

1-1 By: Kolkhorst S.C.R. No. 44
 1-2 (In the Senate - Filed April 14, 2023; April 17, 2023, read
 1-3 first time and referred to Committee on State Affairs;
 1-4 April 24, 2023, reported favorably by the following vote: Yeas 10,
 1-5 Nays 0; April 24, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 SENATE CONCURRENT RESOLUTION

1-20 WHEREAS, Aransas County alleges that:
 1-21 (1) Regional Pool Alliance is a distinct governmental
 1-22 unit organized under the Interlocal Cooperation Act (Chapter 791,
 1-23 Government Code), is engaged in the business of insurance by
 1-24 providing risk pool insurance coverage to governmental entities,
 1-25 and offered that coverage to Aransas County;
 1-26 (2) Regional Pool Alliance promised its members
 1-27 complete disaster recovery services, which included:
 1-28 (A) filing insurance claims on behalf of its
 1-29 members after a disaster;
 1-30 (B) pursuing full payment of those claims;
 1-31 (C) contracting directly with construction
 1-32 contractors for the remediation, repair, and, if necessary,
 1-33 reconstruction of damaged facilities; and
 1-34 (D) ensuring satisfactory completion of
 1-35 construction projects;
 1-36 (3) Aransas County paid annual premiums, assessments,
 1-37 fees, and surcharges to Regional Pool Alliance from 2012 through
 1-38 2022 in exchange for comprehensive insurance coverage for its
 1-39 property and, through Regional Pool Alliance, was named as an
 1-40 insured in various contracts with insurers or insurance carriers
 1-41 for property and casualty insurance to cover losses, including
 1-42 losses due to storm damage caused by natural disasters, such as
 1-43 hurricanes;
 1-44 (4) after Regional Pool Alliance collected premiums
 1-45 from Aransas County, it issued an insurance contract that contained
 1-46 coverages, property values, and terms of insurance;
 1-47 (5) in 2017, Aransas County owned property consisting
 1-48 of approximately 43 buildings, mobile equipment, and other personal
 1-49 property located in Aransas County, Texas;
 1-50 (6) the insured actual value of Aransas County's
 1-51 buildings and contents was \$37,742,009.00 in the policy that
 1-52 covered losses beyond actual value to the cost of replacement;
 1-53 (7) at 10:00 p.m. on August 25, 2017, Hurricane Harvey
 1-54 made landfall as a Category 4 hurricane about five miles east of the
 1-55 city of Rockport in Aransas County with wind gusts measured at 152
 1-56 miles per hour and made a second landfall in Aransas County three
 1-57 hours later near the Copano Bay community of Holiday Beach;
 1-58 (8) Aransas County experienced the highest storm surge
 1-59 from Hurricane Harvey at 12.5 feet, and more than 15 inches of rain
 1-60 fell in Aransas County in a single day;
 1-61 (9) Hurricane Harvey is estimated to have caused \$125

2-1 billion in damage to the Texas coast as one of the costliest
2-2 tropical cyclones in United States history with extreme wind damage
2-3 in Aransas County, Nueces County, Refugio County, and the eastern
2-4 part of San Patricio County, as it destroyed approximately 15,000
2-5 homes and damaged another 25,000 homes, with the most severe damage
2-6 in Aransas County;

2-7 (10) properties owned by Aransas County experienced
2-8 significant damage including:

2-9 (A) the complete destruction of the Aransas
2-10 County Courthouse and Aransas County Aquarium;

2-11 (B) devastating damage to Aransas County's
2-12 airport, which suffered the loss of almost all of its hangars; and

2-13 (C) severe damage to many other county buildings
2-14 and facilities;

2-15 (11) after Hurricane Harvey, Aransas County promptly
2-16 submitted its claim for damaged property to the insurers through
2-17 Regional Pool Alliance, which also submitted claims on behalf of
2-18 other entities that suffered damage and losses due to Hurricane
2-19 Harvey;

2-20 (12) Aransas County officials received information
2-21 from Regional Pool Alliance periodically, which led the officials
2-22 to believe Regional Pool Alliance was receiving the county's
2-23 proceeds from the insurance carriers and using the proceeds to
2-24 contract with construction contractors to rebuild Aransas County's
2-25 facilities damaged by Hurricane Harvey;

