

NATIONAL FLOOD INSURANCE PROGRAM
REAUTHORIZATION ACT OF 2019

OCTOBER 28, 2019.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Ms. WATERS, from the Committee on Financial Services,
submitted the following

R E P O R T

[To accompany H.R. 3167]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 3167) to reform and reauthorize the National Flood Insurance Program, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “National Flood Insurance Program Reauthorization Act of 2019”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
Sec. 2. Congressional findings.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

- Sec. 101. Program extension.
Sec. 102. Demonstration program for policy affordability.
Sec. 103. Premium and fees relief for families and small businesses.
Sec. 104. Monthly installment payment of premiums.
Sec. 105. State revolving loan funds for low-interest loans.
Sec. 106. Use of replacement cost value in estimating premium rates.
Sec. 107. Refund of premiums upon cancellation of policy because of replacement with private flood insurance.

TITLE II—MAPPING

- Sec. 201. Reauthorization of appropriations for National Flood Mapping Program.
Sec. 202. National Flood Mapping Program.
Sec. 203. Flood mapping modernization and homeowner empowerment pilot program.
Sec. 204. Mapping improvements and reach.
Sec. 205. Appeals regarding existing flood maps.
Sec. 206. Appeals and publication of projected special flood hazard areas.
Sec. 207. Communication and outreach regarding map changes.
Sec. 208. Adoption of partial flood maps.
Sec. 209. New zone for levee-impacted areas.
Sec. 210. Agricultural structures in special flood hazard zones.
Sec. 211. Technical Mapping Advisory Council.

TITLE III—MITIGATION

- Sec. 301. Increased cost of compliance coverage.
Sec. 302. Multiple-loss properties.
Sec. 303. Premium rates for certain mitigated properties.
Sec. 304. Coverage for cooperatives.
Sec. 305. Voluntary community-based flood insurance pilot program.
Sec. 306. Mitigation funding.
Sec. 307. Community Rating System improvements.
Sec. 308. Community assistance program for effective floodplain management.

TITLE IV—MODERNIZATION

- Sec. 401. Effect of private flood insurance coverage on continuous coverage requirements.
Sec. 402. Optional coverage for umbrella policies.
Sec. 403. Annual independent actuarial study.
Sec. 404. Sharing of and access to information.
Sec. 405. Elevation certificates.
Sec. 406. Leveraging risk transfer opportunities for a sound financial framework.
Sec. 407. Write-Your-Own arrangements.
Sec. 408. Study on increasing participation.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

- (1) since 2016, communities and families across the United States have suffered over \$300 billion in losses as a result of flooding;
- (2) flooding disasters in the United States present a threat to people, property, and taxpayers;
- (3) the National Flood Insurance Program (NFIP) is a key component of the Federal Government’s efforts to minimize the damage and financial impact of floods;
- (4) the NFIP is the principal provider of flood insurance in the United States, covering over 5 million households and businesses across the country;
- (5) affordability of flood insurance coverage remains a serious concern;
- (6) investment in mitigation is a cost-effective means of reducing risk;
- (7) a policyholder’s ability to pay for flood insurance coverage should be considered for premium rate discounts; and
- (8) in the absence of widespread private insurance industry participation, and as a matter of national policy, the Federal Government must ensure the availability and affordability of flood insurance.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

SEC. 101. PROGRAM EXTENSION.

(a) **FINANCING.**—Subsection (a) of section 1309 of the National Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is amended by striking “September 30, 2019” and inserting “September 30, 2024”.

(b) PROGRAM EXPIRATION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking “September 30, 2019” and inserting “September 30, 2024”.

(c) RETROACTIVE EFFECTIVE DATE.—If this Act is enacted after September 30, 2019, the amendments made by subsections (a) and (b) shall take effect as if enacted on September 30, 2019.

SEC. 102. DEMONSTRATION PROGRAM FOR POLICY AFFORDABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—The Administrator of the Federal Emergency Management Agency shall establish and carry out a demonstration program under this section to demonstrate the effectiveness of providing means-tested discounted rates for flood insurance coverage made available under the National Flood Insurance Act of 1968 for eligible households.

(2) CONSULTATION.—The Administrator may consult with the Secretary of the Treasury and the Secretary of Housing and Urban Development about the implementation of the program established pursuant to paragraph (1).

(b) ELIGIBLE HOUSEHOLDS AND PROPERTIES.—The Administrator may provide discounted premium rates pursuant to this section only for properties that are—

(1) 1- to 4-family residential properties; and

(2) the primary residence of a household whose income does not exceed 80 percent of the area median income, as determined by the Administrator in consultation with the Secretary of Housing and Urban Development.

(c) INCOME DETERMINATIONS.—For purposes of the program under this section, the Administrator shall make determinations of household income on an annual basis.

(d) PREMIUM DISCOUNTS.—Notwithstanding any provision of the National Flood Insurance Act of 1968, the chargeable premium rate for flood insurance coverage made available under the program under this section shall be an amount that does not exceed 2 percent of annual area median income for the area within which is located the property for which the coverage is provided.

(e) DISCLOSURE OF FULL-RISK RATE.—The Administrator shall provide to each policyholder purchasing flood insurance coverage under the program under this section for a property, not later than the commencement of the period of such coverage, a written statement setting forth the full actuarial premium rate for coverage for such property determined in accordance with section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)), the amount of the premium discount for such coverage, and any other information the Administrator considers helpful to policyholders in understanding flood insurance coverage and costs.

(f) GUIDANCE.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Administrator shall issue guidance providing for the establishment of the demonstration program under this section, which shall include—

(1) an estimation of the cost of the program stated in terms of the aggregate of premium discounts to be made available under the program;

(2) a description of how the Administrator will determine eligibility for households to participate in the program in accordance with the requirements for eligibility in subsection (b); and

(3) any new requirements to which policyholders participating in the program will be subject; and

(4) the results of any consultation with the Secretary of the Treasury or the Secretary of Housing and Urban Development.

(g) REPORT TO CONGRESS.—

(1) COLLECTION OF INFORMATION.—The Administrator shall collect by survey or other means, for each participating community in the national flood insurance program and regarding each year during the period beginning 5 years before implementation of the demonstration program under this section and ending upon the termination date under subsection (j), the following information:

(A) The demographic characteristics of households purchasing flood insurance coverage under such program.

(B) The average median income of such households.

(C) The number of properties located in areas for which a major disaster related to flooding was declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(D) The number of policies made available under the national flood insurance program and the number and aggregate amount of claims submitted under such program.

(E) For all properties in such community receiving discounted coverage under the demonstration program under this section, the aggregate amount

of the full actuarial premium rate for coverage that is determined in accordance with section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) and the aggregate amount of premium discounts provided under the demonstration program.

(F) For all properties in such community, any changes to such full actuarial premium rates due to mapping changes or other factors.

(2) REPORT TO CONGRESS.—Not later than the expiration of the 5-year period beginning upon the implementation of the demonstration program under this section, the Administrator shall submit to the Congress a report evaluating the effectiveness of the assistance provided under the program, which shall include—

(A) a statement of the number of households participating in the program and the rates of participation by communities participating in the national flood insurance program, including whether such rates of participation have changed by year; and

(B) an estimate of the cost of the program to the National Flood Insurance Fund under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017).

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(2) PREMIUM DISCOUNT.—The term “premium discount” means, with respect to a policy for flood insurance coverage under the national flood insurance program made available under the program under this section, the amount by which the full actuarial premium rate for coverage for such property that is determined in accordance with section 1307(a)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)) exceeds the chargeable premium rate for the coverage made available under the program under this section.

(i) TERMINATION.—The authority under this section to provide discounted premium rates for flood insurance coverage shall terminate on May 31, 2024.

SEC. 103. PREMIUM AND FEES RELIEF FOR FAMILIES AND SMALL BUSINESSES.

(a) REPEAL OF SURCHARGE.—

(1) REPEAL.—Section 1308A of the National Flood Insurance Act of 1968 (42 U.S.C. 4015a) is hereby repealed.

(2) CONFORMING AMENDMENTS.—The National Flood Insurance Act of 1968 is amended—

(A) in section 1308(m) (42 U.S.C. 4015(m))—

(i) in paragraph (1), by striking “and the surcharges required under section 1308A”; and

(ii) in paragraph (2), by striking “or surcharges”; and

(B) in section 1310A(c) (42 U.S.C. 4017a(c)), by striking paragraph (4).

