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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the authority to reimburse local governments or electric cooperatives for interest expenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DUNN of Florida introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for the authority to reimburse local governments or electric cooperatives for interest expenses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FEMA Loan Interest
5 Payment Relief Act”.

1 **SEC. 2. REIMBURSEMENT OF INTEREST PAYMENTS RE-**
2 **LATED TO PUBLIC ASSISTANCE.**

3 (a) IN GENERAL.—Title IV of the Robert T. Stafford
4 Disaster Relief and Emergency Assistance Act (42 U.S.C.
5 5170 et seq.) is amended by adding at the end the fol-
6 lowing:

7 **“SEC. 431. REIMBURSEMENT OF INTEREST PAYMENTS RE-**
8 **LATED TO PUBLIC ASSISTANCE.**

9 “(a) IN GENERAL.—The President, acting through
10 the Administrator of the Federal Emergency Management
11 Agency, shall provide financial assistance to a local gov-
12 ernment or electric cooperative as reimbursement for
13 qualifying interest.

14 “(b) DEFINITIONS.—

15 “(1) IN GENERAL.—In this section, the fol-
16 lowing definitions apply:

17 “(A) QUALIFYING INTEREST.—The term
18 ‘qualifying interest’ means, with respect to a
19 qualifying loan, the lesser of—

20 “(i) the actual interest paid to a lend-
21 er for such qualifying loan; and

22 “(ii) the interest that would have been
23 paid to a lender if such qualifying loan had
24 an interest rate equal to the prime rate
25 most recently published on the Federal Re-

1 serve Statistical Release on selected inter-
2 est rates.

3 “(B) QUALIFYING LOAN.—The term ‘quali-
4 fying loan’ means a loan—

5 “(i) obtained by a local government or
6 electric cooperative; and

7 “(ii) of which not less than 90 percent
8 of the proceeds are used to fund activities
9 for which such local government or electric
10 cooperative receives assistance under this
11 Act after the date on which such loan is
12 disbursed.

13 “(2) LOCAL GOVERNMENT.—For purposes of
14 this section, the term ‘local government’ includes the
15 District of Columbia.”.

16 (b) RULES OF APPLICABILITY.—

17 (1) ELIGIBILITY.—Any qualifying interest (as
18 such term is defined in section 431 of the Robert T.
19 Stafford Disaster Relief and Emergency Assistance
20 Act, as added by this Act) incurred by a local gov-
21 ernment or electric cooperative in the 9 years pre-
22 ceding the date of enactment of this Act shall be
23 treated as eligible for financial assistance for pur-
24 poses of such section.

1 (2) APPROPRIATIONS.—Only amounts appro-
2 priated on or after the date of enactment of this Act
3 may be made available to carry out the amendment
4 made by this section.

5 (c) ALTERNATIVE PROCEDURES FOR OUTSTANDING
6 QUALIFYING INTEREST REIMBURSEMENT.—

7 (1) IN GENERAL.—Notwithstanding any other
8 provision of law, not later than 30 days after the
9 date of enactment of this Act, the President, acting
10 through the Administrator of the Federal Emer-
11 gency Management Agency, shall establish and pub-
12 lish in the Federal Register alternative procedures
13 for States to obtain reimbursement for qualifying
14 loan interest (as such term is defined in section
15 431(b) of the Robert T. Stafford Disaster Relief and
16 Emergency Assistance Act, as added by this Act) eli-
17 gible under the Robert T. Stafford Disaster Relief
18 and Emergency Assistance Act (42 U.S.C. 5121 et.
19 seq) for all projects pending obligation as of the date
20 of enactment of this Act.

21 (2) APPLICATION.—A State requesting reim-
22 bursement pursuant to paragraph (1) shall submit
23 an application to the President, acting through the
24 Administrator of the Federal Emergency Manage-
25 ment Agency, for outstanding qualifying interest re-

1 reimbursement not later than 60 days after the date
2 of publication of the procedures in such subsection.

3 (3) REIMBURSEMENT TIMING.—In carrying out
4 paragraph (1), the President, acting through the Ad-
5 ministrator of the Federal Emergency Management
6 Agency, shall reimburse States requesting assistance
7 pursuant to paragraph (1) not later than 1 year
8 after the date of enactment of this Act.