

BILL ANALYSIS

C.S.H.B. 1917
By: Murphy
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There have been calls for the state to do more to ensure that local governments that have been affected by a disaster have adequate funding to quickly begin recovery and rebuilding efforts. C.S.H.B. 1917 seeks to answer those calls by creating the disaster response loan fund to provide short-term loans for disaster relief or recovery projects to political subdivisions located in a declared disaster area.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 1917 amends the Government Code to create the disaster response loan fund as a fund outside the state treasury with the comptroller of public accounts to be administered by the comptroller. The bill sets out the composition of the fund and restricts the use of money in the fund to providing short-term loans to political subdivisions affected by a disaster.

C.S.H.B. 1917, effective only on approval by the requisite vote, appropriates \$1 billion from the economic stabilization fund to the comptroller for the purpose of transferring that amount immediately to the credit of the disaster response loan fund.

C.S.H.B. 1917 requires the comptroller by rule to establish a loan program to use money from the fund to provide short-term loans for disaster relief or recovery projects to political subdivisions located wholly or partly in an area declared a disaster area by the governor and that FEMA has determined are eligible to receive financial assistance from FEMA in response to the disaster.

C.S.H.B. 1917 requires a loan made from the fund to be made at or below market interest rates for a term not to exceed two years and requires the loan's proceeds to be expended solely for disaster relief and recovery. The bill requires the comptroller to credit to the fund all principal and interest payments on a loan from the fund.

C.S.H.B. 1917 prohibits the comptroller from awarding a loan that would affect the political subdivision's receipt of federal money to which the political subdivision is eligible as a result of the disaster. The bill adds a temporary provision set to expire August 31, 2020, requiring the comptroller to suspend the award of loans from the fund for a period during which the fund's balance is less than an amount equal to 75 percent of the fund's total balance on September 1, 2019.

C.S.H.B. 1917 sets out provisions relating to the application process for a loan and requires the comptroller, not later than December 31 of each even-numbered year, to prepare and submit to the governor, lieutenant governor, and each member of the legislature a report containing specified information regarding the fund and associated disaster response loans.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1917 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the entity with which the comptroller is required to jointly develop and implement an application process for a disaster response loan from the General Land Office to the Texas Division of Emergency Management.