(b) SMALL LOAN EXCEPTION TO MANDATORY PURCHASE REQUIREMENT.—Subparagraph (A) of section 102(c)(2) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(c)(2)(A)) is amended by striking “\$5,000” and inserting “\$25,000”.

SEC. 104. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.

(a) AUTHORITY.—Subsection (g) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(g)) is amended—

(1) by striking the subsection designation and all that follows through “With respect” and inserting the following:

“(g) FREQUENCY OF PREMIUM COLLECTION.—

“(1) OPTIONS.—With respect”; and

(2) by adding at the end the following:

“(2) MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.—

“(A) EXEMPTION FROM RULEMAKING.—Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may adopt policies and procedures, notwithstanding any other provisions of law and in alignment and consistent with existing industry escrow and servicing standards, necessary to implement such paragraph without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or Executive order.

“(B) PILOT PROGRAM.—The Administrator may initially implement paragraph (1) of this subsection as a pilot program that provides for a gradual phase-in of implementation.

“(C) POLICYHOLDER PROTECTION.—The Administrator may—

“(i) during the 12-month period beginning on the date of the enactment of this subparagraph, charge policyholders choosing to pay pre-

miums in monthly installments a fee for the total cost of the monthly collection of premiums not to exceed \$25 annually; and

“(ii) after the expiration of the 12-month period referred to in clause (i), adjust the fee charged annually to cover the total cost of the monthly collection of premiums as determined by the report submitted pursuant to subparagraph (D).

“(D) ANNUAL REPORTS.—On an annual basis, the Administrator shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the ongoing costs associated with the monthly payment of premiums.”

(b) IMPLEMENTATION.—Clause (ii) of section 1307(a)(1)(B) of the National Flood Insurance Act of 1968 (42 U.S.C. 4014(a)(1)(B)(ii)) is amended by inserting before “any administrative expenses” the following: “the costs associated with the monthly collection of premiums provided for in section 1308(g) (42 U.S.C. 4015(g)), but only if such costs exceed the operating costs and allowances set forth in clause (i) of this subparagraph, and”.

SEC. 105. STATE REVOLVING LOAN FUNDS FOR LOW-INTEREST LOANS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

“SEC. 1326. STATE REVOLVING LOAN FUNDS FOR LOW-INTEREST LOANS.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘Community Rating System’ means the community rating system carried out under section 1315(b);

“(2) the term ‘eligible State’ means a State, the District of Columbia, and the Commonwealth of Puerto Rico;

“(3) the term ‘insular area’ means—

“(A) Guam;

“(B) American Samoa;

“(C) the Commonwealth of the Northern Mariana Islands;

“(D) the Federated States of Micronesia;

“(E) the Republic of the Marshall Islands;

“(F) the Republic of Palau; and

“(G) the United States Virgin Islands;

“(4) the term ‘intended use plan’ means a plan prepared under subsection (d)(1);

“(5) the term ‘low-income geographic area’ means an area described in paragraph (1) or (2) of section 301(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161(a));

“(6) the term ‘low-income homeowner’ means the owner of a primary residence, the household income of which in a taxable year is not more than 80 percent of the median income for the area in which the residence is located;

“(7) the term ‘participating State’ means an eligible State that—

“(A) has entered into an agreement under subsection (b)(1); and

“(B) agrees to comply with the requirements of this section;

“(8) the term ‘pre-FIRM building’ means a building for which construction or substantial improvement occurred before the effective date of the initial Flood Insurance Rate Map published by the Administrator under section 1360 for the area in which the building is located;

“(9) the term ‘repetitive-loss property’ has the meaning given the term in section 1370(a);

“(10) the term ‘severe repetitive-loss property’ has the meaning given the term in section 1370(a);

“(11) the term ‘State loan fund’ means a flood mitigation assistance revolving loan fund established by an eligible State under this section; and

“(12) the term ‘tribal government’ means the recognized government of an Indian tribe, or the governing body of an Alaska Native regional or village corporation, that has been determined eligible to receive services from the Bureau of Indian Affairs.

“(b) GENERAL AUTHORITY.—

“(1) IN GENERAL.—The Administrator may enter into an agreement with an eligible State to provide a capitalization grant for the eligible State to establish a revolving fund that will provide funding assistance to help homeowners, businesses, nonprofit organizations, and communities reduce flood risk in order to decrease—

“(A) the loss of life and property;

“(B) the cost of flood insurance; and

“(C) Federal disaster payments.

“(2) TIMING OF DEPOSIT AND AGREEMENTS FOR DISTRIBUTION OF FUNDS.—

“(A) IN GENERAL.—Not later than the last day of the fiscal year following the fiscal year in which a capitalization grant is made to a participating State under paragraph (1), the participating State shall—

“(i) deposit the grant in the State loan fund of the State; and

“(ii) enter into one or more binding agreements that provide for the State to distribute the grant funds for purposes authorized under subsection (c) such that—

“(I) in the case of the initial grant made under this section to a State, not less than 75 percent of the amount of the grant funds shall be distributed before the expiration of the 24-month period beginning upon deposit of such funds in the State loan fund of the State; and

“(II) in the case of any subsequent grant made under this section to a State, not less than 90 percent of the amount of the grant funds made under the capitalization grant shall be distributed before the expiration of the 12-month period beginning upon deposit of such funds in the State loan fund of the State.

“(B) NONCOMPLIANCE.—Except as provided in subparagraph (C), if a participating State does not comply with subparagraph (A) with respect to a grant, the Administrator shall reallocate the grant in accordance with paragraph (3)(B).

“(C) EXCEPTION.—The Administrator may not reallocate any funds under subparagraph (B) to a participating State that violated subparagraph (A) with respect to a grant made during the same fiscal year in which the funds to be reallocated were originally made available.

“(3) ALLOCATION.—

“(A) IN GENERAL.—The Administrator shall allocate amounts made available to carry out this section to participating States—

“(i) for the participating States to deposit in the State loan funds established by the participating States; and

“(ii) except as provided in paragraph (6), in accordance with the requirements described in subparagraph (B).

“(B) REQUIREMENTS.—The requirements described in this subparagraph are as follows:

“(i) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each participating State receives the percentage amount that is obtained by dividing the number of properties that were insured under the national flood insurance program in that State in the fiscal year preceding the fiscal year in which the amount is allocated by the total number of properties that were insured under the national flood insurance program in the fiscal year preceding the fiscal year in which the amount is allocated.

“(ii) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each participating State receives a percentage of funds that is equal to the product obtained under clause (iii)(IV) with respect to that participating State after following the procedures described in clause (iii).

“(iii) The procedures described in this clause are as follows:

“(I) Divide the total amount collected in premiums for properties insured under the national flood insurance program in each participating State during the previous fiscal year by the number of properties insured under the national flood insurance program in that State for that fiscal year.

“(II) Add together each quotient obtained under subclause (I).

“(III) For each participating State, divide the quotient obtained under subclause (I) with respect to that State by the sum obtained under subclause (II).

“(IV) For each participating State, multiply the amount that is 50 percent of the total amount made available under subparagraph (A) by the quotient obtained under subclause (III).

“(iv) Except as provided in paragraph (5), in a fiscal year—

“(I) a participating State may not receive more than 15 percent of the total amount that is made available under subparagraph (A) in that fiscal year; and

“(II) if a participating State, based on the requirements under clauses (i) through (iii), would, but for the limit under subclause (I) of this clause, receive an amount that is greater than the amount the State is authorized to receive under that subclause, the dif-

ference between the authorized amount and the amount otherwise due to the State under clauses (i) through (iii) shall be allocated to other participating States—

“(aa) that, in that fiscal year, have not received an amount under subparagraph (A) that is more than the authorized amount under subclause (I) of this clause; and

“(bb) by using the requirements under clauses (i) through (iii), except that a participating State may receive an allocation under this subclause only if the allocation does not result in the State receiving a total amount for the fiscal year under subparagraph (A) that is greater than the authorized amount under subclause (I).

“(4) NO REVOLVING FUND REQUIRED.—

“(A) IN GENERAL.—Notwithstanding any other provision of this section, and subject to subparagraph (B), a participating State that receives less than \$4,000,000 under paragraph (3)(B) in a fiscal year may distribute the funds directly in the form of grants or technical assistance for a purpose described in subsection (c)(2), without regard to whether the State has established a State loan fund.

“(B) STATE MATCHING.—A participating State that exercises the authority under subparagraph (A) in a fiscal year shall provide matching funds from non-Federal sources in an amount that is equal to 15 percent of the amount that the State receives under paragraph (3)(B) in that fiscal year for purposes described in subparagraph (A).

