

119TH CONGRESS
2D SESSION

S. 5106

To establish a grant program to promote wildfire resilience investments and a pilot program to reduce the cost burden of insurance premiums, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2026

Mr. MERKLEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a grant program to promote wildfire resilience investments and a pilot program to reduce the cost burden of insurance premiums, 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 “Wildfire Insurance Af-
5 fordability Act”.

6 **SEC. 2. WILDFIRE RISK REDUCTION GRANT PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE RECIPIENT.—The term “eligible
9 recipient”—

1 (A) means the Department of Insurance or
2 comparable agency of a State of the United
3 States, the District of Columbia, any common-
4 wealth or territory of the United States, or an
5 Indian Tribe; and

6 (B) includes a subgrantee of a recipient
7 described in subparagraph (A) that is a local
8 fire department, rural fire protection district, or
9 other similar entity.

10 (2) INDIAN TRIBE.—The term “Indian Tribe”
11 has the meaning given that term in section 4 of the
12 Indian Self-Determination and Education Assistance
13 Act (25 U.S.C. 5304).

14 (b) ESTABLISHMENT.—

15 (1) IN GENERAL.—Not later than 90 days after
16 the date of enactment of this Act, the United States
17 Fire Administrator shall establish the Wildfire Risk
18 Reduction Grant Program to provide formula grants
19 to eligible recipients to promote wildfire resilience,
20 including to support home hardening, defensible
21 space, and other wildfire mitigation investments to
22 owner-occupied primary residences, multifamily resi-
23 dential properties with less than five units, and af-
24 fordable housing facilities.

1 (2) FORMULA.—The United States Fire Admin-
2 istrator shall distribute amounts under the Wildfire
3 Risk Reduction Grant Program as follows:

4 (A) 25 percent distributed among all eligi-
5 ble recipients, in amounts proportionate to the
6 population of each such eligible recipient, as de-
7 termined by the United States Fire Adminis-
8 trator, the Secretary of the Department of the
9 Interior, and the Chief of the Forest Service,
10 using census data.

11 (B) 50 percent distributed among each eli-
12 gible recipient, as a risk adjustment, to increase
13 the eligible recipient's allocation based on—

14 (i) frequency of severe fires within the
15 eligible recipient;

16 (ii) population and number of struc-
17 tures located within the wildfire urban
18 interface, using census data; and

19 (iii) overall heightened wildfire risk as
20 determined under the National Risk Index
21 of the Federal Emergency Management
22 Agency.

23 (C) 25 percent distributed among each eli-
24 gible recipient, as an equity adjustment, to in-
25 crease the eligible recipient's allocation based

on the relative need for fire risk mitigation assistance among low-income households and rural communities, based on—

(i) median household income (by county), using census data;

(ii) presence of Indian Tribes; and

(iii) other factors, as determined by the United States Fire Administrator, the Secretary of the Department of the Interior, and the Chief of the Forest Service.

(c) USES OF GRANT AWARDS.—

(1) IN GENERAL.—Eligible recipients may use grants awarded under subsection (b) to provide grants to nonprofit organizations, local governments, and individuals for any of the following purposes:

(A) Supporting residential fire resilience and mitigation programs throughout the eligible recipient.

(B) With respect to residential properties:

(i) Improving the durability and fire resistance of a roof covering (to a minimum of a class A rating).

(ii) Protecting propane tanks or other external fuel sources.

1 (iii) Installing roof coverings, sheath-
2 ing, flashing, roof and attic vents, eaves, or
3 gutters that conform to ignition-resistant
4 construction standards.

5 (iv) Installing wall components for
6 wall assemblies that conform to ignition-re-
7 sistant construction standards.

8 (v) Installing exterior walls, doors,
9 windows, or other exterior dwelling unit
10 elements that conform to ignition-resistant
11 construction standards.

12 (vi) Replacing existing exterior deck
13 or fence components with materials that
14 conform to ignition-resistant construction
15 standards.

16 (vii) Installing structure-specific water
17 hydration systems, including fire mitiga-
18 tion systems such as interior sprinkler sys-
19 tems.

20 (viii) Installing automatic shutoff
21 valves for gas lines.

22 (ix) Procuring services and equipment
23 to create buffers around a dwelling unit
24 through the removal or reduction of flam-
25 mable vegetation, the removal of exterior

1 deck or fence components, removal of igni-
2 tion-prone landscape features.

3 (x) Performing other fire mitigation
4 procedures identified by the United States
5 Fire Administrator, the Secretary of the
6 Department of the Interior, or the Chief of
7 the Forest Service, including fuel manage-
8 ment techniques such as fuel or fire
9 breaks.

10 (xi) Installing or retrofitting struc-
11 tural components of exterior openings to
12 reduce wildfire smoke or airborne particu-
13 lates, including by sealing or weatherstrip-
14 ping windows, exterior doors, pet doors, or
15 other exterior openings, or making other
16 structural improvements identified by the
17 United States Fire Administrator, the Sec-
18 retary of Interior, and the Chief of the
19 Forest Service to reduce wildfire smoke
20 damage.

