AN ACT

To enact R.S. 29:726.7, relative to the Hazard Mitigation Revolving Loan Fund; to establish the Hazard Mitigation Revolving Loan Fund; to provide for the administration of the fund; to provide for deposits, interest, and unexpended monies in the fund; to provide definitions; to specify how funds may be disbursed and for what types of activity; to provide for annual reporting and audits; to provide relative to repayment of loans and waiver in certain circumstances; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1.  R.S. 29:726.7 is hereby enacted to read as follows:

§726.7. Hazard Mitigation Revolving Loan Fund

A. There is hereby established within the state treasury a "Hazard Mitigation Revolving Loan Fund", referred to in this Section as "the fund", to be administered by the Governor's Office of Homeland Security and Emergency Preparedness. The purpose of the fund is to provide assistance for projects that will reduce disaster risks for homeowners, businesses, nonprofit organizations, and communities in order to decrease the loss of life and property, the cost of insurance, and Federal disaster payments, or as otherwise required by federal law or grant agreements. The fund shall consist of monies received from federal grants for the capitalization of the fund, state funds required by federal law or grant agreements, repayment of loans, and interest earned on amounts in the fund. Unexpended and unencumbered monies in the fund at the close of each fiscal year shall remain in the fund. Monies in the fund shall be appropriated, administered, and used to provide financial assistance to eligible recipients for the uses authorized by this Section or as may be permitted by federal law and grant agreements.
B. Definitions. As used in this Section, the following terms shall have the following meanings:

(1) "Administrator" means the administrator of the Federal Emergency Management Agency.

(2) "Eligible recipient" means a political subdivision, public trust, agency, or commission of the state, or a private entity, to the extent permitted by the federal act or federal regulations.

(3) "Federal law" means the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5131 et seq., as amended by the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, P. L. 116-284, and any amendments thereto relating to state hazard mitigation revolving loan funds.

(4) "Office" means the Governor's Office of Homeland Security and Emergency Preparedness.

C. Authorized uses. Subject to legislative appropriation, monies in the fund shall be expended, committed, or pledged in a manner consistent with terms and conditions of the applicable federal law and grants and may be used:

(1) To make loans to eligible recipients.

(2) For mitigation efforts.

(3) For the reasonable costs of administering the fund.

(4) To earn interest on the fund.

(5) To provide for any other expenditure consistent with the federal grant program.

D. Projects and activities eligible for assistance.

(1) Projects or activities that mitigate the impacts of natural hazards.

(2) Zoning, land use, floodplain management, and hazard mitigation planning changes.

(3) To establish and carry out the latest published editions of relevant building codes, specifications, and standards for the purpose of protecting the health.
safety, and general welfare of the building's users against disasters and natural hazards.


F.(1) A political subdivision may use loan proceeds for the purpose of offering loan funds to private property owners to use for hazard mitigation projects for buildings. Each private property owner applying for a loan pursuant to the provisions of this Subsection shall demonstrate on the loan application both a need for the loan and the ability to repay the loan, if required.

(2) If a property owner has received a loan pursuant to the provisions of this Subsection, upon the sale of the property the outstanding loan principal shall be repaid unless the purchaser assumes the loan.

(3) The Governor's Office of Homeland Security and Emergency Preparedness may provide loan subsidies for disadvantaged individuals and communities in the form of principal forgiveness, negative interest loan rates, or grants. If any such loan subsidies are to be offered, the Governor's Office of Homeland Security and Emergency Preparedness shall promulgate rules regarding such subsidies.