

2022 Regular Session

HOUSE BILL NO. 1052

BY REPRESENTATIVE LANDRY

FUNDS/FUNDING: Establishes the Hazard Mitigation Revolving Loan Fund

1 AN ACT

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

8 Be it enacted by the Legislature of Louisiana:

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

10 §726.7. Hazard Mitigation Revolving Loan Fund

11 A. There is hereby established within the state treasury a "Hazard Mitigation
12 Revolving Loan Fund", referred to in this Section as "the fund", to be administered
13 by the Governor's Office of Homeland Security and Emergency Preparedness. The
14 purpose of the fund is to provide assistance for projects that will reduce disaster risks
15 for homeowners, businesses, nonprofit organizations, and communities in order to
16 decrease the loss of life and property, the cost of insurance, and Federal disaster
17 payments, or as otherwise required by federal law or grant agreements. The fund
18 shall consist of monies received from federal grants for the capitalization of the fund,
19 state funds required by federal law or grant agreements, repayment of loans, and
20 interest earned on amounts in the fund. Unexpended and unencumbered monies in

1 the fund at the close of each fiscal year shall remain in the fund. Monies in the fund
2 shall be appropriated, administered, and used to provide financial assistance to
3 eligible recipients for the uses authorized by this Section or as may be permitted by
4 federal law and grant agreements.

5 B. Definitions. As used in this Section, the following terms shall have the
6 following meanings:

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

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

12 (3) "Federal law" means the Robert T. Stafford Disaster Relief and
13 Emergency Assistance Act (Stafford Act), 42 U.S.C. 5131 et seq., as amended by the
14 Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, P. L. 116-
15 284, and any amendments thereto relating to state hazard mitigation revolving loan
16 funds.

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

19 C. Authorized uses. Monies in or credited to the fund shall be expended,
20 committed, or pledged in a manner consistent with terms and conditions of the
21 applicable federal law and grants and may be used:

22 (1) To make loans to eligible recipients.

23 (2) For mitigation efforts.

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

25 (4) To earn interest on the fund.

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

28 D. Projects and activities eligible for assistance.

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

1 (2) Zoning and land use planning changes.

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

6 E. The Governor's Office of Homeland Security and Emergency
7 Preparedness shall establish application procedures and eligibility criteria for loans
8 from the fund.

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

14 (2) Repayment of a loan provided pursuant to this Subsection may be
15 collected in the same manner as property taxes.

16 (3) A political subdivision that provides loans to private property owners
17 pursuant to the provisions of this Subsection may establish a graduated loan
18 forgiveness program for private property owners. Such a program shall provide for
19 both of the following, at a minimum:

20 (a) Provide full loan forgiveness for households with income less than eighty
21 percent of the median income for the area in which the property is located.

22 (b) Provide forgiveness of up to fifty percent of the loan for households with
23 income between eighty and one hundred percent of the median income for the area
24 in which the property is located.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1052 Engrossed

2022 Regular Session

Landry

Abstract: Establishes the Hazard Mitigation Revolving Loan Fund to be administered by the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), for the purpose of providing financial assistance to local government hazard mitigation projects.

Proposed law provides the purpose of the fund, what monies may be deposited into the fund, and how interest earned and extra money at the end of each fiscal year shall be credited.

Proposed law provides definitions of "administrator", "eligible recipient", "federal law", "office".

Proposed law specifies that the fund may be used to make loans, for mitigation efforts, for administering the fund, to earn interest, and any other use consistent with the federal grant program.

Proposed law provides the types of projects and activities that loans may be used for, including projects that address natural hazards, zoning and land use planning, and implementation of current building code standards relevant to disasters and natural hazards.

Proposed law requires GOHSEP to establish application procedures and eligibility criteria for loans from the fund.

Proposed law authorizes a political subdivision that receives proceeds from the fund to use the money for the purpose of offering loans to private property owners to use for hazard mitigation projects for buildings. Requires each private property owner applying for a loan pursuant to the provisions of proposed law to demonstrate on the loan application both a need for the loan and the ability to repay the loan, if required. Authorizes repayment of a loans to private property owners provided pursuant to proposed law to be collected in the same manner as property taxes.

Proposed law authorizes political subdivisions that provide loans to private property owners pursuant to proposed law to establish a graduated loan forgiveness program for private property owners. If such a loan forgiveness program is established, proposed law requires it to provide for both of the following, at a minimum:

- (1) Full loan forgiveness for households with income less than 80% of the median income for the area in which the property is located.
- (2) Forgiveness of up to 50% of the loan for households with income between 80% and 100% of the median income for the area in which the property is located.

(Adds R.S. 29:726.7)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Add provision requiring GOHSEP to establish application procedures and eligibility criteria for loans from the fund.
2. Add provisions relative to use of loan proceeds by political subdivisions for offering loans to private property owners to use for hazard mitigation projects for buildings.
3. Make technical changes.