

BILL ANALYSIS

Senate Research Center
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S.B. 1652
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Finance
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DIGEST AND PURPOSE

Currently, some disasters do not qualify for federal funding for mitigation of damages and the local government has to bear the financial burden. As proposed, S.B. 1652 provides state funding for certain disasters that do not qualify for federal funding.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

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. 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, to request federal assistance to save lives, protect property, and preserve the public health and safety, lessen or avert the threat of a catastrophe, supplement the efforts of available resources of the state, the affected local government, and organized volunteer groups and provide compensation for uninsured disaster-related losses. Deletes language regarding determination of amounts and repayment.

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

Sec. 418.022. AID FOR INDIVIDUALS AND HOUSEHOLDS. (a) Provides that on the governor's determination that financial assistance is essential to meet disaster-related necessary expenses or serious needs of individuals and households, rather than families, adversely affected by a major disaster that cannot be otherwise adequately met from other means of assistance, the governor may accept a grant by the federal government to fund the financial assistance, subject to the terms and conditions imposed on the grant.

(b) Makes a conforming change.

(c) Authorizes the governor, in a disaster that is not declared by the president of the United States or a disaster that is declared by the president of the United States but in which assistance to individuals and households is not granted and in which the governor determines that disaster relief will not be sufficient to address serious needs of the victims of the disaster, to make grants to meet disaster-related necessary expenses or other serious needs of individuals and households adversely affected by the disaster. Provides that a grant under this subsection is limited to financial assistance for housing repairs, repair or replacement of personal property, transportation expenses, and

funeral, dental, medical, and other analogous expenses considered necessary to meet a serious need. Authorizes the governor to reduce or withdraw assistance under this subsection if the grants are not used within a period established by the governor.

(d) Makes conforming changes.

(e) Authorizes the governor, in a disaster that is not declared by the president of the United States or a disaster that is declared by the president of the United States but in which public assistance is not granted, to make funds available to the Texas Department of Mental Health and Mental Retardation for short-term crisis counseling services if the governor determines that disaster relief will not be sufficient to address the mental health needs of affected individuals.

SECTION 4. Amends Section 418.023, Government Code, adding Subsection (e), to authorize the governor, in a disaster that is not declared by the president of the United States or a disaster that is declared by the president of the United States but in which public assistance is not granted, to provide funds under Section 418.0731 to a political subdivision for expenses incurred by the political subdivision in the clearance, removal, and disposal of debris.

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. (a) Authorizes the governor, in a disaster that is not declared by the president of the United States or a disaster that is declared by the president of the United States but in which public assistance is not granted, to provide funds under Section 418.0731 to a political subdivision for expenses incurred by the political subdivision in the repair or replacement of a damaged highway or street or water control structure if no other means of financial assistance is available.

(b) 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.

(c) Defines "highway or street."

Sec. 418.0232. HAZARD MITIGATION ASSISTANCE. (a) Authorizes the governor, in a disaster that is not declared by the president of the United States or a disaster that is declared by the president of the United States but in which hazard mitigation assistance is not granted, to provide funds under Section 418.0731 for the cost of hazard mitigation measures that are determined by the governor to be cost-effective and substantially reduce the risk of future damage, loss, or suffering in any area affected by the disaster.

(b) Provides that the total contribution of funds under Subsection (a) may not exceed 20 percent of the estimated aggregate amount of grants made under this chapter related to that disaster.

(c) Authorizes the governor to provide funds for the costs associated with pre-disaster mitigation projects that are determined by the governor to be cost-effective and substantially reduce the risk of damage, loss, or suffering in an area of the state at risk from future disasters.

SECTION 6. Amends Section 418.024, Government Code, to make nonsubstantive and conforming changes.

SECTION 7. Amends Section 418.045, Government Code, authorizing the division of emergency management in the office of the governor to employ or contract with temporary personnel from funds appropriated to the division, from federal funds, or from the disaster management, rather than contingency, fund.

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 it to be administered by that company as provided by Chapter 404G. Provides that the fund consists of money collected under Chapter 18, Utilities Code, and any additional money appropriated to the fund.

(b) 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. (a) Provides that except as provided by Subsection (b), money in the disaster management fund may be used only for emergency management and disaster relief programs.

(b) Prescribes the amount of the disaster management fund which may be authorized by the governor for use in meeting certain expenses.

SECTION 9. Amends Title 2A, Utilities Code, by adding Chapter 18, as follows:

CHAPTER 18. ASSESSMENT FOR DISASTER RELIEF

Sec. 18.001. ASSESSMENT. (a) Provides that in addition to the assessment imposed on each public utility within the commission's jurisdiction under Section 16.001, an annual assessment is imposed under this section on each electric utility and municipally owned utility serving the ultimate customer.

(b) Provides that the assessment imposed under this section is equal to one-thirtieth of one percent of the gross receipts of the utility from rates charged to ultimate consumers in this state. Requires the assessment to be deposited in the disaster management fund established under Section 418.073, Government Code.

(c) Requires the regulatory authority, notwithstanding any other provision of this title, including a provision that authorizes or requires a freeze of utility rates, to provide for the adjustment of a public or municipally owned electric utility's billings to recover the additional assessment imposed under this section and any additional taxes and fees resulting from that assessment.

(d) Requires each public utility and municipally owned electric utility to include the adjustment established under Subsection (c) in its rates but prohibits it from separately stating the additional assessment on consumers' bills.

(e) Provides that Sections 16.002 and 16.003 apply to an assessment made under this section.

Sec. 18.002. TARIFF FILING. (a) Requires each public utility and municipally owned electric utility to file a tariff with each regulatory authority that has original jurisdiction over the rates of ultimate consumers for that utility. Provides that the adjustment provision takes effect and becomes part of the utility's rates on the date on which that tariff is filed with the appropriate regulatory authority.

(b) Provides that Subchapters C, D, and E, Chapter 33, do not apply to any action taken under this chapter.

Sec. 18.003. EXCEPTION. Provides that the assessment imposed by this chapter does not apply to an investor-owned electric utility reorganized under a plan of reorganization that has been confirmed by a federal bankruptcy court if that utility cannot adjust its rates to recover the assessment.

Sec. 18.004. COLLECTION BY COMPTROLLER. Requires the comptroller to collect and deposit into the disaster management fund established under Section 418.073, Government Code, the additional assessment imposed under Section 18.001 and any fee, penalty, or interest related to that assessment.

SECTION 10. Requires 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 11. Effective date: upon passage or September 1, 2001.