

## No. 1986-25

## AN ACT

## HB 66

Providing for grants to persons for property damaged or destroyed by tornado or flood; establishing the basis for the grants; and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Power to administer emergency funds to disaster-stricken counties.

(a) The General Assembly hereby finds and declares that:

(1) During 1985, tornadoes and flooding occurred in several counties of this Commonwealth, causing substantial damages, in excess of \$60,000,000, to private homes, in addition to the damage to businesses, industry and public facilities.

(2) Federal emergency declarations designated certain areas as eligible for emergency relief.

(3) The combination of private insurance and Federal grants and loans for private homeowners provides insufficient compensation for their losses.

(4) Because many of the victims of these disasters reside in areas which prior to the disaster were economically distressed and because their losses are inadequately covered, it is in the public interest pursuant to section 17 of Article VIII of the Constitution of Pennsylvania to provide additional aid to private homeowners to supplement the compensation which they receive from private insurance and the Federal Government.

(b) An applicant's request for funding shall be subject to the following evaluation:

(1) Upon receipt and approval of a sworn application by any homeowner for nonbusiness or nonfarm real or personal property damaged or destroyed in a declared disaster during 1985, the Department of Public Welfare may make an individual homeowner grant to cover a portion of the adjusted loss.

(2) The adjusted loss shall be the total eligible loss minus any amount received by or due the applicant from private insurance and Federal or State grants and shall not include any insurance deductible paid by the homeowner.

(3) Total eligible loss shall be any loss from damage to an owner-occupied primary residence and any loss from damage to personal property, including clothing, household furnishings and appliances. Eligible loss shall not include any item used principally for recreational purposes.

(4) Homeowners whose household 1985 income does not exceed 300% of the 1985 poverty income guidelines shall be eligible to participate in this grant program. The homeowner, in order to be eligible for this program,

must have registered at a disaster assistance center, unless extenuating circumstances prevented him or her from doing so. Extenuating circumstances shall be determined on an individual basis.

(5) The amount of the grant shall be determined in accordance with the following schedule:

- (i) 75% of the first \$5,000 of adjusted loss.
- (ii) 50% of the second \$5,000 of adjusted loss.
- (iii) 10% of the remaining adjusted loss.
- (iv) No grant shall exceed \$12,500.

(c) If the real property was condemned under eminent domain proceedings and where the measure of damage is calculated under section 602 of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6), known as the Eminent Domain Code, the property owner shall not be eligible for a grant under subsection (b) for property for which compensation is granted in the eminent domain proceedings.

(d) The Department of Public Welfare shall administer the program in the following manner:

(1) All grants under this act shall be administered by the Department of Public Welfare in prompt fashion.

(2) Applications shall be available to disaster victims within 60 days of the effective date of this act.

(3) If sufficient funds are not allocated under this act, distribution of the grants shall be on a pro rata basis.

(4) The Department of Public Welfare may promulgate rules and regulations necessary to carry out the provisions of this act.

(e) The sum of \$15,000,000, or as much thereof as may be necessary, is hereby appropriated to the Department of Public Welfare for the purposes of this act. Notwithstanding the provisions of any other act to the contrary, the funds hereby appropriated shall not lapse until June 30, 1987.

(f) A person making a false claim under the provisions of this act shall be subject to a penalty in the amount of three times the amount of the grant with interest of 6% from the date of the grant. This penalty may be enforced by the Commonwealth in an assumpsit action and collected in the manner that other debts due and owing the Commonwealth are collected.

## Section 2. Rules and regulations.

In order to facilitate the speedy implementation of the program, the Department of Public Welfare shall have the power and authority to promulgate and adopt and use regulations that shall be published in the Pennsylvania Bulletin. The regulations shall not be subject to review pursuant to the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.

## Section 3. Effective date.

This act shall take effect immediately and shall apply retroactively to all disasters for which the Presidential Declaration was issued in calendar year 1985.

APPROVED—The 28th day of March, A. D. 1986, except as to the following:

Section 1. Power to administer emergency funds to disaster-stricken counties.

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(e) The sum of \$15,000,000, or as much thereof as may be necessary, is hereby appropriated to the Department of Public Welfare for the purposes of this act. Notwithstanding the provisions of any other act to the contrary, the funds hereby appropriated shall not lapse until June 30, 1987.

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This item is approved in the amount of \$7,100,000, the amount which my budget office has determined is needed to carry out the mandate of this legislation in providing additional needed assistance to victims of three natural disasters last year. The budget office undertook an independent and comprehensive review of these needs since data on the number of people needing additional aid, as well as the total amount of additional funds required, was not, as best as can be determined, available to members of the General Assembly when they considered this legislation.

This \$7.1 million provided in this bill will be in addition to the nearly \$50 million in State and Federal funds already provided to those affected by the May 31-June 1 tornadoes that struck in 13 northwestern and northcentral counties, the September 27 flooding in six northeastern counties and the November 4-5 flooding in six southwestern counties.

Hundreds of victims of these disasters have already received grants up to \$5,000 or low-interest loans up to \$120,000.

In signing this bill I have taken into account the special needs of those affected by these three disasters, which most severely affected portions of our State least able to adequately respond.

This new program, more generous than any previous disaster assistance plan provided by either the State or Federal governments, allows for additional grants of up to \$12,500 to elderly and unemployed persons with incomes of up to 300 percent of the Federal poverty level, or \$32,000 a year for a family of four.

DICK THORNBURGH