the account may be appropriated only to the department and only for the purpose of implementing the program.

(b)  The account is composed of:

(1)  gifts, grants, donations, and legislative appropriations; and

(2)  interest earned on the investment of money in the account.

(c)  Section 403.0956, Government Code, does not apply to the account.

(d)  The department administers the account. The department may solicit and receive gifts, grants, and donations from any source for the benefit of the account.

Sec. 1813.010.  NONPROFIT ADMINISTRATION. (a) The commissioner may 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 this chapter.

(b)  A nonprofit organization that received a grant or funding under this section must administer the grant or funding in the same manner as the program is required to administer grants or funding. The organization shall provide any documentation requested by the department in a timely manner.

Sec. 1813.011.  MANDATORY DISCOUNT OR RATE REDUCTION. (a) This section applies to each insurer authorized to engage in the business of residential property insurance or residential fire and allied lines insurance in this state, including a capital stock insurance company, mutual insurance company, county mutual insurance company, Lloyd's plan, and reciprocal or interinsurance exchange.

(b)  This section does not apply to:

(1)  the Texas Windstorm Insurance Association; or

(2)  a commercial insurance policy.

(c)  An insurer offering a policy of insurance described by Subsection (a) shall provide an actuarially justified premium discount or rate reduction for property that has been certified as complying with the eligibility standards for the grant program established under Section 1813.004 and any related inspection or certification requirements. An insurer may require reasonable evidence of eligibility, inspection, and certification.

(d)  The commissioner may adopt rules necessary to implement this section. A standard discount amount, target, or benchmark established under such rules shall be optional and primarily for the benefit of insurers that are unable to obtain actuarially valid data to provide a premium discount or rate reduction under Subsection (c) due to inadequate resources or experience.

SECTION 2.  (a) The Texas Department of Insurance shall implement Chapter 1813, Insurance Code, as added by this Act, and an insurer is required to comply with Section 1813.011, Insurance Code, as added by this Act, only if the legislature appropriates money specifically for issuing grants under that chapter.

(b)  Section 1813.011, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after September 1, 2026.

(c)  An insurer that, immediately before September 1, 2026, offers an actuarially justified premium discount or rate reduction as described by Section 1813.011(c), Insurance Code, as added by this Act, and continues to offer the discount or rate reduction on and after September 1, 2026, is not required to offer an additional discount under Section 1813.011, Insurance Code, as added by this Act.

SECTION 3.  This Act takes effect September 1, 2025.