“(5) ALLOCATION OF REMAINING FUNDS.—After allocating amounts made available to carry out this section for a fiscal year in accordance with paragraph (3), the Administrator shall allocate any remaining amounts made available for that fiscal year to participating States, using the procedures described in clauses (i) through (iii) of paragraph (3)(B).

“(6) ALLOCATION FOR TRIBAL GOVERNMENTS AND INSULAR AREAS.—The Administrator shall reserve not less than 5.0 percent of the amount made available to carry out this section in a fiscal year to enter into grant agreements with tribal governments and insular areas, with the grant funds to be distributed—

“(A) according to criteria established by the Administrator; and

“(B) for a purpose described in subsection (c)(2).

“(7) ADMINISTRATIVE COSTS; TECHNICAL ASSISTANCE.—The Administrator shall reserve not more than 2.5 percent of the amount made available to carry out this section in a fiscal year—

“(A) for administrative costs incurred in carrying out this section; and

“(B) to provide technical assistance to recipients of grants under this section.

“(c) USE OF FUNDS.—

“(1) IN GENERAL.—Amounts deposited in a State loan fund, including repayments of loans made from the fund and interest earned on the amounts in the fund, shall be used—

“(A) consistent with paragraphs (2) and (3) and subsection (g), to provide financial assistance for—

“(i) homeowners, businesses, and nonprofit organizations that are eligible to participate in the national flood insurance program;

“(ii) any local government that participates in the national flood insurance program; and

“(iii) any State government agencies or subdivisions of any State government that engage in floodplain management activities;

“(B) as a source of revenue and security for leveraged loans, the proceeds of which shall be deposited in the State loan fund; or

“(C) for the sale of bonds as security for payment of the principal and interest on revenue or general obligation bonds issued by the participating State to provide matching funds under subsection (g), if the proceeds from the sale of the bonds are deposited in the State loan fund.

“(2) PURPOSES.—A recipient of financial assistance provided through amounts from a State loan fund—

“(A) shall use the amounts to reduce—

“(i) flood risk; or

“(ii) potential flood claims submitted under the national flood insurance program;

“(B) shall use the amounts in a cost-effective manner under requirements established by the State, which may require an applicant for financial assistance to submit any information that the State considers relevant or necessary before the date on which the applicant receives the assistance;

- “(C) shall use the amounts for projects that—
- “(i) meet design and construction standards established by the Administrator;
 - “(ii) are located in communities that—
 - “(I) participate in the national flood insurance program; and
 - “(II) have developed a State, local, or tribal government hazard mitigation plan that has been approved by the Administrator under section 1366;
 - “(iii)(I) address a repetitive-loss property or a severe repetitive-loss property; or
 - “(II) address flood risk in the 500-year floodplain, areas of residual flood risk, or other areas of potential flood risk, as identified by the Administrator; and
 - “(iv) address current risk and anticipate future risk, such as sea-level rise;
- “(D) may use the amounts—
- “(i) for projects relating to—
 - “(I) structural elevation;
 - “(II) floodproofing;
 - “(III) the relocation or removal of buildings from the 100-year floodplain or other areas of flood risk, including the acquisition of properties for such a purpose;
 - “(IV) environmental restoration activities that directly reduce flood risk;
 - “(V) any eligible activity described in subparagraphs (A) through (G) of section 1366(c)(3); or
 - “(VI) other activities determined appropriate by the Administrator;
 - “(ii) with respect to a project described in clause (i), only for expenditures directly related to a project described in that clause, including expenditures for planning, design, and associated pre-construction activities; and
 - “(iii) to acquire, for the purposes of permanent protection, land, buildings, or a conservation easement from a willing seller or grantor;
- “(E) may not use the amounts—
- “(i) to construct buildings or expand existing buildings unless the activity is for the purpose of flood mitigation;
 - “(ii) to improve any structure, unless the recipient has obtained flood insurance coverage in an amount at least equal to the lesser of the eligible project costs or the maximum insurable limit for the structure under the national flood insurance program coverage for the structure, which coverage shall be maintained for the useful life of the structure;
 - “(iii) to improve a residential property with an appraised value that is not less than 125 percent of the limitation on the maximum original principal obligation of a conventional mortgage that may be purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation in the area in which the property is located, as established under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2));
 - “(iv) for the direct benefit of a homeowner if the annual household adjusted gross income of the homeowner during the previous fiscal year was not less than \$200,000, as annually adjusted by the Administrator to reflect changes in the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics of the Department of Labor and rounded to the nearest \$25; or
 - “(v) to acquire real property or an interest in real property unless the property is purchased from a willing seller; and
- “(F) shall, in the use of such amounts, give priority to the maximum extent practicable to projects that assist low-income homeowners and low-income geographical areas.
- “(d) INTENDED USE PLANS.—
- “(1) IN GENERAL.—After providing the opportunity for public review and comment, each participating State shall annually prepare a plan that identifies, for the year following the date of issuance of the intended use plan, the intended uses of the amounts available in the State loan fund of the participating State.

“(2) CONSULTATION DURING PREPARATION.—Each participating State, in preparing an intended use plan, shall ensure that the State agency with primary responsibility for floodplain management—

“(A) provides oversight with respect to the preparation of the intended use plan; and

“(B) consults with any other appropriate State agency, including agencies responsible for coastal and environmental management.

“(3) CONTENTS.—A participating State shall, in each intended use plan—

“(A) include—

“(i) an explanation of the mitigation and resiliency benefits the State intends to achieve, including by—

“(I) reducing future damage and loss associated with flooding;

“(II) reducing the number of severe repetitive-loss properties and repetitive-loss properties in the State;

“(III) decreasing the number of flood insurance claims in the State; and

“(IV) increasing the rating under the Community Rating System for communities in the State;

“(ii) information with respect to the availability of, and the application process for receiving, financial assistance from the State loan fund of the State;

“(iii) the criteria and methods established for the distribution of amounts from the State loan fund of the State;

“(iv) the amount of financial assistance that the State anticipates allocating to—

“(I) local government projects; and

“(II) projects for homeowners, business, or nonprofit organizations;

“(v) the expected terms of the assistance provided under clause (iv); and

“(vi) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund; and

“(B) provide, to the maximum extent practicable, that priority for the use of amounts from the State loan fund shall be given to projects that—

“(i) address severe repetitive-loss properties and repetitive-loss properties;

“(ii) assist low-income homeowners and low-income geographic areas; and

“(iii) address flood risk for pre-FIRM buildings.

“(4) PUBLICATION.—Each participating State shall publish and periodically update a list of all projects receiving funding from the State loan fund of the State, which shall include identification of—

“(A) the community in which the project is located;

“(B) the type and amount of assistance provided for each project; and

“(C) the expected funding schedule and date of completion of each project.

“(e) FUND MANAGEMENT.—Amounts in a State loan fund shall—

“(1) remain available for providing financial assistance under this section until distributed;

“(2) if the amounts are not required for immediate distribution or expenditure, be invested in interest-bearing obligations; and

“(3) except as provided in subsection (i), include only—

“(A) amounts received from capitalization grants made under this section;

“(B) repayments of loans made from the fund; and

“(C) interest earned on amounts in the fund.

“(f) MATCHING FUNDS.—

“(1) FULL GRANT.—On or before the date on which a participating State receives a capitalization grant, the State shall deposit into the State loan fund of the State, in addition to the amount of the capitalization grant, an amount from non-Federal sources that is not less than 10 percent of the total amount of the capitalization grant.

“(2) REDUCED GRANT.—Notwithstanding paragraph (1), if a State deposits in the State loan fund of the State in connection a capitalization grant an amount from non-Federal sources that is less than 10 percent of the total amount of the capitalization grant that would otherwise be received by the State, the Administrator shall reduce the amount of the capitalization grant received by the State to the amount that is 10 times the amount so deposited and shall allocate such remaining grant amounts under subsection (b)(5) together with the amounts allocated under such subsection.

