

SENATE BILL REPORT

SHB 2320

As Reported by Senate Committee On:
Financial Institutions & Insurance, February 20, 2018

Title: An act relating to the creation of a work group to study and make recommendations on natural disaster mitigation and resiliency activities.

Brief Description: Concerning the creation of a work group to study and make recommendations on natural disaster mitigation and resiliency activities.

Sponsors: House Committee on Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Reeves, Stanford, Bergquist, Tarleton, Slatter, Shea, Barkis, Senn and Ryu; by request of Insurance Commissioner).

Brief History: Passed House: 1/29/18, 95-0.

Committee Activity: Financial Institutions & Insurance: 2/15/18, 2/20/18 [DPA].

Brief Summary of Amended Bill

- Establishes a working group on Natural Disaster and Resiliency Activities (Working Group) to be chaired by the Office of the Insurance Commissioner (OIC).
- Directs the Working Group to review current disaster mitigation and resiliency activities and make recommendations regarding the establishment of an ongoing disaster resiliency program by December 1, 2018.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass as amended.

Signed by Senators Mullet, Chair; Hasegawa, Vice Chair; Angel, Ranking Member; Fortunato, Hobbs and Kuderer.

Staff: Jeff Olsen (786-7428)

Background: The Washington Military Department, under the direction of the adjutant general, administers the state's comprehensive program of emergency management. The adjutant general is responsible for developing a comprehensive, all-hazard emergency plan

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for the state that includes an analysis of natural, technological, or human-caused hazards, and procedures to coordinate local and state resources in their response. The Washington Emergency Management Division's mission is to minimize the impact of emergencies and disasters on the people, property, environment, and economy of Washington.

On November 4, 2016, the Governor issued a directive on preparedness and response to earthquakes and tsunamis in Washington. In January of 2017, the Resilient Washington Subcabinet was convened to help Washington State better prepare for natural disasters, including earthquakes, tsunamis, wildfires, drought, storms, and flooding. The subcabinet has been directed to:

- identify data and information gaps that hinder preparedness and response plans;
- identify data and information to help guide a strategic public education campaign centered on personal preparedness;
- develop potential actions that can be coordinated across state agencies, local jurisdictions and federal partners to reduce risk and improve response in the event of an earthquake or tsunami; and
- identify, prioritize, and estimate costs for state actions that will improve public safety and earthquake preparedness and response.

Members of the subcabinet include the Military Department, the Office of the Governor, the Department of Transportation, the Department of Enterprise Services, the Department of Commerce, the Department of Health, Utilities and Transportation Commission, the Department of Social and Health Services, the Lieutenant Governor's Office, the Department of Natural Resources, the Office of the Superintendent of Public Instruction, and the OIC.

Summary of Amended Bill: A Working Group to study and make recommendations on natural disaster and resiliency activities is created. The Working Group membership includes:

- the insurance commissioner or a designee, who shall be the chair of the Working Group;
- one member from each of the four major caucuses of the Legislature;
- a representative from the Governor's Resilient Washington work group;
- a representative from the Washington State Association of Counties;
- a representative from the Association of Washington Cities;
- a representative from the State Building Code Council;
- the supervisor of the Department of Natural Resources or a designee;
- the director of the Washington State Military Department or a designee;
- two representatives from the property and casualty insurance industry;
- the director of the Department of Ecology or a designee;
- the superintendent of the Office of the Superintendent of Public Instruction or a designee;
- a representative from the Washington Association of Building Officials;
- a representative from public utility districts to be selected by a state association of public utility districts;
- a representative selected by the Washington State Commission on African-American Affairs, the Washington State Commission on Hispanic Affairs, and the Washington State Commission on Asian Pacific American Affairs, to represent the three commissions on the work group; and
- the director of the Department of Commerce or a designee.

The Working Group must review disaster mitigation and resiliency activities being done by federal agencies, other states, and public and private entities in Washington. In addition, the Working Group must review information on the use of disaster-related insurance, how other states are coordinating disaster mitigation and resiliency work, and the work of entities such as the California Earthquake Authority.

The Working Group must make recommendations on:

- the creation of an ongoing disaster resiliency program;
- the activities the disaster resiliency program should engage in;
- how the program should coordinate with other entities; and
- where to establish the program and how it would be funded.

The Working Group must make their recommendations to the OIC and the Legislature by December 1, 2018.

EFFECT OF FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE AMENDMENT(S): Adds a representative of public utility districts and a representative selected by the Washington State Commission on African-American Affairs, the Washington State Commission on Hispanic Affairs, and the Washington State Commission on Asian Pacific American Affairs, to represent the three commissions on the natural disaster mitigation work group.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Washington faces many challenging potential natural disasters, and it makes sense to think and prepare proactively. The bill is similar to the bill heard and passed previously by the committee. Many disasters have occurred in public utility district service areas, and a representative from public utility districts would be a good addition to the work group.

Persons Testifying: PRO: Representative Kristine Reeves, Prime Sponsor; Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: PRO: Bill Clarke, Washington PUD Association.