
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 16

Session of
1995

INTRODUCED BY TANGRETTI, MIHALICH, TIGUE, REBER, ROONEY,
COLAIZZO, KUKOVICH, PESCI, M. COHEN, HALUSKA, STABACK,
CAWLEY, ITKIN, LAUGHLIN, GIGLIOTTI, CURRY, TRELLO AND
YOUNGBLOOD, JANUARY 19, 1995

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY
PREPAREDNESS, JANUARY 19, 1995

AN ACT

1 Establishing the State Disaster Assistance Program to provide
2 disaster and emergency relief; further providing for the
3 powers and duties of the Pennsylvania Emergency Management
4 Agency and for the Pennsylvania Housing Finance Agency; and
5 making an appropriation.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the State
10 Disaster Assistance Program Act.

11 Section 2. Legislative intent.

12 The General Assembly finds that:

13 (1) This Commonwealth, because of its topography,
14 population areas and socioeconomic base, is susceptible to a
15 wide range of disasters and emergencies. It is in the best
16 interest of the Commonwealth to be prepared for the impact
17 these events might have on the public by having disaster and
18 emergency relief available through a Statewide loan program.

(2) Homeowners should be encouraged to secure and maintain appropriate and adequate insurance coverage against disasters and emergencies.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Agency." The Pennsylvania Housing Finance Agency.

"PEMA." The Pennsylvania Emergency Management Agency.

"Program." The State Disaster Assistance Program created under section 4.

Section 4. State Disaster Assistance Program.

The State Disaster Assistance Program is hereby created to provide disaster assistance loans to homeowners who have suffered direct financial or property loss, or both. Disaster assistance loans may be used only to repair damage or to replace essential lost or destroyed possessions. Loans shall be available only in communities where damage does not meet Federal and State requirements for disaster relief.

Section 5. Powers and duties.

(a) PEMA.--PEMA may do the following:

(1) Develop the State Disaster Assistance Program to provide assistance to homeowners who have suffered financial or property loss from a disaster or emergency. The program shall be available only in communities which do not qualify for Federal or State disaster relief.

(2) Promulgate regulations to carry out the provisions of this act relating to PEMA.

(3) Administer moneys to implement the program.

(4) Authorize the issuance of loans generally in

1 communities impacted by disaster or emergency. Authorization
2 may not be granted until after a review and approval of an
3 affected county's written request and of a detailed damage
4 survey report submitted by the governing body of the affected
5 community. Approval shall be based on the degree of damage in
6 relation to a magnitude and severity threshold established by
7 PEMA regulations.

8 (b) Agency.--The agency may:

9 (1) Make disaster assistance loans available to
10 homeowners upon approval of PEMA.

11 (2) Promulgate regulations to carry out the provisions
12 of this act relating to the agency.

13 (3) Enter into agreements with local lending
14 institutions when necessary or appropriate to administer the
15 program within a designated approved area.

16 Section 6. Request for loan authorization.

17 Each county governing body, in cooperation with the governing
18 bodies of political subdivisions affected by disaster or
19 emergency, may submit a written request to PEMA for disaster
20 assistance loans. Requests shall indicate that the disaster or
21 emergency is of such magnitude and severity that State disaster
22 assistance is necessary. In the request, the county shall:

23 (1) Furnish information on:

24 (i) The nature of the disaster.

25 (ii) The type of county resources which have been or
26 will be committed to alleviate the aftermath of the
27 disaster or emergency.

28 (iii) The amount of county resources which have been
29 or will be expended to alleviate the aftermath of the
30 disaster or emergency.

1 (iv) The type of local resources which have been or
2 will be committed to alleviate the aftermath of the
3 disaster or emergency.

4 (v) The amount of local resources which have been or
5 will be expended to alleviate the aftermath of the
6 disaster or emergency.

7 (2) Certify that county and community emergency
8 management plans are in place and have been activated in
9 response to the incident.

10 Section 7. Program eligibility.

11 (a) Damage survey report.--In order for PEMA to approve a
12 county request to authorize State disaster assistance loans, the
13 county shall submit a written, detailed damage survey report
14 that identifies, by name, address and telephone number of the
15 homeowner, each residence that has suffered uninsured loss in
16 excess of 40% of the fair market value of the property. Also,
17 the county shall provide evidence that, within that county, at
18 least five single-family primary residences or owner-occupied
19 residences in a multi-unit cooperative or condominium, or a
20 combination of both, suffered losses directly related to the
21 disaster or emergency.

