

BILL ANALYSIS

Senate Research Center
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H.B. 2618
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Finance
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Engrossed

DIGEST AND PURPOSE

In 2000, there were 96 fatalities, 146 injuries, and \$925 million in property and crop damage in Texas due to severe weather. There were 51 major natural disasters declared in Texas between 1972 and 2000, more than any other state. Declared disasters are eligible for federal assistance. However, many other disasters occur in Texas that do not qualify for federal aid, and the costs of these disasters are borne by local governments and individuals. In many of these undeclared disasters, the governor does not have the authority to make grants to local government and individuals. H.B. 2618 expands the governor's authority to make grants to local governments and individuals during a disaster and creates the disaster management fund.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the governor is modified in SECTION 6 (Section 418.024, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 418.004(1), Government Code, to redefine "disaster."

SECTION 2. Amends Section 418.021, Government Code, as follows:

Sec. 418.021. New heading: FEDERAL AID. Makes a nonsubstantive change. Authorizes the governor, on the governor's determination that a situation is of such severity and magnitude that an effective response is beyond the capabilities of the state and the affected political subdivision and that federal assistance is necessary (rather than on the determination that a local government has suffered or will suffer a substantial loss of tax and other revenue from a major disaster and has demonstrated a need for financial assistance to perform its governmental functions), to request federal assistance (rather than apply to the federal government on behalf of the local government for a loan and to receive and disburse the proceeds of an approved loan) for certain purposes. Deletes existing Subsections (b) and (c).

SECTION 3. Amends Section 418.022, Government Code, as follows:

Sec. 418.022. New heading: AID FOR INDIVIDUALS AND HOUSEHOLDS. Replaces the text "or families" with "and households." Makes conforming and nonsubstantive changes. Authorizes the governor, in certain types of disasters, to make grants to meet disaster-related necessary expenses or other serious needs of individuals and households adversely affected by the disaster. Sets forth guidelines regarding a grant under this subsection. Authorizes the governor to reduce or withdraw assistance under this subsection if the grants are not used within a period established by the governor. Replaces the text "disaster contingency fund" with "disaster management fund."

SECTION 4. Amends Section 418.023, Government Code, is amended by adding Subsection (e) to authorize the governor, in certain disasters, to make funds available to the Texas Department of Mental

Health and Mental Retardation in order to provide short-term crisis counseling services.

SECTION 5. Amends Chapter 418B, Government Code, by adding Sections 418.0231 and 418.0232, as follows:

Sec. 418.0231. ASSISTANCE FOR REPAIR OR REPLACEMENT OF HIGHWAYS OR STREETS; WATER CONTROL STRUCTURES. Authorizes the governor, in certain types of disasters, to provide funds under Section 418.073 to a political subdivision for certain purposes if no other means of financial assistance is available. Authorizes the governor to withdraw assistance under this section for repair or replacement work that is performed after the first anniversary of the date on which the disaster occurred. Defines "highway or street."

Sec. 418.0232. HAZARD MITIGATION ASSISTANCE. Authorizes the governor, in certain types of disasters, to provide funds under Section 418.073 for certain purposes. Prohibits the total contribution of funds under this section from exceeding 20 percent of the estimated aggregate amount of grants made under this chapter related to that disaster. Authorizes the governor to provide funds for the costs associated with pre-disaster mitigation projects that are determined by the governor to meet certain requirements.

SECTION 6. Amends Section 418.024, Government Code, to authorize the governor to adopt rules necessary for carrying out the purposes of this chapter, including certain specific rules.

SECTION 7. Amends Section 418.045, Government Code, to make a conforming change.

SECTION 8. Amends Chapter 418D, Government Code, by amending Section 418.073 and adding Section 418.0731, as follows:

Sec. 418.073. New heading: DISASTER MANAGEMENT FUND. (a) Provides that the disaster management fund is a trust fund established in the Texas Treasury Safekeeping Trust Company and requires the fund to be administered by that company as provided by Subchapter G, Chapter 404. Makes a nonsubstantive change.

(b) Deletes text regarding the governor finding that the demands placed on funds regularly appropriated to state and local agencies are unreasonably great for coping with a particular disaster. Authorizes the governor, with the concurrence of the disaster emergency funding board, to make funds available from the disaster management fund to provide money for emergency management and disaster relief programs the costs of which exceed the funds regularly appropriated to state and local agencies. Provides that it is the intent of the legislature that first recourse for emergency management and disaster relief be to the funds regularly appropriated to state and local agencies for those purposes.

Sec. 418.0731. USE OF FUND. Authorizes money in the disaster management fund, with an exception, to be used only for emergency management and disaster relief programs. Authorizes the governor in a fiscal year to authorize the use of money in the disaster management fund for certain purposes.

SECTION 9. Provides that, on the effective date of this Act, the disaster contingency fund account is abolished, and requires the comptroller to transfer any unencumbered amount in that account to the disaster management fund established as provided by Section 418.073, Government Code, as amended by this Act.

SECTION 10. Effective date: upon passage or September 1, 2001.