
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1417 Session of
2000

INTRODUCED BY SLOCUM, WENGER, CORMAN, CONTI, WHITE, DENT,
HELFRICK, MURPHY, MADIGAN, BELL, PUNT, BRIGHTBILL, JUBELIRER,
LEMOND, ROBBINS, THOMPSON, O'PAKE, MOWERY, GERLACH, HART,
BOSCOLA, RHOADES AND KASUNIC, APRIL 10, 2000

SENATE AMENDMENTS TO HOUSE AMENDMENTS, JUNE 12, 2000

AN ACT

1 Amending the act of December 13, 1999 (P.L.905, No.57), entitled
2 "An act providing for emergency drought relief, for
3 commercial orchard and fruit tree nursery indemnity, for
4 grants for flood damage and for powers and duties of the
5 Department of Agriculture; establishing the Supplemental
6 Individual Assistance Program; providing for payment of the
7 Commonwealth's share to secure individual assistance from the
8 Federal Government; and making appropriations," further
9 providing for drought relief and for appropriations. ~~and~~ <—
10 ~~establishing the Small Disaster Assistance Fund; authorizing~~
11 ~~the transfer of funds; and imposing duties on the~~
12 ~~Pennsylvania Emergency Management Agency and the Legislative~~
13 ~~Reference Bureau.~~

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. ~~The title and section 302(e)~~ SECTIONS 302(C) AND <—
17 5102(B) of the act of December 13, 1999 (P.L.905, No.57), known
18 as the Drought, Orchard and Nursery Indemnity and Flood Relief
19 Act, are amended to read:

20 ~~AN ACT~~ <—

21 ~~Providing for emergency drought relief, for commercial orchard~~
22 ~~and fruit tree nursery indemnity, for grants for flood damage~~

1 ~~and for powers and duties of the Department of Agriculture;~~
2 ~~establishing the Supplemental Individual Assistance Program;~~
3 ~~providing for payment of the Commonwealth's share to secure~~
4 ~~individual assistance from the Federal Government;~~
5 ~~establishing the Small Disaster Assistance Fund; and making~~
6 ~~appropriations.~~

7 Section 302. Drought relief.

8 * * *

9 (c) Grant criteria.--The department shall review
10 applications and award grants using [an eligible producer's
11 approved application for the Federal program or other
12 documentation from which Federal payment for eligible producers
13 will be calculated. Each eligible producer shall be eligible for
14 a grant under this chapter in an amount not to exceed 75% of the
15 grant received under the Federal program. If funds appropriated
16 under section 5102(a) are not sufficient to provide grants
17 prescribed under this chapter to all approved eligible
18 producers, grants shall be made to eligible producers] eligible
19 producers' approved applications for the Federal program from
20 which Federal payment for eligible producers is calculated.
21 Approved eligible producers shall qualify for grants under this
22 chapter in amounts which shall be determined on a pro rata basis
23 of the maximum sum appropriated under section 5102.

24 * * *

25 ~~Section 2. The act is amended by adding a chapter to read:~~ <—

26 CHAPTER 9

27 PENNCRISIS

28 Section 901. Legislative findings.

29 The General Assembly finds that many communities in this
30 Commonwealth frequently are subject to natural and manmade

~~1 disasters which cause significant damage and disruption in the
2 life of the community but which are not of sufficient magnitude
3 to qualify for Federal disaster assistance programs.~~

~~4 Nevertheless, these losses are of considerable importance to
5 those directly affected and their communities and to the health
6 and welfare of the citizens of this Commonwealth's many small
7 communities.~~

~~8 Section 902. Definitions.~~

~~9 The following words and phrases when used in this chapter
10 shall have the meanings given to them in this section unless the
11 context clearly indicates otherwise:~~

~~12 "Agency." The Pennsylvania Emergency Management Agency.~~

~~13 "Fund." The Small Disaster Assistance Fund created under
14 this chapter.~~

~~15 "Small disaster." An event which results in total uninsured
16 losses, for all individuals, businesses and municipalities, of
17 not more than \$2,000,000; which occurred after June 30, 1999;
18 and which involves:~~

~~19 (1) damage exceeding 40% of the value of a structure and
20 contents of at least five homes or two businesses;~~

~~21 (2) loss of life; or~~

~~22 (3) total estimated damages of at least \$250,000 to
23 public facilities.~~