“(g) TYPES OF ASSISTANCE.—Unless otherwise prohibited by State law, a participating State may use the amounts deposited into a State loan fund under this section only—

“(1) to make a loan, on the condition that—

“(A) the interest rate for the loan is not more than the market interest rate;

“(B) the recipient of the loan will begin making principal and interest payments on the loan not later than 1 year after the date on which the project for which the loan was made is completed;

“(C) the loan will be fully amortized not later than 20 years after the date on which the project for which the loan was made is completed, except that, in the case of a loan made for a project in a low-income geographic area or to a low-income homeowner, the State may provide a longer amortization period for the loan if that longer period—

“(i) ends on a date that is not later than 30 years after the date on which the project is completed; and

“(ii) is not longer than the expected design life of the project;

“(D) the recipient of the loan demonstrates, based on verified and documented information that, at the time the loan is consummated, that the recipient has a reasonable ability to repay the loan, according to its terms, except that this subparagraph may not be construed to authorize any reduction or limitation in efforts to comply with the requirements of subsection (c)(2)(E) (relating to priority for assistance for low-income homeowners and low-income geographical areas); and

“(E) payments of principal and interest with respect to the loan will be deposited into the State loan fund;

“(2) to buy or refinance the debt obligation of a local government related to flood mitigation or resiliency activities, at an interest rate that is not more than the market interest rate;

“(3) to guarantee, or purchase insurance for, a local obligation, the proceeds of which finance a project eligible for assistance under this section, if the guarantee or purchase, as applicable, would—

“(A) improve credit market access; or

“(B) reduce the interest rate with respect to the obligation;

“(4) as a source of revenue or as security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund; or

“(5) to earn interest on those amounts.

“(h) ASSISTANCE FOR LOW-INCOME HOMEOWNERS AND LOW-INCOME GEOGRAPHIC AREAS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this section, if a participating State uses amounts from a State loan fund to provide financial assistance under subsection (c) in a low-income geographic area or to a low-income homeowner, the State may provide additional subsidization to the recipient of the assistance, including forgiveness of the principal of a loan.

“(2) LIMITATION.—For each fiscal year, the total amount of additional subsidization provided by a participating State under paragraph (1) may not exceed 30 percent of the amount of the capitalization grant allocated to the State for that fiscal year.

“(i) ADMINISTRATION OF FUND.—

“(1) IN GENERAL.—A participating State may combine the financial administration of a State loan fund with the financial administration of any other revolving fund established by the State if—

“(A) combining the administration of the funds would—

“(i) be convenient and avoid administrative costs; and

“(ii) not violate the law of the State; and

“(B) the Administrator determines that—

“(i) amounts obtained from a grant made under this section, amounts obtained from the repayment of a loan made from a State loan fund, and interest earned on amounts in a State loan fund will be—

“(I) accounted for separately from amounts from other revolving funds; and

“(II) used only for purposes authorized under this section; and

“(ii) after consulting with the appropriate State agencies, the authority to establish assistance priorities and carry out oversight and related activities, other than financial administration, with respect to flood assistance remains with the State agency with primary responsibility for floodplain management.

“(2) ADMINISTRATIVE AND TECHNICAL COSTS.—

“(A) IN GENERAL.—For each fiscal year, a participating State may use the amount described in subparagraph (B) to—

“(i) pay the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs incurred in establishing a State loan fund;

“(ii) provide appropriate oversight of projects authorized under this section; and

“(iii) provide technical assistance and outreach to recipients in the State of amounts under this section, including with respect to updating hazard mitigation plans and participating in the Community Rating System, in an amount that is not more than 4 percent of the funds made available to the State under this section.

“(B) DESCRIPTION.—The amount described in this subparagraph is an amount equal to the sum of—

“(i) any fees collected by a participating State to recover the costs described in subparagraph (A)(i), regardless of the source; and

“(ii) the greatest of—

“(I) \$400,000;

“(II) 0.2 percent of the value of the State loan fund of a State, as of the date on which the valuation is made; and

“(III) an amount equal to 7 percent of all grant awards made to a participating State for the State loan fund of the State under this section for the fiscal year.

“(3) AUDIT AND REPORT.—

“(A) AUDIT REQUIREMENT.—Not less frequently than biennially, each participating State shall conduct an audit of the State loan fund of the State.

“(B) REPORT.—Each participating State shall submit to the Administrator a biennial report regarding the activities of the State under this section during the period covered by the report, including—

“(i) the result of any audit conducted by the State under subparagraph (A); and

“(ii) a review of the effectiveness of the State loan fund of the State with respect to—

“(I) the intended use plans of the State; and

“(II) meeting the objectives described in subsection (b)(1).

“(4) OVERSIGHT.—In conducting oversight with respect to State loan funds established under this section, the Administrator—

“(A) shall—

“(i) periodically audit the funds in accordance with procedures established by the Comptroller General of the United States; and

“(ii) not less frequently than once every 4 years, review each State loan fund to determine the effectiveness of the fund in reducing flood risk; and

“(B) may, at any time—

“(i) make recommendations to a participating State with respect to the administration of the State loan fund of the State; or

“(ii) require specific changes with respect to a State loan fund in order to improve the effectiveness of the fund.

“(j) LIABILITY PROTECTIONS.—The Federal Government shall not be liable for any claim based upon the exercise or performance of, or the failure to exercise or perform, a discretionary function or duty on the part of the Federal agency, or an employee of the Federal Government, in carrying out the provision of this section.

“(k) REGULATIONS.—The Administrator shall promulgate such guidance or regulations as may be necessary to carry out this section, including guidance or regulations that—

“(1) ensure that each participating State to which funds are allocated under this section uses the funds as efficiently as possible;

“(2) reduce, to the maximum extent practicable, waste, fraud, and abuse with respect to the implementation of this section; and

“(3) require any party that receives funds directly or indirectly under this section, including a participating State and a recipient of amounts from a State loan fund, to use procedures with respect to the management of the funds that conform to generally accepted accounting standards.

“(l) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2020 through 2024.”.

SEC. 106. USE OF REPLACEMENT COST VALUE IN ESTIMATING PREMIUM RATES.

Section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended by adding at the end the following new subsection:

“(i) USE OF REPLACEMENT COST VALUE.—In determining affordability for insurance provided under this title, the Administrator may consider, where appropriate, the impact of the inclusion of the replacement cost or other settlement basis of the structure.”.

SEC. 107. REFUND OF PREMIUMS UPON CANCELLATION OF POLICY BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.

Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by adding at the end the following new subsection:

“(e) REFUND OF UNEARNED PREMIUMS FOR POLICIES CANCELED BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.—

“(1) REQUIRED REFUND.—Subject to subsection (c), if at any time an insured under a policy for flood insurance coverage for a property that is made available under this title cancels such policy because other duplicate flood insurance coverage for the same property has been obtained from a source other than the National Flood Insurance Program under this title, the Administrator shall refund to the former insured a portion of the premiums paid for the coverage made available under this title, as determined consistent with industry practice according to the portion of the term of the policy that such coverage was in effect, but only if a copy of declarations page of the new policy obtained from a source other than the program under this title is provided to the Administrator.

“(2) EFFECTIVE DATE OF CANCELLATION.—For purposes of this subsection, a cancellation of a policy for coverage made available under the National Flood Insurance Program under this title, for the reason specified in paragraph (1), shall be effective—

“(A) on the effective date of the new policy obtained from a source other than the program under this title, if the request for such cancellation was received by the Administrator before the expiration of the 6-month period beginning on the effective date of the new policy; or

“(B) on the date of the receipt by the Administrator of the request for cancellation, if the request for such cancellation was received by the Administrator after the expiration of the 6-month period beginning on the effective date of the new policy.

“(3) PROHIBITION OF REFUNDS FOR PROPERTIES RECEIVING INCREASED COST OF COMPLIANCE CLAIMS.—No premium amounts paid for coverage made available under this title may be refunded pursuant to this subsection—

“(A) with respect to coverage for any property for which measures have been implemented using amounts received pursuant to a claim under increased cost of compliance coverage made available pursuant to section 1304(b); or

“(B) if a claim has been paid or is pending under the policy term for which the refund is sought.”.

TITLE II—MAPPING

SEC. 201. REAUTHORIZATION OF APPROPRIATIONS FOR NATIONAL FLOOD MAPPING PROGRAM.

Subsection (f) of section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101(b)) is amended by striking “\$400,000,000 for each of fiscal years 2013 through 2017” and inserting “\$500,000,000 for each of fiscal years 2019 through 2023”.

SEC. 202. NATIONAL FLOOD MAPPING PROGRAM.

(a) INCLUSION OF CADASTRAL FEATURES IN RATE MAPS.—Section 100216(b)(3) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(3)) is amended—

- (1) in subparagraph (D), by striking “and” at the end;
- (2) in subparagraph (E), by striking the period at the end and inserting “; and”; and
- (3) by adding at the end the following:

“(F) cadastral features, including, for each cadastral feature—

“(i) the associated parcel identification data for such cadastral feature; and

“(ii) to the maximum extent practicable, using public and private sector address data, the address of such cadastral feature.”.

