

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 467 Session of
2003

INTRODUCED BY BAKER, HENNESSEY, HUTCHINSON, LEWIS, BEBKO-JONES,
BELARDI, BROWNE, BUNT, CAPPELLI, CAWLEY, CRUZ, DeWEESE,
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TIGUE, WASHINGTON, WOJNAROSKI, YOUNGBLOOD AND ZUG,
FEBRUARY 25, 2003

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY
PREPAREDNESS, FEBRUARY 25, 2003

AN ACT

1 Amending Title 35 (Health and Safety) of the Pennsylvania
2 Consolidated Statutes, creating an Emergency Disaster
3 Assistance Fund and providing for its administration.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Chapter 73 of Title 35 of the Pennsylvania
7 Consolidated Statutes is amended by adding a subchapter to read:

8 SUBCHAPTER C

9 EMERGENCY DISASTER ASSISTANCE FUND

10 Sec.

11 7341. Creation of Emergency Disaster Assistance Fund.

12 7342. Imposition of surcharge.

13 7343. Collection of surcharge.

14 7344. Allocation of moneys and regulations.

15 § 7341. Creation of Emergency Disaster Assistance Fund.

1 There is hereby created a separate fund in the State Treasury
2 to be known as the Emergency Disaster Assistance Fund. The fund
3 shall be administered by the Pennsylvania Emergency Management
4 Agency.

5 § 7342. Imposition of surcharge.

6 (a) Surcharge imposed.--

7 (1) In order to provide funds for emergency management,
8 preparedness and assistance, an annual surcharge of \$2 per
9 policy shall be imposed on each of the following:

10 (i) Homeowner's insurance.

11 (ii) Mobile homeowner's insurance.

12 (iii) Tenant homeowner's insurance.

13 (iv) Condominium unit owner's insurance.

14 (2) To further provide funds for emergency management,
15 preparedness and assistance, an annual surcharge of \$4 shall
16 be imposed on every commercial fire, commercial multiple
17 peril and business owner's property insurance policy.

18 (b) Surcharge not premium.--The surcharge is not to be
19 considered part of an insured's premium. However, nonpayment of
20 the surcharge by the insured may be a valid reason for
21 cancellation of the policy.

22 § 7343. Collection of surcharge.

23 The surcharge shall be paid by the policyholder to the
24 insurer on any policy issued or renewed on or after July 1,
25 2001. The insurer shall collect the surcharge and remit it to
26 the Department of Revenue, which shall collect, administer and
27 enforce the surcharge. All proceeds of the surcharge shall be
28 deposited in the Emergency Disaster Assistance Fund and may not
29 be used to supplant existing funding.

30 § 7344. Allocation of moneys and regulations.

1 (a) Allocation.--All moneys deposited in the Emergency
2 Disaster Assistance Fund are appropriated on a continuing basis
3 to the Pennsylvania Emergency Management Agency. The agency
4 shall allocate the moneys in the fund as follows:

5 (1) No more than 60% to implement and administer State
6 and local emergency management programs, including training,
7 of which 20% shall be used by the agency and 80% shall be
8 allocated to local emergency management agencies and
9 programs. Of this 80%, at least 80% shall be allocated to
10 counties.

11 (2) No more than 20% to provide for State relief
12 assistance for nonfederally declared disasters, including,
13 but not limited to, grants and low-interest loans to
14 businesses for uninsured losses resulting from a disaster.

15 (3) No more than 20% for grants and loans to State or
16 regional agencies, local governments and private
17 organizations to implement projects that will further State
18 and local emergency management objectives. These projects
19 shall include, but are not limited to, projects that will
20 promote public education on disaster preparedness and
21 recovery issues, projects that will enhance coordination of
22 relief efforts of Statewide private sector organizations and
23 improve the training and operations capabilities of agencies
24 assigned lead or support responsibilities in the Pennsylvania
25 Emergency Management Plan. No more than 5% of any award made
26 pursuant to this subchapter may be used for administrative
27 expenses.

28 (b) Adjustments to allocations.--The distribution formula
29 provided for in subsection (a) may be adjusted proportionally
30 when necessary to meet any matching requirements imposed as a

1 condition of receiving Federal disaster relief assistance or
2 planning funds.

3 (c) Regulations.--The agency shall promulgate regulations to
4 allocate moneys from the Emergency Disaster Assistance Fund. The
5 regulations shall include, but are not limited to:

6 (1) Specifying a formula that establishes a base grant
7 allocation and weighted factors for funds to be allocated
8 over the base grant amount.

9 (2) Specifying matching requirements.

10 (3) Preferential funding provisions to provide
11 incentives to political subdivisions to participate in mutual
12 aid agreements.

13 Section 2. This act shall take effect in 60 days.