21 (C) Other activities that increase safety
22 and reduce residential wildfire risk, as deter-
23 mined by the United States Fire Administrator,
24 in consultation with the Chief of the Forest
25 Service and Secretary of the Interior.

1 (2) MEETING INDUSTRY STANDARDS.—With re-
 2 spect to any grant awarded to improve a household
 3 under paragraph (1), the grant award shall be used
 4 for activities that qualify the household under the
 5 guidance and certification process of the Insurance
 6 Institute for Business and Home Safety, the
 7 Firewise USA standards of the National Fire Pro-
 8 tection Association, or a comparable industry stand-
 9 ard, as determined by the administering State agen-
 10 cy.

11 (3) ADMINISTRATIVE COSTS.—An eligible re-
 12 cipient may use not more than 10 percent of the
 13 amount of the grant awarded under subsection (b)
 14 for the administrative costs of the eligible recipient.

15 (d) LIMITATION.—The maximum grant under this
 16 section shall be \$10,000 per household.

17 (e) REPORT REQUIRED.—The United States Fire
 18 Administrator shall collect from each eligible recipient re-
 19 ceiving a grant under this section a report on the use of
 20 the grant that includes performance metrics and informa-
 21 tion on mitigation cost savings.

22 **SEC. 3. HOMEOWNER'S WILDFIRE INSURANCE PREMIUM**
 23 **ASSISTANCE VOUCHER PILOT PROGRAM.**

24 (a) ESTABLISHMENT.—Not later than 180 days after
 25 the date of enactment of this Act, the United States Fire

1 Administrator, in consultation with the Chief of the Forest
2 Service and the Secretary of the Interior, shall establish
3 a pilot program to provide means-tested voucher-based
4 premium assistance for wildfire insurance to eligible
5 households in the form of grants to States that would dis-
6 tribute vouchers to qualifying households.

7 (b) QUALIFYING HOUSEHOLD DEFINED.—For pur-
8 poses of this section, a “qualifying household” means a
9 household—

10 (1) residing in a residential dwelling with an
11 elevated wildfire risk, as determined by the State in-
12 surance commissioner using the National Risk Index
13 of the Federal Emergency Management Agency or a
14 State-approved risk index;

15 (2) that has completed risk reduction invest-
16 ments toward an industry standard for fire safety
17 under section 2(c)(2); and

18 (3) with a household income equal to or less
19 than 80 percent of the area median income, using
20 the most recent census data, for the area in which
21 the property is located.

22 (c) VALUE OF VOUCHER.—The value of any voucher
23 distributed under subsection (a) shall be determined by
24 the State insurance commissioner.

1 (d) ADMINISTRATIVE COSTS.—The pilot program es-
 2 tablished under subsection (a) may use not more than 10
 3 percent of the amounts made available for the program
 4 for administrative costs.

5 (e) REPORTS.—Not later than 1 year after the date
 6 of enactment of this Act, and annually thereafter, the
 7 United States Fire Administrator, in coordination with the
 8 administering agencies of each State receiving a grant
 9 under the pilot program under subsection (a), shall submit
 10 to Congress a report on the results of the pilot program
 11 and an assessment of whether the pilot program has re-
 12 duced the cost burden of insurance premiums and retained
 13 private insurers in State markets.

14 (f) SUNSET.—This section shall cease to have force
 15 or effect on the date that is five years after the date of
 16 establishment of the pilot program under subsection (a).

17 **SEC. 4. EXCLUSION OF AMOUNTS RECEIVED FROM GRANT**
 18 **PROGRAMS.**

19 (a) IN GENERAL.—Section 139 of the Internal Rev-
 20 enue Code of 1986 is amended by redesignating subsection
 21 (h) as subsection (i) and by inserting after subsection (g)
 22 the following new subsection:

23 “(h) STATE-BASED CATASTROPHE LOSS MITIGATION
 24 PROGRAMS.—

1 “(1) IN GENERAL.—Gross income shall not in-
 2 clude any amount received by or paid for the benefit
 3 of an individual as a qualified catastrophe mitigation
 4 payment under a program established by—

5 “(A) a State or any political subdivision or
 6 public instrumentality thereof,

7 “(B) a joint powers authority, or

8 “(C) an entity created by State law to en-
 9 sure the availability of an adequate market of
 10 last resort for essential property insurance or
 11 basic property insurance, over which a State
 12 agency or State department of insurance has
 13 regulatory oversight,
 14 for the purpose of making such payments.

15 “(2) QUALIFIED CATASTROPHE MITIGATION
 16 PAYMENT.—For purposes of this section, the term
 17 ‘qualified catastrophe mitigation payment’ means
 18 any amount received under a grant under section 2
 19 or 3 of the Wildfire Insurance Affordability Act.

20 “(3) NO INCREASE IN BASIS.—Rules similar to
 21 the rules of subsection (g)(3) shall apply in the case
 22 of this subsection.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 139(d) of the Internal Revenue
 25 Code of 1986 is amended by striking “and qualified”

1 and inserting “, qualified catastrophe mitigation
2 payments, and qualified”.

3 (2) Section 139(i) of such Code (as redesignig-
4 nated by subsection (a)) is amended by striking “or
5 qualified” and inserting “, qualified catastrophe
6 mitigation payment, or qualified”.

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