~~24 Section 903. Small Disaster Assistance Fund.~~

~~25 (a) Fund created. There is created within the PENNCrisis
26 program a Small Disaster Assistance Fund to assist the victims
27 of natural and manmade disasters with low interest loans and
28 grants. Assistance shall not be available to a person that owns
29 property within a 100 year flood plain and that does not have
30 flood insurance. All loan repayments shall be placed in the fund~~

1 ~~to be used for the purposes of this act.~~

2 ~~(b) Coordination and administration of fund. All field and~~
3 ~~other activities of the fund shall be coordinated by the agency,~~
4 ~~including budgetary allocations from the PENNCrisis Fund to the~~
5 ~~various objects of PENNCrisis and reports to the General~~
6 ~~Assembly on program performance and needs. Final authority on~~
7 ~~all individual requests for assistance from the fund shall rest~~
8 ~~with the administering agencies. Program elements of the fund~~
9 ~~shall be administered as follows:~~

10 ~~(1) For residential housing needs, the Pennsylvania~~
11 ~~Housing Finance Agency.~~

12 ~~(2) For residential contents and vehicles, the~~
13 ~~Department of Public Welfare.~~

14 ~~(3) For business and municipal programs, the Department~~
15 ~~of Community and Economic Development.~~

16 ~~(c) Small disaster declarations. A county emergency~~
17 ~~management director may petition the agency for a declaration of~~
18 ~~a small disaster. The agency's determination on the petition~~
19 ~~shall be deemed a final order, subject to review under 2 Pa.C.S.~~
20 ~~Ch. 7 Subch. A (relating to judicial review of Commonwealth~~
21 ~~agency action).~~

22 ~~Section 904. Low interest loans to small disaster victims.~~

23 ~~All loans shall bear interest for the entire term at a rate~~
24 ~~no greater than the annual cost of living in the year in which~~
25 ~~the loan is granted. Interest rates shall be reviewed by the~~
26 ~~administering agency at the beginning of each fiscal year based~~
27 ~~on guidance from the Office of the Budget and adjusted in~~
28 ~~accordance with the prior year's cost of living. All loans shall~~
29 ~~cover only that portion of loss not covered by insurance. Loans~~
30 ~~to businesses and residential loans shall be extended to~~

1 ~~incorporate existing debt on the real property and contents.~~

2 ~~Section 905. Business and municipal loans.~~

3 ~~(a) Business loans.~~

4 ~~(1) Loans to businesses and municipalities shall be for~~
5 ~~a term of no more than 15 years, except where the term is~~
6 ~~extended by hardship suspensions of payments. Business loans~~
7 ~~shall be secured by a mortgage on real property of the~~
8 ~~business or other suitable collateral.~~

9 ~~(2) Business loans may be used to repair or replace all~~
10 ~~of the following when lost or seriously damaged due to a~~
11 ~~small disaster:~~

12 ~~(i) Fixed equipment.~~

13 ~~(ii) Major moveable equipment.~~

14 ~~(iii) Furnishings.~~

15 ~~(iv) Real property.~~

16 ~~(v) Leasehold improvements.~~

17 ~~(vi) Inventory, if it can be shown that an insurance~~
18 ~~policy at a reasonable premium in relation to value was~~
19 ~~not available to replace the inventory.~~

20 ~~(3) At the discretion of the Department of Community and~~
21 ~~Economic Development, individual business loans may be~~
22 ~~increased up to 150% of eligible repair or replacement costs~~
23 ~~to assist in business retention and recovery. The sum of all~~
24 ~~business loans may not exceed more than one half of all funds~~
25 ~~available for expenditure in the PENNCrisis fund in any~~
26 ~~fiscal year.~~

27 ~~(b) Municipal loans. Municipal and county loans may be used~~
28 ~~for repairing or replacing all of the following when lost or~~
29 ~~seriously damaged due to a small disaster:~~

30 ~~(1) Buildings.~~

1 ~~(2) Major equipment other than vehicles, plows, backhoes~~
2 ~~and similar gasoline or diesel powered mobile machinery.~~

3 ~~(3) Office machines.~~

4 ~~(4) Streets.~~

5 ~~(5) Water and sewer lines.~~

6 ~~(6) Recreational facilities.~~

7 ~~Section 906. Residential loans.~~

8 ~~(a) General rule. Residential loans may be made only for~~
9 ~~the replacement or repair of the structure of a primary~~
10 ~~residence and must be secured by a mortgage on the real property~~
11 ~~that is the subject of the loan. Tenants who have been forced~~
12 ~~from a primary rental residence by a small disaster are eligible~~
13 ~~for loans to purchase a home approximately equivalent to their~~
14 ~~prior residence in size but no smaller than 400 square feet per~~
15 ~~individual of interior living space.~~

