



Legislation Text

File #: Res 0542-2002, **Version:** *

Res. No. 542

Resolution calling upon Congress and the President to enact H.R. 5523 and S.3055, to amend the Community Disaster Loan provisions of the Stafford Act to eliminate the \$5 million cap on these loans so that they may be used to make up lost revenues and unreimbursed expenses directly attributable to the September 11th terrorist attacks, to make these loans available to both localities and states, and to provide for forgiveness of Community Disaster Loans if the disaster was the result of a terrorist attack.

By the Speaker (Council Member Miller) and Council Members Weprin, Baez, Vallone, Jr., Comrie, Davis, Diaz, Dilan, Felder, Fidler, Gerson, Jackson, McMahon, Nelson, Perkins, Rivera, Sanders, Sears, Serrano, Vann, Quinn, Gennaro and Brewer

Whereas, On September 11, 2001 terrorists launched attacks on New York City, resulting in the death of thousands of people, the damage of tens of billions of dollars of property, the displacement of thousands of New Yorkers from their homes and the destruction, dislocation or disruption of thousands of businesses; and

Whereas, The City Council and Mayor's Office of Management and Budget have estimated that the City lost over one and one-half billion dollars in revenue in fiscal 2002 and almost one and one-half billion dollars in revenue in fiscal 2003 as a direct result of the terrorist attacks; and

Whereas, In addition to these enormous losses of tax revenue, the City has also sustained approximately \$650 million in costs relating to the terrorist attacks which it appears will not be reimbursed by the Federal government; and

Whereas, The Stafford Act, the Federal Statute which controls the federal governments response to disasters, contains provisions for providing Community Disaster Loans to local governments suffering substantial revenue losses as a result of major disasters if the local government demonstrates the need for federal assistance to perform its governmental functions, and provides that the loans can be converted to grants if the local government has not fully recovered from the economic impact of the disaster within three years; and

Whereas, Prior to 2000, there was no cap on the amount of Community Disaster Loans for which a locality could qualify, and some jurisdictions received aid totaling a large percentage of their budgets, such as the United States Virgin Islands with an annual budget of approximately \$502 million (1995), which received over \$50 million in the wake of Hurricane Hugo (1989) and \$127 million in the wake of Hurricane Marilyn (1995); and

Whereas, In 2000, Congress capped the amount any jurisdiction could receive in Community Disaster loans at \$5 million, an amount which virtually eliminates these loans as a useful tool for large urban jurisdictions facing major disasters; and

Whereas, In the September 11th attacks, terrorists targeted New York City's World Trade Center specifically because of its economic importance to the City and nation, and because it - and the Lower Manhattan business district in which it was located - represented the economic engine of the City and the nation; and

Whereas, There is no better example of the need for federal assistance such as Community Disaster Loans in the aftermath of a major disaster than an intentional attack on an economic center designed to disrupt the economic life and well-being of a City, nor is there any better example of a situation in which such loans might require forgiveness by the federal government; and

Whereas, On October 2, 2002 New York's two Senators introduced S 3055, and Representatives Maloney, Rangel and many other members of the New York Congressional delegation introduced H.R. 5523, entitled the "Community Disaster Loan Equity Act of 2002"; and

Whereas, This legislation would eliminate the \$5 million cap on Community Disaster Loans to make them available to the City to make up for lost tax revenue as well as unreimbursed expenses attributable to the attacks; and

Whereas, This legislation would also make these loans available to New York State which has suffered tremendous losses of tax revenue as a direct result of the attacks and would provide that Community Disaster Loans made in the wake of major disasters caused by a terrorist attack need not be paid back; now therefore, be it

Resolved, That the Council of the City of New York calls upon Congress and the President to enact H.R. 5523 and S 3055, to amend the Community Disaster Loan provisions of the Stafford Act to eliminate the \$5 million cap on these loans so that they may be used to make up lost revenues and unreimbursed expenses directly attributable to the September 11th terrorist attacks, to make these loans available to both localities and states, and to provide for forgiveness of Community Disaster Loans if the disaster was the result of a terrorist attack.

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