

House Research Act Summary

CHAPTER: 247

SESSION: 2008 Regular Session

TOPIC: State agency response to natural disaster

Date: May 15, 2008

Analyst: Kathy Novak

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This act provides a framework for state agencies to use in responding to a major natural disaster in Minnesota. State appropriations to implement this act must be made in law after the presidential declaration of disaster. Disaster related costs that are eligible for federal aid, private insurance coverage, or other reimbursement are ineligible for funding under this act. Various state agencies are responsible for responding to the communities within a disaster area. The act includes several types of state aid, criteria for granting the aid, and expectations for the assistance. The act provides waivers of rules and statutes which are listed in the appendix.

Section

- 1 **State response to natural disaster.** States that the purpose is to provide a framework for agencies in assisting local areas with their recovery from a major disaster if the area is included in a presidential disaster declaration.
- 2 **Definitions.** Defines the following terms.
 - “Appropriation” is made in law specifically to implement this chapter.
 - “Commissioner” is the head of a named agency.
 - “Disaster” is a presidential declaration of disaster.

- “Disaster area” is the area included in the disaster declaration or added later.

3 State assistance. Requires all appropriations to be made in law for disaster recovery assistance, to conform to the requirements of the fund from which the appropriation is made, and to be used for communities within the disaster area.

Requires that assistance with state appropriations must not duplicate federal assistance or private insurance and is for costs that are not eligible for FEMA or Small Business Administration programs. Requires the Department of Public Safety to disburse state matching funds to eligible entities. Specifies that state funds disbursed for FEMA eligible costs are an advance and must be repaid with federal dollars to the appropriate state fund.

Requires agencies to report to the legislature if they provide non-FEMA assistance under this chapter. Allows unused appropriations for specific disaster programs or purposes to be transferred to another program or purpose for unmet disaster needs with the approval of the commissioner of finance and a report to the legislature.

4 Agriculture. Authorizes the commissioner to develop criteria, in consultation with legislative chairs, for distribution of any state disaster appropriations. Requires a producer to operate an agricultural operation in the disaster area to be eligible for assistance.

5 Board of Water and Soil Resources. Authorizes the board to use state disaster appropriations in the disaster area for:

- the RIM program to acquire easements on marginal lands; and
- erosion and sediment control projects.

Authorizes the use of appropriations provided in law to implement the programs. See appendix for list of waivers.

6 Education. Authorizes the commissioner to disburse four types of aid to eligible school districts:

- disaster enrollment impact aid at an amount set in law times the number of pupils lost due to the disaster;
- grants for disaster-related facility cleanup, repair, and replacement costs not otherwise reimbursed, with documentation from the affected school district;
- grants for operating costs not otherwise covered, with documentation from the affected school district; and
- grants for increased disaster-related transportation costs.

7 Employment and economic development. Authorizes the commissioner to use state disaster appropriations for grants through the Minnesota Investment Fund:

- requires commissioner approval for locally established criteria for disaster assistance;
- provides that businesses, cooperatives, utilities, and nonprofit organizations are

eligible for assistance;

- provides assistance through loans, with or without interest, or grants subject to appropriation limits, with repayment to the local community;
- requires recipients of forgivable loans to remain in the community for ten years; and
- prohibits using loans to refinance debt existing at the time of the disaster.

Authorizes the commissioner to spend a U.S. Department of Labor national emergency grant, if awarded, for the disaster recovery. See appendix for list of waivers.

8 Health. Assigns responsibility to the commissioner to assess and evaluate health related concerns including health care, mental health, infectious disease, indoor environments, public pools, drinking water systems and private wells. Authorizes the commissioner to take steps to remediate the disaster and ensure maintenance of public health. Authorizes cooperation with private health care providers, facilities, health boards, and volunteers and cooperative agreements for public health services.

9 Housing finance. Authorizes assistance within state appropriations through the economic development and housing challenge program for homeowners and rental property owners:

- provides assistance as forgivable loans up to a maximum amount set in law;
- allows the use of loans for capital improvements to disaster damaged housing;
- requires homeowners with forgivable loans to remain in the home for the number of years determined by the agency;
- requires ten years of affordable rents in rental property with forgivable loans;
- authorizes the agency to set income limits above the program's statutory limits; and
- requires applicants to apply for and accept federal assistance to be eligible for state assistance.

Authorizes grants for local governments, regional consortia and nonprofit organization in the disaster area to assess housing needs, and to develop and implement plans to meet the needs and provide the capacity for recovery. See appendix for list of waivers.

10 Human services. Authorizes the commissioner to pay for costs of evacuation, transportation or medical or remedial services provided to vulnerable residents. Payments are made to entities under contract or with another agreement with the department at the time of the disaster. As approved by the federal government, some of the payments may be distributed as medical assistance payments.