16 ~~(b) Exception. Repairs to landscaping, ponds, pools and~~
17 ~~outbuildings are not eligible for PENNCrisis funding, except to~~
18 ~~respond to serious hazards resulting from small disaster damage.~~

19 ~~Section 907. Grants to small disaster victims.~~

20 ~~(a) Residential loans. Persons, including tenants, who have~~
21 ~~lost clothing, furniture, appliances, furnaces, hot water~~
22 ~~heaters or other contents of their primary residences as the~~
23 ~~result of a small disaster shall be eligible for low interest~~
24 ~~loans not to exceed \$7,500 per person in multiperson households~~
25 ~~and not to exceed \$15,000 in single person households. The total~~
26 ~~amount per household shall not exceed \$25,000. The interest rate~~
27 ~~for such loans shall be the current cost of living in the year~~
28 ~~of the event.~~

29 ~~(b) Residential grants. In the event that individual~~
30 ~~financial circumstances indicate that a person incurring losses~~

1 ~~described in subsection (a) does not reasonably have the ability~~
2 ~~to repay such additional indebtedness, the administering agency~~
3 ~~may convert some or all of the amounts permitted by subsection~~
4 ~~(a) to grants.~~

5 ~~(c) Excess loans. For documentable losses exceeding the~~
6 ~~amounts specified in subsection (a), the administering agency~~
7 ~~may make loans to individuals at an interest rate twice the~~
8 ~~current cost of living.~~

9 ~~(d) Contents limitations. Loans and grants for contents~~
10 ~~under this section shall not exceed one third of estimated~~
11 ~~market value of the residence prior to the small disaster.~~

12 ~~(e) Exclusions. Personal items eligible for residential~~
13 ~~grants and loans shall not include jewelry or other luxury items~~
14 ~~and sporting equipment.~~

15 ~~Section 908. Small disaster mitigation loans and grants.~~

16 ~~(a) General rule. Municipalities affected by a small~~
17 ~~disaster may apply for loans and grants to rectify conditions or~~
18 ~~inadequate public facilities that led directly to the small~~
19 ~~disaster or contributed substantially to its occurrence or the~~
20 ~~inability of local officials to bring the damage under control.~~
21 ~~Subjects of such assistance shall include, but are not limited~~
22 ~~to, the following:~~

23 ~~(1) Missing or inadequate storm sewers or other water~~
24 ~~management structures, including work within stream channels.~~

25 ~~(2) Inadequate fire hydrants or related water lines.~~

26 ~~(3) Watershed plans.~~

27 ~~(4) Engineering studies and designs necessary to effect~~
28 ~~mitigation improvements.~~

29 ~~(b) Limitation. Small disaster mitigation assistance may be~~
30 ~~used only for municipally owned or controlled improvements.~~

1 ~~Firefighting apparatus and other emergency services equipment~~
2 ~~and vehicles, including trucks, tankers and other vehicles, are~~
3 ~~not eligible for mitigation assistance.~~

4 ~~(c) Chronic flooding. The coordinating agency may consult~~
5 ~~with the Department of Environmental Protection to identify~~
6 ~~areas of chronic flooding that result in frequent damage to~~
7 ~~communities but which do not rise to the level of a small~~
8 ~~disaster. The coordinating agency, in conjunction with the~~
9 ~~Department of Environmental Protection, may use up to 25% of the~~
10 ~~PENNCrisis Fund annual revenue, exclusive of carryover reserves,~~
11 ~~to provide grants and loans to municipalities to correct such~~
12 ~~conditions. Assistance shall follow the formula set forth in~~
13 ~~subsection (c).~~

14 ~~(d) Hazard mitigation. Hazard mitigation loans and grants~~
15 ~~shall be subject to the following:~~

16 ~~(1) Grants for hazard mitigation work shall be no more~~
17 ~~than \$5,000,000 per event.~~

18 ~~(2) Low interest loans shall be available for the~~
19 ~~balance of project work not covered by a mitigation grant.~~

20 ~~(3) Hazard mitigation loans shall bear interest at a~~
21 ~~rate fixed at the current year's cost of living and shall be~~
22 ~~for a term of 20 years.~~

23 ~~(e) Formula. Grants and loans shall be awarded on the~~
24 ~~following formula:~~

25 ~~(1) Municipalities with median per capita personal~~
26 ~~income greater than 20% above the State median per capita~~
27 ~~personal income for the preceding year shall be eligible for~~
28 ~~a mitigation grant of 50% of total project costs.~~