(b) FORMAT OF RATE MAPS.—Section 100216(c)(2) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(c)(2)) is amended—

- (1) in subparagraph (B), by striking “and” at the end;

- (2) in subparagraph (C), by striking the period at the end and inserting “; and”; and
- (3) by adding at the end the following:
- “(D) spatially accurate in accordance with the common protocols for geospatial data under section 757 of the Geospatial Data Act of 2018 (43 U.S.C. 2806).”.
- (c) ADDITIONAL CONSIDERATIONS.—Section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b) is amended—
- (1) by redesignating subsection (f) as subsection (m); and
- (2) by inserting after subsection (e) the following:
- “(g) STREAM FLOW NETWORKS.—
- “(1) IN GENERAL.—The Administrator shall coordinate with the United States Geological Survey for the sharing of data from stream flow networks critical to the National Flood Insurance Program, flood risk mapping, and flood risk assessments, to ensure that—
- “(A) the stream gage stations in such stream flow networks are operational and use modern hardware;
- “(B) such stream flow networks are sufficiently densified by adding new stream gage stations in high-risk areas;
- “(C) inactive critical stream gage stations in such stream flow networks are reactivated; and
- “(D) the speed of the geospatial real-time data feeds from such stream gage stations is increased.
- “(2) DEFINITIONS.—In this subsection:
- “(A) STREAM FLOW NETWORK.—The term ‘stream flow network’ means a network of stream flow gages maintained under the direction of the United States Geological Survey and its partners that is used to measure or record the flow of water down a stream or river, or through an entire watershed system, and transmit such information using a geospatial real-time data feed.
- “(B) STREAM GAGE STATION.—The term ‘stream gage station’ means a device installed at the edge of a river or stream that measures or records the flow of water down the stream and additional information such as water height, water chemistry, and water temperature.
- “(3) RULE OF CONSTRUCTION.—The purpose of this subsection is to require cooperation between the Federal Emergency Management Agency and United States Geological Survey and nothing in this subsection may be construed to require or obligate funding expenditures.
- “(h) AVAILABILITY OF DATA TO PUBLIC.—The Administrator shall make available to the public on the website of the Federal Emergency Management Agency a national geospatial data repository that—
- “(1) provides access to the raw data used to include the cadastral features and parcel identification data in National Flood Insurance Program rate maps;
- “(2) to the extent that such data is available, allows users to view, query, and obtain such data at multiple levels of detail, including down to the property level;
- “(3) allows users to view flood risks, flood insurance zones, and flood elevations;
- “(4) provides access to flood mapping and related information such as—
- “(A) hydrologic and hydraulic models used in determining flood risk;
- “(B) structure footprints where available as part of a national structure inventory;
- “(C) flood depth grids;
- “(D) flood risk reports;
- “(E) flood risk assessments (Hazus analyses);
- “(F) hazard mitigation plans; and
- “(G) other flood risk products at the discretion of the Administrator; and
- “(5) maintains and disseminates such data in a consistent manner.
- “(i) ENSURING CURRENT DATA.—Not less frequently than once every 5 years, the Administrator shall verify that each National Flood Insurance Program rate map contains data that is current and credible.
- “(j) QUALIFICATIONS-BASED SELECTION CONTRACTING.—
- “(1) IN GENERAL.—With respect to a contract awarded by the Administrator under this Act, or by an entity receiving a grant under this Act, for program management, architectural and engineering services, or surveying and mapping, such a contract shall be awarded to a contractor selected in accordance with the procedures described in section 1103 of title 40, United States Code (or an applicable equivalent State qualifications-based statute). The Administrator, or entity, as the case may be, shall require such contractor, as a condition of such con-

tract, to award any subcontract for program management, architectural and engineering services, or surveying and mapping in accordance with the procedures described in the previous sentence, or the applicable equivalent State statute.

“(2) RELATIONSHIP TO STATE LAW.—Nothing in this subsection shall supersede any applicable State licensing law governing professional licensure.

“(3) DEFINITIONS.—In this subsection:

“(A) ARCHITECTURAL AND ENGINEERING SERVICES.—The term ‘architectural and engineering services’ has the meaning given that term in section 1102 of title 40, United States Code.

“(B) SURVEYING AND MAPPING.—The term ‘surveying and mapping’ includes geospatial activities associated with measuring, locating, and preparing maps, charts, or other graphical or digital presentations depicting natural and man-made physical features, phenomena, and legal boundaries of the earth, including the following:

“(i) Topographic Engineering Surveying, including acquisition of topographic oriented surveying and mapping data for design, construction, master planning, operations, as-built conditions, precise structure stability studies using conventional and electronic instrumentation, photogrammetric, LiDAR, remote sensing, inertial, satellite, and other manned and unmanned survey methods as applicable.

“(ii) Hydrographic Engineering Surveying, including acquisition of hydrographic oriented surveying and mapping data for design, construction, dredging, master planning, operations, and as-built conditions using conventional and electronic instrumentation, and photogrammetric, remote sensing, inertial, satellite, side scan sonar, subbottom profiling, and other surveying methods, as applicable.

“(iii) Land Surveying, including property and boundary surveys, monumentation, marking and posting, and preparation of tract descriptions, using conventional, electronic instrumentation, photogrammetric, inertial, satellite, and other survey methods, as applicable.

“(iv) Geodetic Surveying, including first, second, and third order horizontal and vertical control surveys, geodetic astronomy, gravity and magnetic surveys using conventional, electronic instrumentation, photogrammetric, inertial, satellite, and other survey methods, as applicable.

“(v) Cartographic Surveying, including acquisition of topographic and hydrographic oriented surveying and mapping data for construction of maps, charts, and similar products for planning, flood analysis, and general use purposes using conventional and electronic instrumentation, photogrammetric, inertial, satellite, mobile, terrestrial, and other survey methods, as applicable.

“(vi) Mapping, charting, and related geospatial database development, including the design, compilation, digitizing, attributing, scribbling, drafting, printing and dissemination of printed or digital map, chart, and related geospatial database products associated with planning, engineering, operations, and related real estate activities using photogrammetric, geographic information systems, and other manual and computer assisted methods, as applicable.

“(k) DEFINITIONS.—In this section:

“(1) CADASTRAL FEATURE.—The term ‘cadastral feature’ means the geographic elements and features—

“(A) that are independent of elevation, such as roads, structure footprints, and rivers and lakes;

“(B) which are represented on maps to show the true location and size of the elements in relationship to each other, as they are seen from the air; and

“(C) that are mapped from LiDAR or aerial photography by employing basic photogrammetry.

“(2) PARCEL IDENTIFICATION DATA.—The term ‘parcel identification data’ means the information associated with a parcel of land, including the geographic location, unique parcel identifier, boundaries, structures contained within the parcel, zoning classification, and owner.”

SEC. 203. FLOOD MAPPING MODERNIZATION AND HOMEOWNER EMPOWERMENT PILOT PROGRAM.

(a) IN GENERAL.—The Administrator of the Federal Emergency Management Agency shall carry out a pilot program to make grants to units of local government to enhance the mapping of urban flooding and associated property damage and the availability of such mapped data to homeowners, businesses, and units of local government to enable them to minimize the risk of such flooding.

(b) OBJECTIVES.—Amounts from grants made under the pilot program under this section may be used only to carry out activities to meet the following objectives:

(1) To develop a methodology for assessing urban flood risk through the deployment of technology-based mapping tools that are easily understandable by the public and effectively convey information regarding the level of flood risk.

(2) To provide structure-specific projections of annual chance flood frequency.

(3) To provide structure-based flood-risk assessments.

(4) To provide urban flood-risk mitigation program design.

(5) To incorporate information regarding climate trends into urban flooding risk assessments.

(6) To make the information described in this subsection publicly available on the internet through a web-based portal so as to increase transparency regarding homeowner flood risks, except that the Administrator may not disclose such information to the public or to a private company in a manner that violates section 552a of title 5, United States Code, or any regulation implementing that section.

(c) ELIGIBLE RECIPIENTS.—

(1) IN GENERAL.—Grants under the pilot program under this section may be made only to units of general local government located in urbanized areas, as such term is used by the Bureau of the Census of the Department of Commerce, having populations exceeding 50,000 or to stormwater management authorities of such units of general local government.

(2) ONE-TIME GRANTS.—A grant under the pilot program under this section may not be made to—

(A) any unit of general local governmental, or stormwater management authority of a unit of general government, that has previously received a grant under the pilot program;

(B) any unit of general local government if the stormwater management agency for such unit has previously received a grant under the pilot program; or

(C) any stormwater management agency of a unit of general local government if such unit has previously received a grant under the pilot program.

