

HOUSE BILL 1684

By Lamberth

AN ACT to amend Tennessee Code Annotated, Title 58, Chapter 2, relative to the establishment of the Resilient Tennessee Revolving Loan Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 58, Chapter 2, is amended by adding the following as a new part:

58-2-901. Short title.

This part is known and may be cited as the "Resilient Tennessee Revolving Loan Fund Act."

58-2-902. Findings and purpose.

(a) The general assembly declares that disaster mitigation and resiliency are of the highest priority to the state and the people of Tennessee.

(b) The general assembly finds that congress enacted the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act (Pub. L. No. 116-284) in 2021 for states to establish a revolving loan fund. Revolving loan funds are used to provide funding assistance to local governments for projects to reduce disasters and hazards.

(c) The purposes of this part are to ensure that Tennessee is ready and able to receive federal funds from the STORM Act by establishing the Resilient Tennessee Revolving Loan Fund, and to authorize the proper administration of the fund.

58-2-903. Definitions.

As used in this part, unless the context otherwise requires:

- (1) "Director" means the director of the agency;

(2) "Eligible recipient" means Tennessee counties and local governments, as well as other entities or persons eligible under federal emergency management agency (FEMA) eligibility guidelines, or amendments to eligibility in the STORM Act, in effect at the time of the award;

(3) "Fund" means the Resilient Tennessee Revolving Loan Fund established in this part; and

(4) "STORM Act" means the federal Safeguarding Tomorrow through Ongoing Risk Mitigation Act (Pub. L. No. 116-284).

58-2-904. Resilient Tennessee Revolving Loan Fund.

(a) There is created in the state treasury a revolving loan fund to be known as the "Resilient Tennessee Revolving Loan Fund."

(b) The following moneys must be deposited into the fund:

(1) Moneys received through the federal emergency management agency (FEMA) and the STORM Act;

(2) Moneys appropriated by the general assembly to the fund;

(3) Investment and interest earnings of the fund;

(4) Moneys received as repayment of loan principal and interest; and

(5) All other moneys received by the fund from any other source.

(c) Moneys in the fund must be used to provide loans, at an interest rate of not more than one percent (1%), to eligible recipients for local resilience and hazard mitigation projects.

(d) The state treasurer shall invest the moneys of the fund in the same manner as other state moneys may be invested. All interest earnings of the fund must be credited to the fund.

(e) The fund balance must remain available in perpetuity to provide loans under this part. All moneys deposited into the fund and interest earned on the balance of the fund must be available to the director for expenditures consistent with this part.

(f) Moneys expended from the fund must be supplemental to funding that otherwise would be appropriated or provided to eligible recipients.

(g) In accordance with the limitations set forth in the STORM Act, moneys in the fund may be used to provide loans and financial assistance for projects or activities of eligible recipients that mitigate the impacts of natural hazards, including:

(1) Drought and prolonged episodes of intense heat;

(2) Severe storms, including hurricanes, tornadoes, wind storms, cyclones, and severe winter storms;

(3) Wildfires;

(4) Earthquakes;

(5) Flooding;

(6) Shoreline erosion; and

(7) High water levels.

58-2-905. Administration and rulemaking.

(a) The agency shall administer the fund.

(b) The agency shall adopt rules and regulations for the fund's administration in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. The rules must implement the requirements of the STORM Act and establish application procedures and eligibility criteria for loans from the fund. For loans, the rules establishing eligibility criteria must include that an eligible recipient demonstrate:

(1) The need for a loan to address hazard mitigation; and

(2) The ability to repay the loan, if required, at a later date.

(c) The agency has such other authority as is necessary and appropriate for the exercise of the powers and duties conferred by this part.

(d) The agency may pay the administrative expenses and costs associated with the fund, as authorized by the STORM Act.

(e) The agency shall publicly publish and periodically update information about all projects receiving funding from the fund, including:

- (1) The location of the project;
- (2) The type and amount of assistance provided from the fund;
- (3) The expected funding schedule; and
- (4) The anticipated date of completion of the project.

SECTION 2. The headings to sections in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in a compilation or publication containing this act.

SECTION 3. This act takes effect July 1, 2024, the public welfare requiring it.