

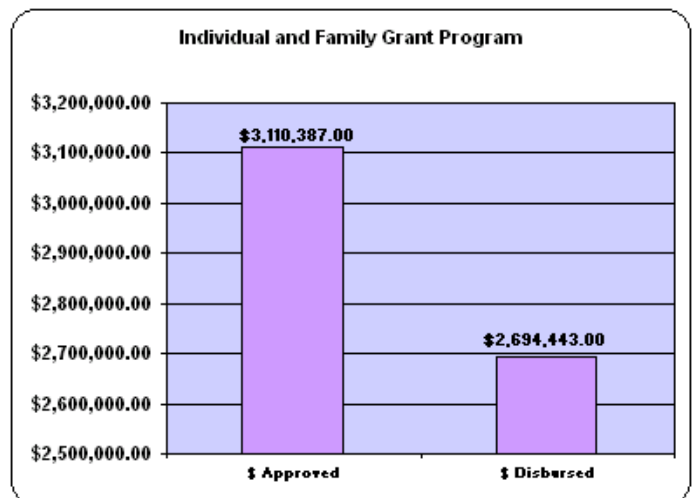
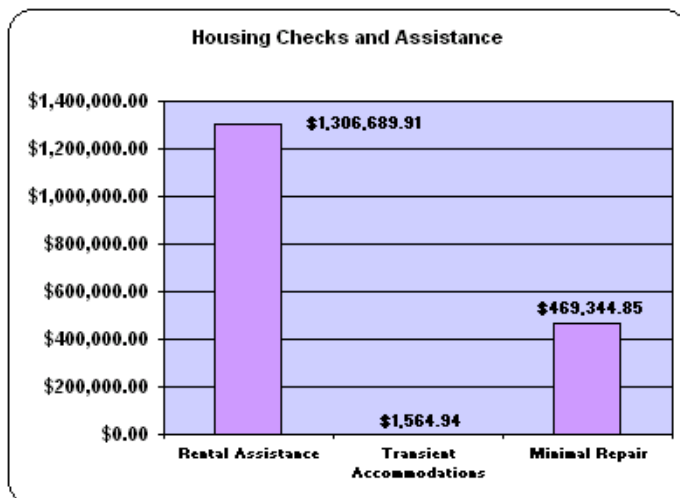


## Tornado Disaster Relief

### Issue Background

On the evening of May 3, 1999, deadly tornadoes struck central Oklahoma, leaving death and destruction in their wake. Forty-four Oklahomans lost their lives and more than 800 individuals were injured. The storm damaged or destroyed over 7,000 homes and 150 businesses and public buildings. Sixteen counties were designated in the Presidential disaster declaration as eligible for individual assistance or both individual and public assistance. This designation enabled individuals, families, and business owners to receive federal and state disaster assistance in the form of grants for temporary housing and minor home repairs and low-interest SBA loans for losses not fully covered by insurance. An additional three counties were designated as eligible for public assistance only.

By mid-June the following federal and state disaster relief had been provided: a few more than 9,000 Oklahomans registered with the Federal Emergency Management Agency (FEMA) for assistance; FEMA disbursed over \$1.7 million for temporary housing or minor housing repairs; federal and state grants worth \$2.7 million were disbursed to individual and families for disaster-related expenses; the Oklahoma Employment Security Commission disbursed \$59,579 for disaster-related unemployment; and the Small Business Administration approved low-interest loans of \$54.6 million.



### Summary of Actions

The Oklahoma Legislature responded to this disaster by appropriating \$5.2 million for disaster assistance. The Legislature also enacted tax-relief measures, a price-stabilization act, and provisions to allow the use of public employees and resources for disaster relief efforts. These measures and other actions are described in the following summaries.

### Tax Relief Measures

#### SB 1 (Long/Taylor) Vehicle registration fees and excise taxes

Allows a credit against vehicle registration fees and excise taxes for vehicles which are replacements for vehicles destroyed by the May 3rd tornadoes. For registration fees, the credit is in an amount based on the remaining registration period. For excise taxes, the credit is in the full amount of excise taxes paid for a vehicle purchased in the year prior to May 3, 1999.

#### SB 316 (Monson/Langmacher) Sales and income tax relief

Makes several changes to the Oklahoma Tax Code including changes to provide the following tax relief for businesses and individuals affected by the tornadoes:

- Exempts from sales tax items withdrawn from inventory for donation to persons affected by the May 3rd tornadoes
- Excuses vendors from certain sales tax payment if a sales tax report or payment of tax is delinquent due to the May 3rd tornadoes

- Allows an income tax exemption for state income taxes payable by Method 2 filers due to federal tax reduction for May 3rd tornado damage loss carryback.

#### **HB 1466 (Kinnamon/Fisher) Ad valorem tax exemption**

Allows a five-year manufacturers' ad valorem tax exemption for wholesale grocery distributors employing at least 100 persons or retail shopping centers remitting at least 50% of the municipal sales tax in the municipality in which it was located, if the facilities were damaged or destroyed in the May 3rd tornadoes. The facilities must be repaired or rebuilt by May 3, 2001, to the same or similar condition as existed prior to the tornadoes, or may be expanded and must employ at least 90% of the average level of employees as in the year prior to the tornadoes (at least 70% for shopping center tenants), and the exemption must be claimed by March 15, 2001.

#### **HB 1585 (Settle/Haney) Income tax credit for increased property taxes**

Allows an income tax credit for increased property taxes on residential property that is rebuilt after being damaged or destroyed in the May 3rd tornadoes. The credit is refundable and is allowed for five years. The property must be the primary residence of the owner both prior to and after the tornado and must be homestead property.

