

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 14, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1998 by McCall (Relating to temporary housing and emergency shelters provided by a political subdivision for disaster victims.), **As Passed 2nd House**

Due to the unknown size, duration, and location of any future disaster, there would be an indeterminate cost to the state.

The bill would allow the state to reimburse a city or county that provides temporary housing or emergency shelters during an emergency or disaster declared by the Governor. The bill provides reimbursable costs are all expenses, including lost revenue, associated with the use of public facilities for temporary housing or emergency shelters, and salaries and benefits of city/county personnel performing duties associated with the evacuation of persons during an emergency or disaster. Although the bill is permissive, it is assumed that the state would provide reimbursements.

Currently, during a federally declared disaster, the Federal Emergency Management Agency (FEMA) reimburses local entities for costs associated with the operation of emergency shelters, including overtime for government employees, shelter security, food, water, and basic medical care. However, FEMA does not reimburse for regular-time salaries or lost revenue for facilities used as emergency shelters.

Currently, there are no comprehensive estimates of lost revenues and regular-time salary costs associated with previous disasters for cities and counties in Texas. In addition, the nature of future disasters (size, duration, and location) is unknown. As a result, the fiscal impact to the state cannot be determined.

Local Government Impact

The bill would amend the Government Code adding emergency shelters to those items a political subdivision is required to provide to disaster victims during a declared emergency. The bill would allow a political subdivision that provides the main temporary housing or emergency shelters for persons evacuated by order of the Governor to receive reimbursement for expenses incurred, excluding lost revenue, and salaries and benefits of permanent employees who assist with the evacuation.

The number and amount of distributions to an eligible local government from resources available to the state would depend on the amount of available funds, the number of declared disasters in the state in any given fiscal year, and the number of applications for assistance made to the state.

Source Agencies: 301 Office of the Governor, 405 Department of Public Safety

LBB Staff: JOB, SD, DB, MS, BTA, KK, TP