

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 720

PRINTER'S NO. 2273

AMOUNT

\$276,000 if grant program implemented

FUND

General Fund

DATE INTRODUCED

March 20, 2013

PRIME SPONSOR

Senator Baker

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 720 amends Title 35 by adding Chapter 79, to be known as the Disaster Emergency Assistance Act. The act creates a program to provide assistance to political subdivisions and municipal authorities directly affected by natural and man-made disasters. Assistance will be limited to grants for projects which do not qualify for Federal assistance, to help repair damages to public facilities. Grants awarded through this assistance program will only be available in a disaster emergency area when a Presidential disaster declaration is not covering the area.

Subchapter B of Chapter 79 establishes the Public Disaster Assistance Grant Program, to provide grants to political subdivisions and municipal authorities for repair of disaster-related damage in a Governor-declared disaster emergency area and when the damage to public facilities is beyond the financial capabilities of the political subdivision or authority.

To be eligible for a grant under Subchapter B, the loss incurred by a political subdivision or municipal authority must not be covered by insurance.

Subchapter B also establishes the application submission and review process for this grant and requires PEMA to make an eligibility determination within 30 days.

The maximum grant amount under Subchapter B is 50% of the agency-verified adjusted loss.

Grants under this act shall be made from funds appropriated by the General Assembly for the program and from other state or federal funds the agency may receive for the program.

The uses of grant funds awarded under Subchapter B are specified:

- Repair or replacement of public facilities necessitated by disaster-related damage;
- Removal of disaster-related debris; and
- Demolition of a public facility if the facility was made unsafe by the disaster.

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No grant under this act shall be for an amount in excess of 25% of available program funds. If the amount of approved grant applications exceeds available program funds, grants shall be awarded on a pro-rata basis.

Subchapter C requires PEMA to:

- Administer this chapter;
- Promulgate any necessary regulations to implement and administer the chapter including:
 - Development of additional procedures or requirements for the submission of the grant applications;
 - Development of procedures to verify adjusted loss;
 - Development of criteria for the determination of the amount of assistance to be given to a political subdivision or municipal authority; and
 - Development of a methodology to prioritize projects based on the potential impact to the health and safety of the citizens of the affected community.

This act shall take effect immediately.

FISCAL IMPACT:

Funds for the grant program shall only be available if such funds are appropriated by the General Assembly or if other state and/or federal funds are made available to the agency for the program.

If funding is available for the grant program, the PEMA is required to administer all aspects of it. PEMA estimates its administrative and operational costs for the public disaster assistance grant program would be about \$276,000.