

Regular Session, 2014

SENATE BILL NO. 441

BY SENATOR MORRELL

FUNDS/FUNDING. Provides procedures for recovery of funds by the office of community development disaster recovery unit. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 49:663.1, relative to the office of community development  
3 disaster recovery unit; to terminate current procedures for recovering certain disaster  
4 monies paid; to provide for adoption of new procedures by the office to recover  
5 disaster monies improperly paid to or misspent by recipients; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 49:663.1 is hereby amended and reenacted to read as follows:

9 §663.1. Community Development Block Grant

10 A. The division of administration shall be responsible for and shall administer  
11 the Community Development Block Grant Program.

12 **B. The office of community development disaster recovery unit shall**  
13 **terminate procedures in effect on the effective date of this Act under which**  
14 **disaster recovery monies paid as a result of hurricanes Katrina and Rita,**  
15 **including monies paid under the Road Home program, are to be recovered by**  
16 **the office if such monies are alleged to have been improperly paid to or misspent**  
17 **by the recipients.**

1           **C. The office of community development disaster recovery unit shall not**  
2           **initiate recovery of disaster monies paid as a result of hurricanes Katrina and**  
3           **Rita, including recovery of monies paid under the Road Home program, until**  
4           **procedures for recovery of these monies are adopted by the office in accordance**  
5           **with the provisions of this Section.**

6           **D. The office of community development disaster recovery unit shall**  
7           **recover funds improperly paid to or misspent by recipients through procedures**  
8           **developed in accordance with the following minimum requirements:**

9           **(1) The office shall provide documentation that any letter sent to a**  
10           **recipient, seeking confirmation that disaster monies paid to that person were**  
11           **used in accordance with the program rules for which they were received, was**  
12           **received at the recipient's correct municipal address.**

13           **(2) The letter to a recipient shall clearly indicate the information needed**  
14           **to verify that disaster monies were used by the recipient in accordance with**  
15           **program rules.**

16           **(3) The recipient of the letter shall have a minimum of ninety days within**  
17           **which to respond to the office by mail, return receipt requested, or in person.**

18           **(4) All issues concerning program compliance shall be resolved within**  
19           **sixty days after the office receives the information requested.**

20           **E. The office of community development disaster recovery unit shall**  
21           **develop the procedures as provided for in Subsection C of this Section by**  
22           **October 1, 2014.**

23           Section 2. This Act shall become effective upon signature by the governor or, if not  
24           signed by the governor, upon expiration of the time for bills to become law without signature  
25           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
26           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
27           effective on the day following such approval.

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The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by J. W. Wiley.

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#### DIGEST

Morrell (SB 441)

Proposed law requires that the office of community development disaster recovery unit (office) terminate procedures in effect on the effective date of proposed law under which disaster recovery monies paid as a result of hurricanes Katrina and Rita, including monies paid under the Road Home program, are to be recovered by the office if such monies are alleged to have been improperly paid to or misspent by the recipients.

Proposed law prohibits the office from initiating recovery of disaster monies paid as a result of hurricanes Katrina and Rita, including recovery of monies paid under the Road Home program, until procedures for recovery of these monies are adopted by the office in accordance with the provisions of proposed law.

Proposed law requires that procedures to recover such funds include, at a minimum, the following items:

- (1) The office must provide documentation that any letter sent to a recipient seeking confirmation that disaster monies paid were used in accordance with the program rules and was received at the person's correct municipal address.
- (2) The letter to a recipient must clearly indicate the information needed to verify that disaster monies were used in accordance with program rules.
- (3) The recipient will have a minimum of 90 days within which to respond to the office by mail, return receipt requested or in person.
- (4) All issues concerning program compliance will be resolved within 60 days after the office receives the information requested.

Proposed law provides that the office of community development disaster recovery unit will develop the procedures by October 1, 2014.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 49:663.1)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Relative to the recovery of hurricane disaster recovery funds improperly paid to or misspent by recipients, persons who have received letters to verify their proper use of program funds are given a minimum of 90 days to respond by mail or in person.

##### Senate Floor amendments to Engrossed Bill

1. Makes technical changes.