### **Relief Related Work and Repairs**

#### **SB 69 (Fisher/Tyler) Emergency Price Stabilization Act**

Enacts the Emergency Price Stabilization Act, aimed most immediately at preventing price-gouging of residents whose homes were damaged or destroyed by the May 3rd tornadoes. The act will apply whenever there is a state of emergency. It prohibits price increases of more than 10% on such things as lumber, other building materials, motel and apartment rentals, storage unit rentals, water, plastic sheeting, and anything else movable. There are some exceptions, including one for cost increases that are beyond the control of the seller and that do not increase the seller's profit. The 10% limit on price increases applies to the counties included in the state of emergency and the surrounding counties. The limit expires 30 days after the end of the state of emergency on everything but renting or leasing of dwelling units and storage space. For those, the limit extends an additional 180 days. Violation of the act is a violation of the Oklahoma Consumer Protection Act. Criminal conviction could mean up to a year's imprisonment and a fine of up to \$1,000 or both. Additionally, the violator could be civilly liable.

#### **SB 241 (Easley/Rice)**

Addresses the burden placed on existing landfills by recent tornadoes and other natural disasters by authorizing the Department of Environmental Quality to issue emergency, temporary or interim permits to allow certain landfill facilities to accept construction and demolition waste. DEQ is also granted authority to issue other emergency permits in order to respond to waste disposal caused by these natural disasters.

#### **SB 259 (Fisher/Roach) Oklahoma Disaster Relief Act**

In addition to amending provisions pertaining to unemployment compensation and enterprise zones, this bill creates the Oklahoma Disaster Relief Act. The Act authorizes state and local governmental entities to utilize employees for certain disaster relief related work on private property.

#### **SB 379 (Maddox/Kirby) Temporary licensing of journeymen**

Establishes a procedure whereby out-of-state-licensed journeymen who do plumbing, electrical work, or work on heating, ventilating, and air conditioning can obtain a temporary journeyman license to work in this state during the year after the Governor declares a state of emergency because of a disaster involving the destruction of residential property. Applicants must pass an examination comparable to the regular journeyman examination. The State Department of Health must offer the examination at least once every 30 days for at least six months from the date of the disaster. Although the temporary licensing procedure is only available if dwelling units are affected, the temporary license is good for both residential and commercial work.

#### **SB 549 (Price/Leist) Groundwater and remedial actions**

Relieves the Water Resources Board from the requirement to seek reimbursement from the owner of a well or borehole for any remedial action taken to protect groundwater from pollution if the Governor has declared an emergency and a claim by the owner of the well or borehole is not paid by insurance or other relief.

#### **SCR 44 (Fisher/Hiett) Housing bonds**

Memorializes Congress to grant Oklahoma an additional \$50 million in tax-exempt bond authority for mortgage revenue bonds and to waive first-time buyer requirements and limits on maximum borrower income and acquisition costs in the sixteen-county designated disaster area.

#### **HB 1841 (Rice/Easley)**

In addition to creating the "Oklahoma Flood Hazard Mitigation Program", this bill creates a State Hazard Mitigation Team and requires the Team to review and periodically update the State Comprehensive Hazard Mitigation Plan. The bill also requires the Governor to consider on a continuous basis, in addition to preventative measures, actions that could be taken to mitigate the harmful consequences of emergencies and natural disasters.

### **Leave for Public Employees**

#### **SCR 38 (Leftwich/Paulk) State employee administrative leave**

Requests the Governor to adopt an Executive Order allowing paid administrative leave for certain state employees who were victims of the May 3rd tornadoes.

### **HB 1579 (Settle/Haney) Leave for state and local government employees**

Makes available up to 15 days of leave with pay for certain state, municipal, county, and school district employees who are affected by presidentially declared natural disasters. Provides that municipalities, counties, and school districts may amend their leave policies to allow shared leave for such affected employees. For state employees the leave sharing policy was amended to allow donated leave for affected employees of presidentially declared natural disasters. Provides that appointing authorities may reinstate or compensate employees affected by the May 3rd tornadoes for any leave affected employees took related to the disaster or for leave without pay that was taken.

## **State funds appropriated for disaster assistance**

### **SB 173 (Haney/Settle) Reallocation of funds for disaster assistance**

Reallocates for disaster relief \$1.2 million appropriated last year to the District Attorneys Council and the Indigent Defense System for costs related to any future Murrah Building Bombing trial.

### **HB 1565 (Settle/Haney) Allocation of Rainy Day Funds**

Appropriates \$4 million to the State Emergency Fund. Two million dollars are set aside for the repair or replacement of public structures damaged or destroyed by the May 3rd tornadoes or for removal and disposal of debris, wherever located.

Appropriates \$1 million to the State Department of Vocational and Technical Education to provide rapid response disaster training programs.

## **Resolutions of Praise and Support**

### **HB 1029 (Benson et al)**

Applauds the financial support given to the American Red Cross by the Oklahoma Legislative Black Caucus, members of the Oklahoma House of Representatives, and the National Black Caucus of Legislators for the Oklahoma tornado relief effort and urges other groups to follow the example of these groups.

### **HB 1039 (Benson et al)**

Declares May 28, 1999, as a statewide day of prayer in support of the tornado victims.

### **HB 1046 (Culver/Rozell)**

Commends persons who participated in the storm warnings, rescue, and care of Oklahomans who needed assistance in the aftermath of the recent tornadoes.

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