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SENATE BILL 6084

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State of Washington

56th Legislature

1999 Regular Session

By Senators Snyder and Rasmussen

Read first time 03/09/1999. Referred to Committee on Commerce, Trade, Housing & Financial Institutions.

1 AN ACT Relating to natural disaster relief; adding a new section to  
2 chapter 48.14 RCW; adding a new chapter to Title 43 RCW; and declaring  
3 an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.14 RCW  
6 to read as follows:

7 Each authorized insurer shall, on or before March 1st of each year,  
8 pay to the state treasurer through the commissioner's office, an amount  
9 equal to five dollars for every contract of insurance issued or renewed  
10 during the previous calendar year that insures against loss from  
11 damages to property as defined in RCW 48.11.040. Amounts paid to the  
12 treasurer under this section shall be placed in the natural disaster  
13 relief account created in section 3 of this act.

14 NEW SECTION. **Sec. 2.** The definitions in this section apply  
15 throughout sections 2 through 6 of this act unless the context clearly  
16 requires otherwise.

1 (1) "Natural disaster" includes events caused by weather, and  
2 weather related events for which insurance cannot be obtained from an  
3 admitted carrier under a standard property and casualty policy.

4 (2) "Victims of natural disaster" means any individual, household,  
5 or business organization who suffers loss as a result of a natural  
6 disaster to property located within an area that has been declared a  
7 disaster by the governor under RCW 43.06.010.

8 (3) "Board" means the natural disaster relief compensation board  
9 created in section 4 of this act.

10 NEW SECTION. **Sec. 3.** The natural disaster relief account is  
11 created in the custody of the state treasurer. All receipts from  
12 insurers paid to the treasurer under section 1 of this act shall be  
13 deposited in the account. Expenditures from the account may be used  
14 only for the purposes described in sections 4 and 5 of this act. Only  
15 the board may authorize expenditures from the account. The account is  
16 subject to the allotment procedures under chapter 43.88 RCW, but an  
17 appropriation is not required for expenditures.

18 NEW SECTION. **Sec. 4.** The natural disaster relief compensation  
19 board is created. The board consists of three members: The insurance  
20 commissioner, the secretary of health, and the director of the  
21 department of community, trade, and economic development, or their  
22 designees. Applications for compensation under this chapter shall be  
23 received, processed, and granted or denied by the natural disaster  
24 relief compensation board. The board will be convened by the governor  
25 in connection with any declaration of emergency or disaster involving  
26 a natural disaster. The insurance commissioner shall serve as chair.  
27 The board members shall assign staff persons from their departments to  
28 carry out the duties of the board as may be necessary. The board has  
29 the authority to contract with adjusters, appraisers, or other  
30 specialists necessary to carry out the functions of the board. These  
31 contracts shall be funded only by expenditures from the disaster relief  
32 account created in section 3 of this act.

33 NEW SECTION. **Sec. 5.** The board shall grant applications for loans  
34 or grants from the natural disaster relief account as follows: Loans  
35 may be granted for up to ninety percent of the loss, as determined by  
36 the board, upon verification that the loss meets the requirements of

1 this chapter, and that it is likely that the applicant has the ability  
2 to repay the loan. Interest rates for loans under this chapter shall  
3 be fixed by the board at a rate not to exceed two percentage points  
4 below the current market rate for loans of a similar type. The maximum  
5 term for loans made under this chapter is fifteen years. The value of  
6 claimed losses that are the subject of applications for grants or loans  
7 under this chapter shall be fixed by the board under rules adopted by  
8 the board. Grants may be made upon verification that the loss meets  
9 the requirements of this chapter, up to sixty percent of the loss if it  
10 is determined that the applicant has no present ability to repay a loan  
11 under the terms of this section. Proceeds of grants or loans made  
12 under this chapter must be used for one or more of the following  
13 purposes: (1) To repair structures or fixtures damaged by a natural  
14 disaster and identified as the subject of the loss; (2) if repair of  
15 structures is not feasible, to relocate the residence or business of  
16 the applicant; (3) to repair essential access roads or driveways or  
17 other infrastructure facilities located on the property of the  
18 applicant; (4) to repair or replace vehicles damaged or destroyed by  
19 the natural disaster; or (5) to repair or replace furniture, equipment,  
20 or appliances damaged or destroyed by the natural disaster.

21 NEW SECTION. **Sec. 6.** The board shall adopt those rules as may be  
22 necessary for the implementation of chapter . . . , Laws of 1999 (this  
23 act), under chapter 34.05 RCW.

24 NEW SECTION. **Sec. 7.** Sections 2 through 6 of this act constitute  
25 a new chapter in Title 43 RCW.

26 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
27 preservation of the public peace, health, or safety, or support of the  
28 state government and its existing public institutions, and takes effect  
29 immediately.

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