

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:

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

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

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

8 Sec. 1813.006. AWARD OF GRANTS. The commissioner may award
9 grants under the program to eligible applicants to ensure the state
10 purpose of protecting public safety during a hurricane or windstorm
11 is achieved. The commissioner may only award a grant under a
12 contract between the department and a grant recipient that includes
13 provisions under which the department is given sufficient control
14 to ensure the state purpose is accomplished and the state receives
15 the return benefit.

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

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

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

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

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

1 (b) A property that is a HUD-code manufactured home, as
2 defined by Section 1201.003, Occupations Code, in wind zone II as
3 designated by the United States Department of Housing and Urban
4 Development must be retrofitted to the fortified home hurricane
5 manufactured/modular home guidelines adopted by the Institute for
6 Business and Home Safety.

7 Sec. 1813.008. PERMITTING AND INSPECTIONS. (a) The
8 recipient of a grant under this chapter shall secure all required
9 local permits and inspections for a retrofitting project to be
10 performed using the grant and ensure that the project is performed
11 in accordance with local building codes.

12 (b) The department or a political subdivision in which
13 property for which a grant is awarded is located may inspect the
14 property at any time during the progress of or following completion
15 of the retrofitting project for compliance with laws applicable to
16 the project.

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

22 (b) The account is composed of:

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

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

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

1 account.

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

5 Sec. 1813.010. NONPROFIT ADMINISTRATION. (a) The
6 commissioner may make grants or funding available through the
7 program to a nonprofit organization for use by the organization to
8 retrofit eligible property in the manner required by this chapter.

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

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

21 (b) This section does not apply to:

22 (1) the Texas Windstorm Insurance Association; or

23 (2) a commercial insurance policy.

24 (c) An insurer offering a policy of insurance described by
25 Subsection (a) shall provide an actuarially justified premium
26 discount or rate reduction for property that has been certified as
27 complying with the eligibility standards for the grant program

1 established under Section 1813.004 and any related inspection or
2 certification requirements. An insurer may require reasonable
3 evidence of eligibility, inspection, and certification.

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

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

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

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

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