

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3055

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to modify the terms of the community disaster loan program, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

OCTOBER 3, 2002

Mrs. CLINTON (for herself and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

---

## A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to modify the terms of the community disaster loan program, 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 “Community Disaster  
5       Loan Equity Act of 2002”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

8               (1) major disasters, including disasters caused  
9       by terrorist acts, often result in a decline in eco-

1        nomic activity in areas affected by the disaster and  
2        a reduction in tax collections by State and local gov-  
3        ernments serving those areas;

4            (2) a report of the General Accounting Office  
5        entitled “Review of the Estimates for the Impact of  
6        the September 11, 2001, Terrorist Attacks on New  
7        York Tax Revenues”, dated July 26, 2002, esti-  
8        mates that—

9            (A) for fiscal year 2002, tax revenue losses  
10        for New York City will be \$1,600,000,000 and  
11        tax revenue losses for the State of New York  
12        will be \$1,600,000,000; and

13            (B) for fiscal year 2003, tax revenue losses  
14        for New York City will be \$1,400,000,000 and  
15        tax revenue losses for the State of New York  
16        will be \$4,200,000,000;

17            (3) as a result of the major disaster caused by  
18        terrorist attacks of September 11, 2001, the City of  
19        New York also experienced substantial additional  
20        unreimbursed disaster-related expenses of  
21        \$650,000,000;

22            (4) under the community disaster loan program  
23        (in this section referred to as the “CDL program”),  
24        as authorized by the Robert T. Stafford Disaster  
25        Relief and Emergency Assistance Act, the President

1        may make loans to a local government suffering a  
2        substantial loss of tax and other revenues as a result  
3        of a major disaster, if the local government dem-  
4        onstrates a need for financial assistance in order to  
5        preform its governmental function;

6            (5) the President may cancel the repayment of  
7        all or any part of a loan made to a local government  
8        under the CDL program if revenues following the  
9        disaster are insufficient to meet the operating budg-  
10       et of that local government as a result of disaster-  
11       related revenue losses and additional unreimbursed  
12       disaster-related municipal operating expenses;

13           (6) in the case of a major disaster resulting  
14       from a terrorist attack, repayment of interest or  
15       principal on a loan made under the CDL program  
16       should not be required;

17           (7) assistance made available under the CDL  
18       program is often instrumental in aiding the full re-  
19       covery of a local government following a major dis-  
20       aster;

21           (8) section 207 of the Disaster Mitigation Act  
22       of 2000 (Public Law 106–390; 114 Stat. 1571) es-  
23       tablished, for the first time, a \$5,000,000 limitation  
24       on loans made to a local government under the CDL  
25       program in connection with a major disaster; and

1           (9) the \$5,000,0000 limitation is inequitable  
2           when applied to a local government serving a largely  
3           populated area, such as New York City, and is in-  
4           consistent with the objective of the CDL program to  
5           provide meaningful assistance to a local government  
6           recovering from a major disaster.

7 **SEC. 3. COMMUNITY DISASTER LOANS.**

8           (a) AMENDMENTS.—Section 417 of the Robert T.  
9           Stafford Disaster Relief and Emergency Assistance Act  
10          (42 U.S.C. 5184) is amended—

11           (1) by striking “local government” each place it  
12           appears and inserting “State or local government”;

13           (2) in subsection (b)—

14           (A) by striking “based on need, shall” and  
15           inserting “based on need and shall”; and

16           (B) by striking “, and shall not exceed  
17           \$5,000,000”; and

18           (3) by adding at the end the following:

19           “(e) MAJOR DISASTERS CAUSED BY TERRORIST AT-  
20          TACKS.—The President shall not require the payment of  
21          any interest or principal on a loan made under this section  
22          to a State or local government which suffers a substantial  
23          loss of tax and other revenues as a result of a major dis-  
24          aster caused by a terrorist attack.”.

1           (b) APPLICABILITY.—The amendments made by this  
2 section shall apply with respect to any major disaster oc-  
3 ccurring on or after October 30, 2000.

○