To delay increases in premium rates for flood insurance coverage under the National Flood Insurance Program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 2014

Mr. GARCIA introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To delay increases in premium rates for flood insurance coverage under the National Flood Insurance Program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, 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 “Helping Owners Mitigate Effectively Act of 2014” or the “HOME Act of
5  2014”.

SEC. 2. DELAY IN FLOOD INSURANCE RATE CHANGES.

(a) DELAY.—Notwithstanding any other provision of law, any change in risk premium rates for flood insurance under the National Flood Insurance Program resulting from the amendments made by sections 100205 and 100207 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 917) to sections 1307 and 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014 and 4015) shall not take effect until the expiration of the 5-year period that begins upon the date of the enactment of the Biggert-Waters Flood Insurance Reform Act of 2012.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted as part of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 916).

SEC. 3. CAP ON ANNUAL COST OF FLOOD INSURANCE.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection:

“(i) MAXIMUM ANNUAL PREMIUM.—Notwithstanding any other provision of this title, the maximum annual chargeable premium rate for a property shall be
the appraised value of the property at the time of the pur-
chase of the property by the current owner of the property
divided by 30.”

SEC. 4. CREDIT FOR CERTAIN QUALIFIED FLOOD MITIGA-
TION EXPENSES.

(a) In General.—Subpart B of part IV of sub-
chapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by adding at the end the following new
section:

“SEC. 30E. QUALIFIED FLOOD MITIGATION EXPENSES.

“(a) In General.—In the case of a qualified tax-
payer, there shall be allowed as a credit against the tax
imposed by this chapter for the taxable year an amount
equal to the qualified flood mitigation expenses paid or
incurred by the taxpayer for the taxable year.

“(b) Limitations.—The amount allowed as a credit
under subsection (a) for a taxable year shall not exceed
$7,500.

“(c) Qualified Taxpayer.—

“(1) In General.—For purposes of this sec-
tion, the term ‘qualified taxpayer’ means a taxpayer
who is the holder of a policy for flood insurance cov-
ernage under the national flood insurance program
under the National Flood Insurance Act of 1968 (42
U.S.C. 4011 et seq.).
“(2) Business employers must be small.—

“(A) In general.—In the case of a taxpayer which is a trade or business, for purposes of this section the term ‘qualified taxpayer’ shall not include any taxpayer which employed an average of more than 50 employees on business days during such taxable year.

“(B) Controlled groups.—For purposes of subparagraph (A), all persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single employer.

“(d) Qualified flood mitigation expenses.—The term ‘qualified flood mitigation expenses’ shall have the meaning given such term by the Administrator of the Federal Emergency Management Agency.

“(e) Partnership, S corporations, and other pass-thru entities.—In the case of a partnership, trust, S corporation, or other pass-thru entity, the credit and limitations contained in this section shall be determined at the entity level.

“(f) Application with other credits.—

“(1) Business credit treated as part of general business credit.—So much of the credit which would be allowed under subsection (a) for any
taxable year (determined without regard to this sub-
section) that is determined with respect to property
of a character subject to an allowance for depreci-
ation shall be treated as a credit listed in section
38(b) for such taxable year (and not allowed under
subsection (a)).

“(2) PERSONAL CREDIT.—For purposes of this
title, the credit allowed under subsection (a) for any
taxable year (determined after application of para-
graph (1)) shall be treated as a credit allowable
under subpart C for such taxable year.

“(g) TERMINATION.—Subsection (a) shall not apply
to any amount paid or incurred after December 31,
2022.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended by
striking “plus” at the end of paragraph (35), by
striking the period at the end of section (36) and in-
serting “, plus”, and by inserting after paragraph
(36) the following new paragraph:

“(37) the portion of the credit for qualified
flood mitigation expenses to which section 30E(f)(1)
applies.”.
(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “30E(f)(2),” after “25A,”.

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 30E. Qualified flood mitigation expenses.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2012.

SEC. 5. AFFORDABILITY STUDY.

Section 100236 of the Biggert-Waters Flood Insurance Reform Act of 2012 (Public Law 112–141; 126 Stat. 957) is amended—

(1) in subsection (c), by striking “Not” and inserting the following: “Subject to subsection (e), not”;

(2) in subsection (d)—

(A) by striking “(d) FUNDING.—Notwithstanding” and inserting the following:

“(d) FUNDING.—

“(1) NATIONAL FLOOD INSURANCE FUND.—

Notwithstanding”; and

(B) by adding at the end the following new paragraph:
“(2) OTHER FUNDING SOURCES.—To carry out this section, in addition to the amount made available under paragraph (1), the Administrator may use any other amounts that are available to the Administrator.”; and

(3) by adding at the end the following new subsection

“(e) ALTERNATIVE.—If the Administrator determines that the report required under subsection (c) cannot be submitted by the date specified under subsection (c)—

“(1) the Administrator shall notify, not later than 60 days after the date of enactment of this subsection, the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives of an alternative method of gathering the information required under this section;

“(2) the Administrator shall submit, not later than 180 days after the Administrator submits the notification required under paragraph (1), to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives the information gathered using the alternative method described in paragraph (1); and

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“(3) upon the submission of information required under paragraph (2), the requirement under subsection (c) shall be deemed satisfied.”.

SEC. 6. INCREASED FUNDING FOR MITIGATION PROGRAMS.

(a) PREDISASTER HAZARD MITIGATION.—Section 203(m) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(m)) is amended—

(1) by striking “and” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; and”; and

(3) by adding at the end the following:

“(4) $300,000,000 for each of fiscal years 2014 through 2018.”.

(b) FLOOD HAZARD MITIGATION ASSISTANCE.—There is authorized to be appropriated for financial assistance under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) $210,000,000 for each of fiscal years 2014 through 2018. Any amounts appropriated pursuant to this subsection shall be in addition to amounts made available from the National Flood Mitigation Fund under section 1367 of such Act (42 U.S.C. 4104d) for such assistance during such fiscal years.

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