(3) TREATMENT OF STORMWATER MANAGEMENT AUTHORITIES.—In the case of a stormwater management authority that operates with respect to more than one unit of general local government, the application of such authority shall be considered for purposes of paragraph (2) of this subsection and subsections (e), (f), and (g)(1) to be made for the largest unit of general local government for which such authority operates. The preceding sentence shall not limit the ability of such authority to carry out activities under the demonstration project in any other jurisdictions or unit of local government with respect to which the authority operates.

(d) APPLICATIONS.—To be eligible for a grant under this section a unit of general local government or stormwater management agency shall submit to the Administrator an application in such form and containing such information as the Administrator shall require.

(e) SELECTION OF RECIPIENTS.—

(1) ANNUAL SELECTION.—Subject to paragraph (2) and to the submission of approvable applications, in each fiscal year for which amounts are made available for grants under the pilot program under this section the Administrator shall select, from among applications submitted under subsection (d) for such fiscal year, 3 units of general government or stormwater management authorities to receive grants under the pilot program under this section.

(2) AGGREGATE LIMIT.—Subject only to the submission of approvable applications, the Administrator shall select, in the aggregate over the entire duration of the pilot program under this section, 12 units of general government or stormwater management authorities to receive grants under the pilot program, as follows:

(A) TIER 1.—Three of the applicants selected shall be units of general local government, or stormwater management authorities for such units, having a population exceeding 800,000, as follows:

(i) PELAGIC COASTAL CITY.—One shall be a unit of general local government, or stormwater authority for such a unit, that is a pelagic unit.

(ii) NON-PELAGIC COASTAL CITY.—One shall be unit of general local government, or stormwater authority for such a unit, that is a coastal unit, but not a pelagic unit.

(iii) NON-COASTAL CITY.—One shall be unit of general local government, or stormwater authority for such a unit, that is not a coastal unit.

(B) TIER 2.—Six of the applicants selected shall be units of general local government, or stormwater management authorities for such units, having a population exceeding 200,000 but not exceeding 800,000, as follows:

(i) COASTAL CITIES.—Three shall be units of general local government, or stormwater management authorities for such units, that are coastal units.

(ii) NON-COASTAL CITIES.—Three shall be units of general local government, or stormwater management authorities for such units, that are not coastal units.

(C) TIER 3.—Three of the applicants selected shall be units of general local government, or stormwater management authorities for such units, having a population exceeding 50,000 but not exceeding 200,000.

(f) PRIORITY.—

(1) IN GENERAL.—The Administrator shall select applicants for grants under the pilot program under this section based on the extent to which their applications will achieve the objectives set forth in subsection (b).

(2) TIERS 2 AND 3.—In selecting applicants to receive grants under the pilot program under this section pursuant to subparagraphs (B) and (C) of subsection (e)(2), the Administrator shall give priority to applicants—

(A) that are highly vulnerable to sea level rise;

(B) within which are located a military installation or other facility relating to national security concerns; or

(C) that have a population that is highly vulnerable to urban flooding and have an uneven capacity for flood mitigation and response efforts resulting from socioeconomic factors.

(g) AMOUNT.—

(1) CONSIDERATIONS.—In determining the amount of grant under the pilot program under this section, the Administrator shall consider the population of the grant recipient, which may be considered in terms of the tier under subsection (e)(2) of the recipient.

(2) FEDERAL SHARE.—The amount of a grant under the pilot program under this section may not exceed 75 percent of the total cost of the activities under subsection (b) to be carried out using the grant amounts.

(h) DURATION.—The Administrator shall require each recipient of a grant under the pilot program under this section to complete the activities under subsection (b) to be carried out using the grant amounts before the expiration of the 18-month period beginning upon the initial receipt of grant amounts under the pilot program.

(i) USE OF CENSUS DATA.—The Administrator shall make all determinations under the pilot program regarding population using the most recent available data from the decennial census.

(j) GRANTEE REPORTS TO FEMA.—Each recipient of a grant under the pilot program under this section shall, not later than the expiration of the 30-month period beginning upon the initial receipt of any such grant amounts, submit to the Administrator a report that describes—

(1) the activities carried out with amounts from the grant;

(2) how the activities carried out with such grant amounts have met the objectives described in subsection (b); and

(3) any lessons learned in carrying out such activities and any recommendations for future mapping modernization efforts by the Federal Emergency Management Agency.

(k) BIENNIAL REPORTS BY FEMA.—Not later than the expiration of the 24-month period beginning on the date of the enactment of this Act, and not later than the expiration of each successive 24-month period thereafter until the completion of all activities carried out with amounts from grants under the pilot program under this section, the Administrator shall submit to the Congress and make available to the public on an internet website a report that—

(1) describes—

(A) the progress of the activities carried out with amounts from such grants; and

(B) the effectiveness of technology-based mapping tools used in carrying out the activities described in subparagraph (A); and

(2) with respect to the final report that the Administrator is required to submit under this subsection, includes recommendations to the Congress and the executive branch of the Federal Government for implementing strategies, practices, and technologies to mitigate the effects of urban flooding.

(l) SENSE OF CONGRESS.—It is the sense of the Congress that, because the pilot program is limited with respect to scope and resources, communities that participate in the pilot program should acknowledge that the most successful efforts to mitigate the effects of urban flooding—

(1) take a structural-based mitigation approach with respect to construction, which includes—

- (A) recognizing any post-storm damage that may occur; and
 - (B) pursuing designs that proactively minimize future flood damage;
- (2) make individuals in the community aware, through any cost-effective and available means of education, of the best approaches regarding the construction of properties that are able to survive floods, which reduces the cost of future repairs; and
- (3) encourage home and property owners to consider the measures described in paragraphs (1) and (2), which are the most cost-effective and prudent ways to reduce the impact of flooding, when constructing or renovating building components.

(m) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(2) COASTAL.—The term “coastal” means, with respect to a unit of general local government, that the unit borders a body of water that—

- (A) exceeds 2,000 square miles in size; and
 - (B) is not a river.
- (3) PELAGIC.—The term “pelagic” means, with respect to a unit of general local government, that the unit is a coastal unit and the body of water that the unit borders is an ocean or other large, open body of water (including bays and gulfs) that empties into an ocean.

(4) URBAN FLOODING.—

(A) IN GENERAL.—The term “urban flooding” means the inundation of property in a built environment, particularly in more densely populated areas, caused either by falling rain collecting on impervious surfaces or increasing the levels of nearby water bodies and overwhelming the capacity of drainage systems, such as storm sewers, including—

- (i) situations in which stormwater enters buildings through windows, doors, or other openings;
 - (ii) water backup through sewer pipes, showers, toilets, sinks, and floor drains;
 - (iii) seepage through walls and floors;
 - (iv) the accumulation of water on property or public rights-of-way;
- and
- (v) the overflow from water bodies, such as rivers, lakes, and oceans.

(B) EXCLUSION.—Such term does not include flooding in undeveloped or agricultural areas.

(n) FUNDING.—There is authorized to be appropriated for grants under the pilot program under this section—

- (1) \$1,200,000 for fiscal year 2020; and
- (2) \$4,300,000 for fiscal year 2021, to remain available through 2023.

SEC. 204. MAPPING IMPROVEMENTS AND REACH.

(a) EXPANDING MAPPING TO ALL AREAS OF THE UNITED STATES.—Subparagraph (A) of section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(1)(A)) is amended—

- (1) in clause (v), by striking “and” at the end;
- (2) by redesignating clause (vi) as clause (vii); and
- (3) by inserting after clause (v) the following:

“(vi) all areas of the United States; and”.

