

1 HB726  
2 99521-1  
3 By Representative Gipson  
4 RFD: Government Appropriations  
5 First Read: 13-MAR-08

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8 SYNOPSIS: Under existing law, there is no specific  
9 state program or funding to assist counties and  
10 municipalities in addressing disaster relief in  
11 local areas in Alabama.

12 This bill would establish the Local  
13 Emergency Response and Relief Program to provide  
14 assistance to counties and municipalities in  
15 responding to emergencies in the local area, and  
16 would establish the Local Emergency Response and  
17 Relief Program Committee to establish guidelines  
18 and procedures for requesting assistance and to  
19 administer the program. This bill would impose  
20 annual issuance and renewal fees on property and  
21 casualty insurance policies and earmark the  
22 proceeds from the fees to the Local Emergency  
23 Response and Relief Program (LERP).

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25 A BILL  
26 TO BE ENTITLED  
27 AN ACT

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To create the Alabama Local Emergency Response and Relief Program and to impose certain issuance and renewal fees on property and casualty insurance policies to fund the program.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is hereby created the Alabama Local Emergency Response and Relief Program which shall be financed by revenues generated pursuant to Section 3 of this act. The program shall be administered by the Local Emergency Response and Relief Program Committee, which shall establish guidelines and procedures for applications and disbursements as outlined in this act.

(b) Funds distributed into this program as provided for in Section 3 shall be expended by the Alabama Local Emergency Response and Relief Program Committee established pursuant to Section 2 of this act under guidelines and procedures established by the committee to provide assistance to counties and municipalities in responding to local emergencies occurring within the jurisdictional area of a particular county or municipality. The funds shall be distributed and expended as follows:

(1) One-half of all funds collected annually shall be paid into the Local Emergency Relief Fund and made available for local emergency response and relief efforts within an affected area, including, but not limited to, the operation of emergency shelters, tree and debris removal,

1 re-establishing governmental services, reopening of roads, and  
2 if funds are available, to assist in providing emergency  
3 housing or supplies, or to offer low interest loans to  
4 citizens within the affected area.

5 (2) One-half of all funds collected annually shall  
6 be paid into the Local Emergency Mitigation Fund and made  
7 available as local grants to local emergency management  
8 agencies for equipment and programs to mitigate the potential  
9 damage or severity of a local emergency, including, but not  
10 limited to, the purchase of sirens or other emergency warning  
11 devices, emergency response equipment, the implementation or  
12 upgrade of emergency communication services, or matching funds  
13 for available federal grants and funding for emergency  
14 equipment and programs.

15 Section 2. (a) There is hereby established the  
16 Alabama Local Emergency Response and Relief Program Committee,  
17 which committee shall be responsible for the administration of  
18 this act and for distribution of funds available in the Local  
19 Emergency Relief Fund and the Local Emergency Mitigation Fund  
20 for the Alabama Local Emergency Response and Relief Program  
21 established in Section 1 of this act pursuant to guidelines  
22 and procedures promulgated by the committee as provided in  
23 subsection (b). The committee shall consist of nine members  
24 who shall be appointed in the following manner: Two committee  
25 members shall be appointed by the Governor; one committee  
26 member shall be appointed by the Lieutenant Governor; one  
27 committee member shall be appointed by the President Pro

1 Tempore of the Senate; two committee members shall be  
2 appointed by the Speaker of the House of Representatives; one  
3 committee member, who shall be a County Emergency Management  
4 Director, shall be appointed by the Association of County  
5 Commissions of Alabama; one committee member, who shall be a  
6 Municipal Emergency Management Director, shall be appointed by  
7 the Alabama League of Municipalities; and one committee member  
8 shall be appointed by the Director of the Alabama Emergency  
9 Management Agency. Membership on the committee shall be  
10 staggered so that one-third of the committee members shall be  
11 appointed every three years. In order to establish staggered  
12 terms for membership on the committee, one of the initial  
13 appointments of the Governor, President Pro Tempore of the  
14 Senate, and Speaker of the House shall serve a one-year term,  
15 and one initial appointment from each shall serve a three-year  
16 term. The initial appointment of the Director of the Alabama  
17 Emergency Management Agency, the Association of County  
18 Commissions of Alabama, and the Alabama League of  
19 Municipalities shall serve a two-year term. To the extent  
20 possible, members of the committee shall reflect the racial,  
21 ethnic, gender, geographic, urban/rural, and economic  
22 diversity of the state. Committee members shall be eligible  
23 for re-appointment. Committee members shall serve without  
24 compensation, but shall be entitled to reimbursement of  
25 expenses incurred for service on the committee as allowed for  
26 state officers and employees under Article 2, commencing at  
27 Section 36-7-20, Chapter 2, Title 36, Code of Alabama 1975.

1           (b) The committee member appointed by the Director  
2 of the Alabama Emergency Management Agency shall be  
3 responsible for calling the first meeting of the committee,  
4 which shall be held within 60 days of the effective date of  
5 this act. A chair shall be elected by the committee at its  
6 first meeting, and the committee shall adopt rules of  
7 procedure for meetings and activities of the committee. All  
8 meetings of the committee shall be subject to the Alabama Open  
9 Meetings Law.

10           (c) The first order of business for the committee  
11 shall be to develop the local emergency response and relief  
12 programs available as set out in subsection (b) of Section 1  
13 and to establish guidelines and procedures for providing  
14 financial assistance to counties and municipalities in  
15 responding to local emergencies occurring within the  
16 jurisdictional area of a particular county or municipality. In  
17 addition to establishing procedures for requesting assistance,  
18 the committee shall establish criteria for assistance which  
19 may include providing assistance to citizens within the  
20 jurisdictional area in the manner and under circumstances  
21 determined appropriate by the committee as set out in  
22 subsection (b) of Section 1.

23           Section 3. (a) In order to provide financing for the  
24 Alabama Local Emergency Response and Relief Program, effective  
25 January 1, 2009, an annual issuance and renewal fee of three  
26 dollars (\$3) per policy or insurance contract is imposed upon  
27 the initial issuance and each subsequent renewal of every

1 property and casualty insurance policy or insurance contract  
2 issued which is subject to regulation by the Department of  
3 Insurance under Chapter 7 of Title 27 of the Code of Alabama  
4 1975.

5 (b) Beginning on January 1, 2009, the issuance or  
6 renewal fee imposed in subsection (a) shall be collected by  
7 the agent, or the managing general agent, or the service  
8 representative for the policy or insurance contract and shall  
9 be remitted to the Department of Insurance within 30 days  
10 after the policy or contract is initially delivered to the  
11 insured or is renewed with the insured. The department shall  
12 prescribe administrative rules for the collection of the fees  
13 imposed by subsection (a).

14 (c) All funds collected shall be distributed and  
15 paid as follows: One-half into the Local Emergency Relief Fund  
16 and one-half into the Local Emergency Mitigation Fund. All  
17 funds shall be expended only as provided in subsection (b) of  
18 Section 1 by the Alabama Local Emergency Response and Relief  
19 Program Committee pursuant to guidelines and procedures  
20 established by the committee as provided in Section 2. Any  
21 unexpended funds shall remain in the fund where originally  
22 distributed at the end of each fiscal year and be available  
23 for future expenditures from that fund pursuant to the  
24 guidelines and procedures established by the committee.

25 Section 4. This act shall become effective  
26 immediately following its passage and approval by the  
27 Governor, or its otherwise becoming law.