2-26 (13) in late 2021, contractors began complaining to
2-27 Aransas County that Regional Pool Alliance was not responsive and
2-28 was not paying bills for work performed on Aransas County's
2-29 property;

2-30 (14) Aransas County immediately reached out to
2-31 Regional Pool Alliance regarding these complaints, but Aransas
2-32 County's questions, including questions concerning when repairs
2-33 would be completed, how repairs would be paid for, and what
2-34 arrangements were being made with contractors, were not answered;

2-35 (15) by October 2022, a claims adjuster informed
2-36 Aransas County that Regional Pool Alliance had instructed the
2-37 claims adjuster not to provide any information or otherwise
2-38 communicate with Aransas County;

2-39 (16) in January 2023, in response to a direct question
2-40 from the county attorney's office of Aransas County, Regional Pool
2-41 Alliance informed Aransas County that there was no more money to
2-42 fund the repairs to Aransas County's facilities;

2-43 (17) Aransas County later learned that Regional Pool
2-44 Alliance submitted claims on all of the properties owned by various
2-45 governmental entities and damaged by Hurricane Harvey together and
2-46 received payments from the insurance carriers in large lump sums;

2-47 (18) Regional Pool Alliance made no effort to
2-48 segregate the funds received by project or even by governmental
2-49 entity, and funds paid by the insurance carriers for damages to the
2-50 Aransas County facilities were commingled with funds paid to
2-51 Regional Pool Alliance for damages to other governmental entities'
2-52 facilities along the Texas coast;

2-53 (19) now Regional Pool Alliance has run out of money to
2-54 reconstruct Aransas County's facilities and refuses to pay the full
2-55 value of Aransas County's claims;

2-56 (20) critical facilities in Aransas County remain
2-57 unfinished, and Aransas County faces a significant fiscal challenge
2-58 due to nonpayment of millions of dollars of insurance proceeds as a
2-59 result of Regional Pool Alliance's failure to provide the claims
2-60 services and disaster-recovery services it promised;

2-61 (21) additional Aransas County facilities, including
2-62 the courthouse annex, the county tax assessor-collector's office,
2-63 and the transfer station, were damaged by Hurricane Harvey but have
2-64 not been fully repaired, remediated, or replaced;

2-65 (22) the lack of fully operational county facilities
2-66 has hindered Aransas County's ability to provide governmental
2-67 services and facilities to people living in and visiting the
2-68 county;

2-69 (23) Regional Pool Alliance has been named as a

3-1 defendant in at least two lawsuits related to Hurricane Harvey and
3-2 has asserted that it is immune from suit as a distinct governmental
3-3 unit; and

3-4 (24) Aransas County seeks to adjudicate its claims
3-5 against Regional Pool Alliance arising from Regional Pool
3-6 Alliance's failures to carry out the services it promised to
3-7 Aransas County and to obtain recovery from Regional Pool Alliance
3-8 on behalf of Aransas County and its residents; now, therefore, be it

3-9 RESOLVED by the Legislature of the State of Texas, That
3-10 Aransas County is granted permission to sue Regional Pool Alliance,
3-11 and Regional Pool Alliance's governmental immunity to suit and from
3-12 liability is waived, with respect to any cause of action arising
3-13 from Regional Pool Alliance's conduct in connection with Aransas
3-14 County's losses from Hurricane Harvey, including a claim for:

3-15 (1) recovery under Chapter 134, Civil Practice and
3-16 Remedies Code;

3-17 (2) a violation of Chapter 541, Insurance Code;

3-18 (3) a violation of Chapter 542, Insurance Code;

3-19 (4) negligent undertaking;

3-20 (5) negligent misrepresentation;

3-21 (6) fraud;

3-22 (7) quantum meruit;

3-23 (8) unjust enrichment; or

3-24 (9) money had and received; and, be it further

3-25 RESOLVED, That the suit authorized by this resolution shall
3-26 be brought in Aransas County; and, be it further

3-27 RESOLVED, That Kathleen Hicks, Director of Administration
3-28 for Regional Pool Alliance, be served process.

3-29 * * * * *