

## **BILL ANALYSIS**

Senate Research Center  
80R4708 ACP-D

S.B. 1436  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas' current efforts at the state level inadequately facilitate local communities' participation in the National Flood Insurance Program, inhibiting access to the lower flood insurance premiums available through the Federal Emergency Management Agency's (FEMA) Community Rating System. Also, the state has been unable to fully engage FEMA regarding the conduct of floodplain mapping and studies based on river basin geography. The state's growing population and associated development increase the danger to life and property of flooding. Sound mapping data will reduce the likelihood of building in an area at risk of flooding.

As proposed, S.B. 1436 transfers responsibility for state administration, coordination, and management of local participation in the National Flood Insurance Program from the Texas Commission on Environmental Quality to the Texas Water Development Board (TWDB). The bill also directs 50 percent of revenue to a new floodplain management account.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Commission on Environmental Quality (TCEQ) is transferred to the Texas Water Development Board (TWDB) in SECTION 9 (Section 16.318, Water Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 251.004, Insurance Code, as follows:

Sec. 251.004. DEPOSIT OF MAINTENANCE TAXES. (a) Provides an exception as provided by Subsection (b).

(b) Requires fifty percent of the maintenance taxes collected on gross premiums attributable to insurance against loss or damage by flood under Chapter 252 (Fires and Allied Lines Insurance) to be deposited to the credit of the floodplain management account established under Section 16.3161, Water Code.

SECTION 2. Amends Section 5.013(a), Water Code, as follows:

(a) Deletes existing text providing that TCEQ has general jurisdiction over the administration of the national flood insurance program. Makes a conforming change.

SECTION 3. Amends Section 6.012(a), Water Code, as follows:

(a) Provides that TWDB has general jurisdiction over the administration of the National Flood Insurance Program (program).

SECTION 4. Amends Section 16.314, Water Code, as follows:

Sec. 16.314. New heading: COOPERATION OF BOARD. Requires TWDB, rather than TCEQ, to take certain actions under this section relating to cooperating with the Federal Emergency Management Agency (FEMA) to carry out the program.

SECTION 5. Amends Section 16.315, Water Code, to make a conforming change.

SECTION 6. Amends Section 16.316, Water Code, as follows:

Sec. 16.316. New heading: COORDINATION OF LOCAL, STATE, AND FEDERAL PROGRAMS BY BOARD. (a) Makes a conforming change.

(b) Makes conforming changes.

(c) Authorizes aid under this section to include but is not necessarily limited to encouraging FEMA to evaluate flood-prone areas by river basin and river system; coordinating the use of federal, state, and local grant money; and making floodplain maps and floodplain information accessible to the public, including in an electronic format through TWDB's Internet website.

(d) Makes a conforming change.

SECTION 7. Amends Subchapter I, Chapter 16, Water Code, by adding Section 16.3161, as follows:

Sec. 16.3161. FLOODPLAIN MANAGEMENT ACCOUNT. (a) Provides that the floodplain management account is a special fund in the state treasury outside the general revenue fund. Sets forth the composition of the fund.

(b) Requires the account to be administered by TWDB in accordance with this section.

(c) Authorizes TWDB to use the account to fund the performance of TWDB's functions under Section 16.316 (Coordination of Local, State, and Federal Programs by the Commission).

(d) Authorizes TWDB to invest, reinvest, and direct the investment of any available money in the account as provided by law for the investment of money under Section 404.024 (Authorized Investments), Government Code.

SECTION 8. Amends Section 16.317, Water Code, to make a conforming change.

SECTION 9. Amends Section 16.318, Water Code, as follows:

Sec. 16.318. RULES. Authorizes the Texas Department of Insurance, and the TWDB, rather than TCEQ, to adopt and promulgate reasonable rules which are necessary for the orderly effectuation of the respective authorizations relating to political subdivisions which qualify for the National Flood Insurance Program.

SECTION 10. (a) Provides that certain powers, procedures, proceedings, and responsibilities are transferred from TCEQ to TWDB not later than January 1, 2008.

(b) Provides that the transfer of the powers and duties of TCEQ that relate primarily to the administration of the National Flood Insurance Program to TWDB does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, a penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with TCEQ.

SECTION 11. Effective date: September 1, 2007.