

## **BILL ANALYSIS**

Senate Research Center

H.B. 4102  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas suffered numerous natural disasters over the past biennium. The disasters include Hurricanes Dolly, Gustav, and Ike, which ravaged the Texas coastline in 2008, and various wildfires and floods. The estimated total cost to state agencies and institutions of higher education from these disasters is nearly \$1.75 billion dollars; this does not include costs to local governmental entities and personal and commercial property.

H.B. 2694, 80th Legislature, Regular Session, 2007, created the Disaster Contingency Fund (DCF), a mechanism that would mitigate the delay of Federal Emergency Management Agency aid by providing financial assistance to state agencies, local governments, and other eligible entities as a supplement to federal assistance. Although the legislature successfully created DCF, they failed to fund it, thus making it useless for the emergency response.

H.B. 4102 amends current law relating to the disaster contingency fund.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Governor's Division of Emergency Management in SECTION 2 (Section 418.073, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 418.073(c), Government Code, as added by Chapter 1250 (H.B. 2694), Acts of the 80th Legislature, Regular Session, 2007, as follows:

(c) Authorizes a state or local government entity or other eligible entity that participates in disaster recovery to request and receive funding from the disaster contingency fund (fund) to pay for costs incurred in recovering from a disaster for which the presiding officer of a municipal or county government has declared a local state of disaster for affected areas within the jurisdiction of the municipality or county and the governor has also declared a state of disaster for the affected county or counties, rather than authorizes a state agency, local government, or other eligible entity to request funding from the disaster contingency to pay for extraordinary costs incurred in implementing preventive measures taken before or during an emergency, and costs incurred in repairing damage suffered during a disaster for which the presiding officer of a municipal or county government has declared a local state of disaster for affected areas within the jurisdiction of the municipality or county and the governor has also declared a state of disaster for the affected county or counties. Makes nonsubstantive changes.

SECTION 2. Amends Section 418.073, Government Code, by adding Subsections (f), (g), and (h), as follows:

(f) Requires a state or local government entity or other eligible entity that receives funding from the fund to pay for costs associated with disaster recovery and that subsequently receives reimbursement from the federal government, an insurer, or another source for those same costs to reimburse the fund for the reimbursed amounts. Requires the governor's division of emergency management, in developing rules and procedures under Subsection (d) (relating to requiring the governor's division of emergency management to administer the fund and to develop and implement certain rules and

procedures), to prescribe accounting and other procedures necessary to efficiently and effectively implement this subsection.

(g) Authorizes that money in the fund be used to pay for a disaster risk financing instrument using a parametric index based on affected population to leverage available funds and receive proceeds greater than appropriated amounts to pay for extraordinary expenses.

(h) Authorizes that money in the fund be used to provide to a local government entity that is suffering financial hardship as a result of a disaster declared under this chapter funds for the purpose of providing local matching funds for Federal Emergency Management Agency qualifying projects or preventing default on outstanding bonds or meeting other financial requirements.

SECTION 3. Effective date: upon passage or September 1, 2009.