29 ~~(2) Municipalities with median per capita personal~~
30 ~~income of between 20% less than and 20% greater than the~~

~~State median per capita personal income for the preceding year shall be eligible for a mitigation grant of 60% of total project cost.~~

~~(3) Municipalities with median per capita personal income more than 20% less than the State median per capita personal income for the preceding year shall be eligible for a mitigation grant of 70% of total project cost.~~

~~Section 909. The PENNCrisis Fund.~~

~~There is established under the jurisdiction of the agency a fund to be called the PENNCrisis Fund.~~

~~(1) Beginning with surplus revenues received during the 1999-2000 fiscal year, revenue for the PENNCrisis Fund shall be generated by reserving the greater of 5% or \$10,000,000 of each year's surplus revenues to the Commonwealth generated by all taxes and fees deposited into the General Fund.~~

~~(2) In a fiscal year, the balance of the PENNCrisis Fund shall not exceed \$100,000,000; and the sum available for expenditure shall not exceed \$50,000,000.~~

~~(3) Revenue shall be placed into a dedicated fund reserved for the programs authorized under the PENN Crisis Fund. Deposits into the fund shall not lapse but be carried forward from year to year. Up to one half of funds on reserve and to be earned by the end of any fiscal year may be used to pay the Commonwealth's matching share for any major disaster declared eligible for Federal assistance by the President of the United States. The need for Federal matching funds for any specific major disaster event may not encumber PENNCrisis revenues in years beyond the year of the major event.~~

~~Section 910. Training, administration and operations.~~

~~(a) Specialized staff. The agency and each administering~~

1 ~~agency under section 903 shall recruit, train and develop staff~~
2 ~~specializing in small disaster assistance in their respective~~
3 ~~program areas. The staff sections shall be deployed by each~~
4 ~~administering agency in response to a declared small disaster,~~
5 ~~as directed by the agency. These personnel shall also be~~
6 ~~available to the agency at the direction of the Governor to~~
7 ~~respond to any major disaster in this Commonwealth.~~

8 ~~(b) Funding for staff. The agency and each administering~~
9 ~~agency shall receive \$1,000,000 annually, or as much thereof as~~
10 ~~is necessary, from the PENNCrisis Fund to create a permanently~~
11 ~~staffed small disaster response team. When each agency's small~~
12 ~~disaster response team is deployed on assignment, the~~
13 ~~coordinating agency shall reimburse the agency from the~~
14 ~~PENNCrisis Fund for standard and necessary travel and living~~
15 ~~costs for each team deployed to the small disaster. Expenditures~~
16 ~~under this category shall not exceed 10% of the revenue received~~
17 ~~by the PENNCrisis Fund in a fiscal year.~~

18 ~~(c) Authority to approve expenditures. In response to any~~
19 ~~small disaster, the agency shall have final authority to approve~~
20 ~~expenditures of PENNCrisis funds for any additional purposes it~~
21 ~~deems necessary to small disaster recovery unless the uses are~~
22 ~~specifically prohibited by this chapter.~~

23 ~~Section 911. Insurance coverage.~~

24 ~~All loan recipients shall maintain adequate property~~
25 ~~insurance coverage for the full value of the subject property~~
26 ~~for the term of the disaster assistance loan and shall include~~
27 ~~flood insurance coverage if the property is located within a~~
28 ~~100 year flood plain.~~

29 ~~Section 3. Section 5102 of the act is amended to read:~~

30 ~~Section 5102. Appropriations.~~

1 ~~(a) Drought relief. The sum of \$60,000,000, or as much~~
2 ~~thereof as may be necessary, is hereby appropriated to the~~
3 ~~Department of Agriculture to carry out the provisions of Chapter~~
4 ~~3. Any funds not needed for the purposes of Chapter 3 shall~~
5 ~~lapse to the General Fund on December 31, 2000.~~

6 SECTION 5102. APPROPRIATIONS. ←

7 * * *

8 (b) Crop insurance.--The sum of \$5,600,000, or as much as
9 may be necessary, is hereby appropriated to the Department of
10 Agriculture to provide payment for crop insurance [under the
11 USDA-FSA 1999 Crop Disaster Program] in an amount up to 10% of
12 the cost of the insurance premiums and the total amount of all
13 related fees for [eligible] producers[, as defined in Chapter
14 3,] of agricultural commodities during calendar years 2000 and
15 2001. If sufficient funds are not available to provide for up to
16 10% of the cost of the insurance premiums and the total amount
17 of all related fees, the Department of Agriculture shall prorate
18 the available funds among all the [eligible] producers of
19 agricultural commodities who applied. Any unused funds shall
20 lapse into the General Fund on June 30, 2001.

