

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 793 Session of
2001

INTRODUCED BY WENGER, WAUGH AND MADIGAN, APRIL 17, 2001

SENATE AMENDMENTS TO HOUSE AMENDMENTS, JUNE 20, 2001

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," ~~providing for~~ <—
9 ~~loans and grants to victims of small disasters; and further~~
10 providing for appropriations.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 ~~Section 1. The act of December 13, 1999 (P.L.905, No.57),~~ <—
14 ~~known as the Drought, Orchard and Nursery Indemnity and Flood~~
15 ~~Relief Act, is amended by adding a chapter to read:~~

16 CHAPTER 9

17 PENNCRISIS FUND

18 Section 901. Legislative findings.

19 The General Assembly finds that many communities in this
20 Commonwealth frequently are subject to natural and manmade
21 disasters which cause significant damage and disruption in the

~~life of the community but which are not of sufficient magnitude to qualify for Federal disaster assistance programs.~~

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

~~Section 902. Definitions.~~

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

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

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

~~"Small disaster." An event which results in total uninsured losses, for all individuals, businesses and municipalities, of not more than \$2,000,000 and which occurred after June 30, 1999, and falls below the current Federal guidelines for Federal disaster assistance but which involves:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(a) Business loans.~~

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

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

~~(i) Fixed equipment.~~

~~(ii) Major moveable equipment.~~

~~(iii) Furnishings.~~

~~(iv) Real property.~~

~~(v) Leasehold improvements.~~

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

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

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

~~(1) Buildings.~~

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

~~(3) Office machines.~~

~~(4) Streets.~~

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

~~(6) Recreational facilities.~~

~~Section 906. Residential loans.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(3) Watershed plans.~~

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

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

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

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

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

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

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

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

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

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

~~(2) Municipalities with median per capita personal 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 2001-2002 fiscal year, revenue for the PENNCrisis Fund shall be generated by reserving 20% 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, neither the balance nor the revenues of the PENNCrisis Fund shall 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 PENNCrisis 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 agency under section 903 shall recruit, train and develop staff specializing in small disaster assistance in their respective program areas. The staff sections shall be deployed by each administering agency in response to a declared small disaster, as directed by the agency. These personnel shall also be available to the agency at the direction of the Governor to respond to any major disaster in this Commonwealth.~~

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

~~(c) Authority to approve expenditures. In response to any small disaster, the agency shall have final authority to approve expenditures of PENNCrisis funds for any additional purposes it deems necessary to small disaster recovery unless the uses are not specifically prohibited by this chapter.~~

~~Section 911. Insurance coverage.~~

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

~~Section 2. Section 5102 of the act, amended June 22, 2000~~

1 ~~(P.L.475, No.65), is amended to read:~~

2 SECTION 1. SECTION 5102(A), (B) AND (C) OF THE ACT OF <—
3 DECEMBER 13, 1999 (P.L.905, NO.57), KNOWN AS THE DROUGHT,
4 ORCHARD AND NURSERY INDEMNITY AND FLOOD RELIEF ACT, AMENDED JUNE
5 22, 2000 (P.L.475, NO.65), ARE AMENDED TO READ:

6 Section 5102. Appropriations.

7 (a) Drought relief.--

8 (1) The sum of \$60,000,000, or as much thereof as may be
9 necessary, is hereby appropriated to the Department of
10 Agriculture to carry out the provisions of Chapter 3.

11 (2) Any funds not [needed] encumbered for the purposes
12 of Chapter 3 shall lapse to the General Fund on December 31,
13 2000.

14 (3) Any funds encumbered but not allocated under Chapter
15 3 shall be transferred to the department for use under
16 subsection (b).

17 (b) Crop insurance.--

18 (1) The sum of \$5,600,000, or as much as may be
19 necessary, is hereby appropriated to the Department of
20 Agriculture to provide payment for crop insurance in an
21 amount up to 10% of the cost of the insurance premiums and
22 the total amount of all related fees for producers of
23 agricultural commodities [during calendar] in years [2000 and
24 2001] in which funds are appropriated or made available to
25 the department. If sufficient funds are not available to
26 provide for up to 10% of the cost of the insurance premiums
27 and the total amount of all related fees, the [Department of
28 Agriculture] department shall prorate the available funds
29 among all the producers of agricultural commodities who
30 applied[. Any unused funds] for and received Federal crop

1 insurance for that crop year.

2 (2) Money under this subsection and subsection (a)(3) is
3 continuously appropriated to the department, and the
4 appropriation shall not lapse [into the General Fund on June
5 30, 2001] at the end of any fiscal year.

6 (c) Orchard and nursery indemnity.--The sum of \$2,000,000,
7 or as much thereof as may be necessary, is hereby appropriated
8 to the Department of Agriculture to carry out the provisions of
9 Chapter 5. Any funds not needed for the purposes of Chapter 5
10 shall lapse to the General Fund on June 30, [2001] 2002.

11 * * *

12 ~~(d) Public assistance and hazard mitigation. The sum of~~
13 ~~\$10,000,000, or as much thereof as may be necessary, is hereby~~
14 ~~appropriated to the Pennsylvania Emergency Management Agency for~~
15 ~~the match required for Federal disaster funds for the August and~~
16 ~~September 1999 disasters for public assistance and hazard~~
17 ~~mitigation to be allocated by the Office of the Budget among~~
18 ~~these disasters and programs. This appropriation shall be a~~
19 ~~continuing appropriation.~~

20 ~~(e) Supplemental Individual Assistance Program. The sum of~~
21 ~~\$5,000,000 is hereby appropriated from the General Fund for~~
22 ~~allocation by the Governor for payment of the Commonwealth's~~
23 ~~share necessary to secure individual and family assistance from~~
24 ~~the Federal Government under the provisions of The Robert T.~~
25 ~~Stafford Disaster Relief and Emergency Assistance Act (Public~~
26 ~~Law 93-288, 88 Stat. 143) and for payment of Supplemental~~
27 ~~Individual Assistance Program grants authorized pursuant to~~
28 ~~Chapter 7. This subsection shall be construed in a manner which~~
29 ~~secures the maximum available Federal funding for individual and~~
30 ~~family assistance. Any unused funds not needed for purposes of~~

1 ~~this appropriation shall lapse to the General Fund on June 30,~~
2 ~~2000.~~

3 ~~(f) Other Federal funding. Nothing in this act shall~~
4 ~~supplant or replace any funds otherwise available from the~~
5 ~~Federal Government.~~

6 Section 3 2. This act shall take effect immediately.

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