(b) USE OF OTHER FEDERAL AGENCIES AND LIDAR.—Section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b) is amended—

- (1) in subsection (b)(1)—
 - (A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(B) by inserting after subparagraph (A) the following:

“(B) as soon as practicable—

“(i) modernize the flood mapping inventory for communities for which the National Flood Insurance Program rate maps have not been modernized; and

“(ii) in coordination with communities, utilize the digital display environment established under subsection (f)(1)(A) to produce, store, and disseminate any flood hazard data, models, and maps generated under clause (i) while ensuring that the flood mapping inventory described in that clause may be printed in order to carry out—

“(I) floodplain management programs under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.); and

“(II) other purposes of the National Flood Insurance Program;”;

(C) in subparagraph (C), as so redesignated, by striking “and” at the end; (D) in subparagraph (D), as so redesignated, by striking the period at the end and inserting “, and including the most current and most appropriate remote sensing or other geospatial mapping technology;”;

(E) by adding at the end the following:

“(E) when appropriate, partner with other Federal agencies, States, communities, and private entities in order to meet the objectives of the program; and

“(F) when appropriate, consult and coordinate with the Secretary of Defense, the Director of the United States Geological Survey, and the Administrator of the National Oceanic and Atmospheric Administration to obtain the most up-to-date maps and other information of those agencies, including information relating to topography, water flow, watershed characteristics, and any other issues that are relevant to identifying, reviewing, updating, maintaining, and publishing National Flood Insurance Program rate maps.”;

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

“(f) DIGITAL DISPLAY ENVIRONMENT AND BUILDING-SPECIFIC FLOOD HAZARD AND RISK INFORMATION.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—Not later than 5 years after the date of enactment of the National Flood Insurance Program Reauthorization Act of 2019, the Administrator, in consultation with the Technical Mapping Advisory Council, shall establish, as part of a national structure inventory, a dynamic, database-derived digital display environment for flood hazard and risk data, models, maps, and assessments.

“(B) CONSULTATION WITH STATES AND COMMUNITIES.—In designing and constructing the digital display environment under subparagraph (A), the Administrator shall—

“(i) leverage and partner with States and communities that have successfully implemented the same approach; and

“(ii) consider adopting the techniques and technologies used by the States and communities described in clause (i) and applying those techniques and technologies nationwide.

“(2) DIGITAL DISPLAY SYSTEM.—

“(A) IN GENERAL.—In carrying out paragraph (1), the Administrator, in consultation with the Technical Mapping Advisory Council, shall establish a national digital display system that shall—

“(i) be prompted through dynamic querying of a spatial, relational flood hazard and risk database;

“(ii) as permissible under law, be made available to the public;

“(iii) to the extent feasible, and where sufficient data is available, provide information, with respect to individual structures, regarding—

“(I) flood hazard and risk assessment determinations;

“(II) flood insurance; and

“(III) flood risk mitigation efforts;

“(iv) be constructed in a manner that facilitates coordination with digital display systems that—

“(I) have been developed by State and community partners; and

“(II) the Administrator finds are acceptable;

“(v) include the capability to print physical copies of maps; and

“(vi) where feasible, allow for the maintenance and storage of elevation certificates.

“(B) PRIVACY REQUIREMENTS.—The Administrator may not disseminate the database described in subparagraph (A)(i), including any data used to create that database, to the public or to a private company in a manner that violates section 552a of title 5, United States Code, or any regulation implementing that section.”;

(3) by inserting after subsection (k), as added by the preceding provisions of this Act, the following:

“(1) ANNUAL REPORT.—The Administrator, in coordination with the Technical Mapping Advisory Council established under section 100215 of this Act, shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate an annual report regarding progress achieved in the mapping program under this section, including the digital display and structure-specific information required under subsection (f),

which shall include recommendations to reduce the cost and improve the implementation of that subsection.”

(c) FUTURE FLOOD RISK.—Section 100216(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b) is amended by adding at the end the following:

“(3) FUTURE FLOOD RISK.—The Administrator shall, in consultation with the Technical Mapping Council established under section 100215, provide financial and technical assistance to communities to incorporate future flood hazard conditions as an informational layer on their Flood Insurance Rate Maps.”.

SEC. 205. APPEALS REGARDING EXISTING FLOOD MAPS.

(a) IN GENERAL.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsection:

“(k) APPEALS OF EXISTING MAPS.—

“(1) RIGHT TO APPEAL.—A State or local government, or the owner or lessee of real property, who has made a formal request to the Administrator to update a flood map that the Administrator has denied may at any time appeal such a denial as provided in this subsection.

“(2) BASIS FOR APPEAL.—The basis for appeal under this subsection shall be the possession of knowledge or information that—

“(A) the base flood elevation level or designation of any aspect of a flood map is scientifically or technically inaccurate; or

“(B) factors exist that mitigate the risk of flooding, including ditches, banks, walls, vegetation, levees, lakes, dams, reservoirs, basin, retention ponds, and other natural or manmade topographical features.

“(3) APPEALS PROCESS.—

“(A) ADMINISTRATIVE ADJUDICATION.—An appeal under this subsection shall be determined by a final adjudication on the record, and after opportunity for an administrative hearing.

“(B) RIGHTS UPON ADVERSE DECISION.—If an appeal pursuant to subparagraph (A) does not result in a decision in favor of the State, local government, owner, or lessee, such party may appeal the adverse decision to the Scientific Resolution Panel provided for in section 1363A, which shall recommend a non-binding decision to the Administrator.

“(4) RELIEF.—

“(A) WHOLLY SUCCESSFUL APPEALS.—In the case of a successful appeal resulting in a policyholder’s property being removed from a special flood hazard area, such policyholder may cancel the policy at any time within the current policy year, and the Administrator shall provide such policyholder a refund in the amount of any premiums paid for such policy year, plus any premiums paid for flood insurance coverage that the policyholder was required to purchase or maintain during the 2-year period preceding such policy year.

“(B) PARTIALLY SUCCESSFUL APPEALS.—In the case of any appeal in which mitigating factors were determined to have reduced, but not eliminated, the risk of flooding, the Administrator shall reduce the amount of flood insurance coverage required to be maintained for the property concerned by the ratio of the successful portion of the appeal as compared to the entire appeal. The Administrator shall refund to the policyholder any payments made in excess of the amount necessary for such new coverage amount, effective from the time when the mitigating factor was created or the beginning of the second policy year preceding the determination of the appeal, whichever occurred later.

“(C) ADDITIONAL RELIEF.—The Administrator may provide additional refunds in excess of the amounts specified in subparagraphs (A) and (B) if the Administrator determines that such additional amounts are warranted.

“(5) RECOVERY OF COSTS.—When, incident to any appeal which is successful in whole or part regarding the designation of the base flood elevation or any aspect of the flood map, including elevation or designation of a special flood hazard area, the community, or the owner or lessee of real property, as the case may be, incurs expense in connection with the appeal, including services provided by surveyors, engineers, and scientific experts, the Administrator shall reimburse such individual or community for reasonable expenses to an extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal, but not including legal services, in the effecting of an appeal based on a scientific or technical error on the part of the Federal Emergency Management Agency. No reimbursement shall be made by the Administrator in respect to any fee or expense payment, the payment of which was agreed to be contingent upon the result of the appeal. The Administrator may use such

amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this paragraph.

“(6) GUIDANCE.—The Administrator shall issue guidance to implement this subsection, which shall not be subject to the notice and comment requirements under section 553 of title 5, United States Code.”

(b) DEADLINE.—The Administrator of the Federal Emergency Management Agency shall issue the guidance referred to section 1360(k)(6) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(k)(7)), as added by the amendment made by subsection (a) of this section, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 206. APPEALS AND PUBLICATION OF PROJECTED SPECIAL FLOOD HAZARD AREAS.

(a) APPEALS.—Section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104) is amended—

(1) in subsection (b), by striking the second sentence and inserting the following: “Any owner or lessee of real property within the community who believes the owner’s or lessee’s rights to be adversely affected by the Administrator’s proposed determination may appeal such determination to the local government no later than 90 days after the date of the second publication.”;

(2) in subsection (d), by striking “subsection (e)” and inserting “subsection (f)”;

(3) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(4) by inserting after subsection (d) the following new subsection:

“(e) DETERMINATION BY ADMINISTRATOR IN THE ABSENCE OF APPEALS.—If the Administrator has not received any appeals, upon expiration of the 90-day appeal period established under subsection (b) of this section the Administrator’s proposed determination shall become final. The community shall be given a reasonable time after the Administrator’s final determination in which to adopt local land use and control measures consistent with the Administrator’s determination.”

(b) PUBLICATION.—Subsection (a) of section 1363 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(a)) is amended by striking “in the Federal Register”.

SEC. 207. COMMUNICATION AND OUTREACH REGARDING MAP CHANGES.

Paragraph (1) of section 100216(d) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(d)(1)) is amended—

(1) in subparagraph (B), by inserting “maximum” before “30-day period”; and

(2) in subparagraph (C), by inserting “maximum” before “30-day period”.

SEC. 208. ADOPTION OF PARTIAL FLOOD MAPS.

Subsection (f) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)) is amended by adding at the end the following new flush matter:

“Panels of the revised flood insurance rate maps for which no appeal has been submitted during the 90-day period referred to in subsection (b) shall be considered final.”