21 * * * ←

22 ~~(c) Orchard and nursery indemnity. The sum of \$2,000,000,~~ ←
23 ~~or as much thereof as may be necessary, is hereby appropriated~~
24 ~~to the Department of Agriculture to carry out the provisions of~~
25 ~~Chapter 5. Any funds not needed for the purposes of Chapter 5~~
26 ~~shall lapse to the General Fund on June 30, 2001.~~

27 ~~(d) Public assistance and hazard mitigation. The sum of~~
28 ~~\$10,000,000, or as much thereof as may be necessary, is hereby~~
29 ~~appropriated to the Pennsylvania Emergency Management Agency for~~
30 ~~the match required for Federal disaster funds for the August and~~

1 ~~September 1999 disasters for public assistance and hazard~~
2 ~~mitigation to be allocated by the Office of the Budget among~~
3 ~~these disasters and programs. This appropriation shall be a~~
4 ~~continuing appropriation.~~

5 ~~(c) Supplemental Individual Assistance Program. The sum of~~
6 ~~\$5,000,000 is hereby appropriated from the General Fund for~~
7 ~~allocation by the Governor for payment of the Commonwealth's~~
8 ~~share necessary to secure individual and family assistance from~~
9 ~~the Federal Government under the provisions of The Robert T.~~
10 ~~Stafford Disaster Relief and Emergency Assistance Act (Public~~
11 ~~Law 93-288, 88 Stat. 143) and for payment of Supplemental~~
12 ~~Individual Assistance Program grants authorized pursuant to~~
13 ~~Chapter 7. This subsection shall be construed in a manner which~~
14 ~~secures the maximum available Federal funding for individual and~~
15 ~~family assistance. Any unused funds not needed for purposes of~~
16 ~~this appropriation shall lapse to the General Fund on June 30,~~
17 ~~2000.~~

18 ~~(f) Other Federal funding. Nothing in this act shall~~
19 ~~supplant or replace any funds otherwise available from the~~
20 ~~Federal Government.~~

21 ~~(g) PENNCrisis. The sum of \$10,000,000, or as much thereof~~
22 ~~as may be necessary, is hereby appropriated to the Small~~
23 ~~Disaster Assistance Fund for the fiscal year July 1, 2000, to~~
24 ~~June 30, 2001, to carry out the provisions of Chapter 9.~~

25 ~~Section 4. When the Pennsylvania Emergency Management Agency~~
26 ~~determines that Federal legislation is in effect to prohibit the~~
27 ~~Federal Emergency Management Agency from considering the~~
28 ~~existence of state small disaster funds in the recommendation of~~
29 ~~a presidential declaration of a major disaster, the Pennsylvania~~
30 ~~Emergency Management Agency shall transmit to the Legislative~~

1 ~~Reference Bureau a notice of the determination for publication~~
2 ~~in the Pennsylvania Bulletin.~~

3 ~~Section 5. Until publication of the notice under section 4~~
4 ~~of this act, the Governor is authorized to transfer, under 35~~
5 ~~Pa.C.S. § 7307, up to \$10,000,000, for loans and grants in~~
6 ~~accordance with sections 904 through 908 of the act. This~~
7 ~~section constitutes action by the General Assembly under 35~~
8 ~~Pa.C.S. § 7307 to permit exceeding the figure set forth in 35~~
9 ~~Pa.C.S. § 7307. This section shall expire June 30, 2001.~~

10 ~~Section 6. This act shall take effect as follows:~~

11 ~~(1) The following provisions shall take effect July 1,~~
12 ~~2000, or immediately, whichever is later:~~

13 ~~(i) The addition of sections 901, 902, 904, 905,~~
14 ~~906, 907, 908 and 911 of the act.~~

15 ~~(ii) Section 5 of this act.~~

16 ~~(2) The following provisions shall take effect upon~~
17 ~~publication of the notice under section 4 of this act:~~

18 ~~(i) The amendment of the title of the act.~~

19 ~~(ii) The addition of sections 903, 909 and 910 of~~
20 ~~the act.~~

21 ~~(iii) The addition of section 5102(g) of the act.~~

22 ~~(3) The remainder of this act shall take effect~~
23 ~~immediately.~~

24 SECTION 2. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.

<—