22 (b) Program administration.--After review and approval of a
23 county request, PEMA shall notify the agency. The agency shall
24 then implement the loan application, review, approval and award
25 process, making use of existing resources and personnel. PEMA
26 shall transfer moneys to the agency to issue State disaster
27 assistance loans.

28 (c) Homeowner eligibility.--A homeowner who lives in an
29 approved region shall be eligible for a State disaster
30 assistance loan under the program. Loans issued under the

1 program shall be supplemental to individual homeowner insurance
2 coverage. When a homeowner's insurance does not adequately cover
3 the cost to repair property damage, the homeowner is eligible
4 under the program for a State disaster assistance loan.

5 (d) Amount of loan.--Loans shall be limited in amount to
6 provide costs necessary to make essential repairs to a
7 homeowner's property and to replace essential personal
8 possessions. Loans shall be issued only after all insurance
9 proceeds are exhausted. The amount a homeowner may borrow may
10 not exceed \$50,000.

11 (e) Interest.--Interest on State disaster assistance loans
12 shall be established by regulation. A borrower shall make
13 monthly repayments on principal and interest in accordance with
14 a schedule determined by the agency.

15 (f) Insurance requirement.--As a condition of eligibility
16 for a State disaster assistance loan, the borrower shall agree
17 to purchase and maintain insurance in the amount necessary to
18 rebuild or replace property for which a loan is awarded. This
19 shall include full protection against all hazards. Property
20 located within a designated 100-year flood plain or within a
21 flood-prone area shall be protected by flood insurance. The
22 borrower shall provide the agency with verification of
23 appropriate and adequate insurance protection each year on the
24 anniversary date of the loan. Failure to maintain this insurance
25 shall cause the loan to be declared in default.

26 (g) Limitations.--

27 (1) State disaster assistance loans shall be made
28 available only to homeowners living within a designated
29 county. Loans may not be made under this program if the
30 homeowner is eligible to receive Federal disaster assistance

1 unless that Federal disaster assistance is insufficient to
2 meet the homeowner's need for compensation or the Federal
3 disaster assistance has been exhausted.

4 (2) Eligibility under this program extends only to
5 owner-occupied primary residences.

6 (3) Loans under this program shall be used only to
7 repair damage to the owner-occupied primary residence or to
8 replace essential lost or destroyed possessions.

9 (4) Repairing or replacing damage or loss to
10 landscaping, trees, outbuildings and nonresidential
11 structures detached from the owner-occupied primary residence
12 may not be considered as compensable under the State disaster
13 assistance loan.

14 (5) Each applicant for a State disaster assistance loan
15 may receive only one loan under the program. If property for
16 which a loan was given under the program is damaged in a
17 subsequent disaster, the insurance coverage required under
18 the program shall be deemed sufficient to compensate the
19 homeowner.

20 Section 8. Appropriation.

21 (a) Amount.--The sum of \$1,000,000, or as much thereof as
22 may be necessary, is hereby appropriated to the Pennsylvania
23 Housing Finance Agency to carry out the provisions of this act.

24 (b) Restricted account.--This appropriation shall be placed
25 in a restricted account for use only for loans under the State
26 Disaster Assistance Program.

27 (c) Supplementary revenues.--Repayments made to the agency
28 by loan recipients shall be deposited into this restricted
29 account. If annual program activity requires making loans in
30 excess of moneys available in the restricted account, the

1 General Assembly may make supplemental appropriations to restore
2 the restricted account to the amount of \$1,000,000.

3 (d) Lapse of excessive amount.--Any amount in the restricted
4 account on June 30 in excess of \$1,000,000 shall revert to the
5 General Fund.

6 (e) Administrative expenses.--PEMA and the agency each may
7 use up to 10% of the fund annually for program administration,
8 training, training materials and response to disasters and
9 emergencies under this act.

10 Section 9. Report.

11 PEMA and the agency shall submit a joint annual report to the
12 General Assembly. The report shall state program activity in
13 terms of homeowners who have been assisted and amounts which
14 have been expended.

15 Section 10. Effective date.

16 This act shall take effect in 60 days.