11 Minnesota Historical Society. Authorizes the use of state appropriations for cleanup, renovation, repair, and replacement of historic structures or resources damaged in a disaster.

12 Natural resources. Authorizes the commissioner to use state disaster appropriations:

- to rehabilitate or replace state facilities damaged in the disaster;
- for the state's share of flood hazard mitigation grants; and
- to remove disaster related debris from lakes and streams.

Authorizes the commissioner to pay the local share of the flood hazard mitigation project if the project costs exceed two percent of the median household income times the number of households in the affected municipality. See appendix for list of waivers.

- 13** **Pollution Control Agency.** Authorizes the use of specific appropriations from the petroleum tank release cleanup fund for grants to rehabilitate or buyout buildings damaged by petroleum contamination resulting from the disaster. See appendix for list of waivers.
- 14** **Public Facilities Authority.** Authorizes grants to local governments to rehabilitate or replace public infrastructure if costs are related to the disaster. Authorizes the use of general fund appropriations for grants to assess disaster-related damage to underground systems and for feasibility studies of extending sewer service to areas with septic systems damaged by the disaster. See appendix for list of waivers.
- 15** **Public safety.** Authorizes the use of state disaster appropriations for the state match for federal disaster assistance. Allows the use of state appropriations to pay for the local match up to the level set in law. Requires bond appropriations to be used for the state's share of capital costs.

Authorizes the commissioner to make grants to counties for disaster-related debris removal and burial from homes and farms, with documentation of costs.

- 16** **Transportation.** Assigns the commissioner responsibility for reconstructing and repairing trunk highways and bridges damaged by the disaster. Authorizes the use of trunk highway fund appropriations for infrastructure operation and maintenance related to a disaster. Authorizes grants to local governments to reconstruct and replace local roads and bridges damaged by the disaster, upon submission of project plans. Authorizes the commissioner to determine priorities, review plans, and require changes, as necessary to meet priorities and ensure optimum use of state funds.

Requires the commissioner, in consultation with the commissioner of public safety, to develop guidelines for local governments that allow the local government to respond to the disaster in a manner that maximizes the use of federal disaster assistance. See appendix for list of waivers.

Appendix

Waivers in the State Agency Response to Natural Disaster Act		
Department	Program/Waiver	
Board of Water & Soil Resources Minn. Rules, ch. 8400 § 103F.515, subd. 6 (a)(1)	State cost-share program <ul style="list-style-type: none"> all requirements in rule may be waived on contracts to address critical conservation problems resulting from flood all existing contracts are extended to June 30, 2009 Conservation reserve program <ul style="list-style-type: none"> payment maximums to establish perennial or other cover under agreements with landowners 	Sec. 5
Employment and Economic Development § 116J.8731, subd. 3, 4, 5 & 7 §§ 116J.993 - 116J.995	Minnesota Investment Fund waivers: <ul style="list-style-type: none"> limits on the use of the money limits on project outcomes and other criteria for assistance the \$1 million maximum grant,, requirements for repayment of amounts over \$100,000, and limits on the use for retail operations compensation, job creation or enhancement requirements Business subsidy waivers: <ul style="list-style-type: none"> requirements for receiving a public subsidy including public hearing and notice, wage and job goals, local government monitoring, reporting, pay back requirements for failure to meet goals 	Sec. 7
Housing Finance Agency § 462A.33, subd. 3 & 5 Minn. Rules pt. 4900.3632 & 4900.3634, subd. 4	Economic development and housing challenge program <ul style="list-style-type: none"> requirement to use half of appropriation for specified challenge grants or loans and allows eligibility limit over 115 percent of median income for households requirements for grants and loans for rental housing requirements for homeowner loan repayment 	Sec. 9
Natural Resources § 103F.161, subd. 2	Flood hazard mitigation grants <ul style="list-style-type: none"> \$150,000 grant maximum for local governments 	Sec. 12
Pollution Control § 115C.08, subd 4 § 115C.09, subd. 3i	Petroleum tank fund waivers: <ul style="list-style-type: none"> purposes for expenditure of money 50 percent reimbursement limit for funding related to a natural disaster 	Sec. 13
Public Facilities Authority	Water pollution control revolving fund; wastewater infrastructure funding program; drinking water revolving fund waivers:	Sec. 14

Waivers in the State Agency Response to Natural Disaster Act

Department

Program/Waiver

§§ 446A.07,
446A.072, &
446A.081

- all criteria, limitations, or repayment requirements of the existing programs

Transportation

§ 174.50, subd. 5, 6,
6a & 7

Minnesota state transportation fund for local roads and bridges waivers:

Sec. 16

- requirement that the commissioner certify the project prior to funding;
- rules governing applications for grants, including criteria for priorities and funding;
- requirements for grants for preliminary engineering of river crossing, including \$300,000 maximum;
- rules and criteria for administering grants to political subdivisions.