SEC. 209. NEW ZONE FOR LEVEE-IMPACTED AREAS.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“(1) LEVEE-IMPACTED AREAS.—

“(1) IN GENERAL.—Subject to full implementation of subparagraphs (A)(iii) and (B) of section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)) and notwithstanding any other provision of law, if a community applies to the Administrator for the remapping of a levee-impacted area in which the pertinent levee system fails to meet the minimum design, operation, and maintenance standards of the National Flood Insurance Program required for levee accreditation on a flood insurance rate map in accordance with the Levee Analysis Mapping Procedure initiated by the Administrator to replace the ‘without levees’ approach to a Flood Insurance Study, the Administrator shall—

“(A) establish flood risk zones for those levee-impacted areas on such maps, to be known as ‘AL-E zones’, that have an established elevation for community floodplain management; and

“(B) make flood insurance available to properties located within those levee-impacted areas.

“(2) TRANSITION.—During the period beginning on the date of enactment of this subsection and ending on the date on which the Administrator develops rates for the various AL-E zones, a structure located in a portion of a community that is located within a levee-impacted area described in paragraph (1) shall be eligible for rates associated with areas of moderate flood hazards.”

SEC. 210. AGRICULTURAL STRUCTURES IN SPECIAL FLOOD HAZARD ZONES.

(a) REQUIREMENTS FOR STATE AND LOCAL LAND USE CONTROLS.—Subsection (a) of section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(a)) is amended by adding at the end the following new paragraph:

“(3) ALLOWABLE LOCAL VARIANCES FOR CERTAIN AGRICULTURAL STRUCTURES.—

“(A) REQUIREMENT.—Notwithstanding any other provision of this Act—

“(i) the land use and control measures adopted pursuant to paragraph (1) may not, for purposes of such paragraph, be considered to be inadequate or inconsistent with the comprehensive criteria for land management and use under section 1361 because such measures provide that, in the case of any agricultural structure that is located in an area having special flood hazards, a variance from compliance with the requirements to elevate or floodproof such a structure and meeting the requirements of subparagraph (B) may be granted; and

“(ii) the Administrator may not suspend a community from participation in the national flood insurance program, or place such a community on probation under such program, because such land use and control measures provide for such a variance.

This subparagraph shall not limit the ability of the Administrator to take enforcement action against a community that does not adopt adequate variance criteria or establish proper enforcement mechanisms.

“(B) VARIANCE; CONSIDERATIONS.—The requirements of this subparagraph with respect to a variance are as follows:

“(i) The variance is granted by an official from a duly constituted State or local zoning authority, or other authorized public body responsible for regulating land development or occupancy in flood-prone areas.

“(ii) In the case of new construction, such official has determined—

“(I) that neither floodproofing nor elevation of the new structure to the base flood elevation is practicable; and

“(II) that the structure is not located in—

“(aa) a designated regulatory floodway;

“(bb) an area riverward of a levee or other flood control structure; or

“(cc) an area subject to high velocity wave action or seaward of flood control structures.

“(iii) In the case of existing structures—

“(I) if such structure is substantially damaged or in need of substantial repairs or improvements, such official has determined that neither floodproofing nor elevation to the base flood elevation is practicable; and

“(II) if such structure is located within a designated regulatory floodway, such official has determined that the repair or improvement does not result in any increase in base flood levels during the base flood discharge.

“(iv) Such official has determined that the variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

“(v) Not more than one claim payment exceeding \$1,000 has been made for the structure under flood insurance coverage under this title within any period of 10 consecutive years at any time prior to the granting of the variance.

“(C) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) AGRICULTURAL STRUCTURE.—The term ‘agricultural structure’ has the meaning given such term in paragraph (2)(D).

“(ii) FLOODPROOFING.—The term ‘floodproofing’ means, with respect to a structure, any combination of structural and non-structural additions, changes, or adjustments to the structure, including attendant utilities and equipment, that reduce or eliminate potential flood damage to real estate or improved real property, water and sanitary facilities, structures, or their contents.”.

(b) PREMIUM RATES.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following new subsection:

“(n) PREMIUM RATES FOR CERTAIN AGRICULTURAL STRUCTURES WITH VARIANCES.—Notwithstanding any other provision of this Act, the chargeable premium rate for coverage under this title for any structure provided a variance pursuant to section 1315(a)(3) shall be the same as the rate that otherwise would apply to such structure if the structure had been dry floodproofed or a comparable actu-

arial rate based upon the risk associated with structures within the applicable AL-E zone established under section 1360(l).”

SEC. 211. TECHNICAL MAPPING ADVISORY COUNCIL.

Paragraph (1) of section 100215(b) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101a(b)(1)) is amended—

- (1) by redesignating subparagraphs (A) through (E) as subparagraphs (B) through (F), respectively;
- (2) by inserting before subparagraph (B), as so redesignated by subparagraph (A) of this paragraph, the following new subparagraph:
“(A) the Director of the United States Geological Survey;” and
- (3) in subparagraph (F), as so redesignated by paragraph (1) of this section—
 - (A) in the matter preceding clause (i), by striking “16” and inserting “17”;
 - (B) in clause (xiii), by striking “and” at the end;
 - (C) in clause (xiv), by striking the period at the end and inserting “; and”;
 and
 - (D) by adding at the end the following new clause:
“(xv) a member of a recognized professional real estate brokerage association.”.

TITLE III—MITIGATION

SEC. 301. INCREASED COST OF COMPLIANCE COVERAGE.

Section 1304(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is amended—

- (1) in paragraph (4), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively;
- (2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively (and by adjusting the margins accordingly);
- (3) in subparagraph (C) as so redesignated, by striking the period at the end and inserting a semicolon;
- (4) by redesignating paragraph (4) as subparagraph (E) (and by adjusting the margin accordingly);
- (5) by inserting after subparagraph (C), as so redesignated, the following:
“(D) properties identified by the Administrator as priorities for mitigation activities before the occurrence of damage to or loss of property which is covered by flood insurance; and”;
- (6) by inserting before “The national flood insurance program” the following:;
“(1) IN GENERAL.—”.
- (7) by striking “The Administrator” and inserting the following:
“(2) PREMIUM.—The Administrator;” and
- (8) by adding at the end the following new paragraphs:
“(3) AMOUNT OF COVERAGE.—Each policy for flood insurance coverage made available under this title shall provide coverage under this subsection having an aggregate liability for any single property of \$60,000.
“(4) ELIGIBLE MITIGATION ACTIVITIES.—
“(A) IN GENERAL.—Eligible mitigation methods the cost of which is covered by coverage provided under this subsection shall include—
“(i) alternative methods of mitigation identified in the guidelines issued pursuant to section 1361(d);
“(ii) pre-disaster mitigation projects for eligible structures (as such term is defined in subparagraph (C)); and
“(iii) costs associated with the purchase, clearing, and stabilization of property that is part of an acquisition or relocation program that complies with subparagraph (B).
“(B) ACQUISITION AND RELOCATION PROJECT ELIGIBILITY AND REQUIREMENTS.—
“(i) IN GENERAL.—An acquisition or relocation project shall be eligible to receive assistance pursuant to subparagraph (A)(iii) only if—
“(I) any property acquired, accepted, or from which a structure will be removed shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices; and
“(II) any new structure erected on such property will be—
“(aa) a public facility that is open on all sides and functionally related to a designated open space;
“(bb) a restroom; or

“(cc) a structure that the Administrator approves in writing before the commencement of the construction of the structure.
 “(ii) FURTHER ASSISTANCE.—If an acquisition or relocation project is assisted pursuant to subparagraph (A)(iii)—

“(I) no person may apply to a Federal entity for disaster assistance with regard to any property acquired, accepted, or from which a structure was removed as part of such acquisition or relocation project; and

“(II) no Federal entity may provide disaster assistance for such property.

“(iii) REQUIREMENT TO MAINTAIN FLOOD INSURANCE COVERAGE.—

“(I) IN GENERAL.—Notwithstanding any other provision of law, any assisted structure (as such term is defined in subclause (III)) shall, at all times, maintain insurance against flood damage, in accordance with Federal law, for the life of such structure.

“(II) TRANSFER OF PROPERTY.—

“(aa) DUTY TO NOTIFY.—If any part of a property on which an assisted structure is located is transferred, the transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing, including in all documents evidencing the transfer of ownership of the property of the requirements, that such transferee is required to—

“(AA) obtain flood insurance in accordance with applicable Federal law with respect to such assisted structure, if such structure is not so insured on the date on which the structure is transferred; and

“(BB) maintain flood insurance in accordance with applicable Federal law with respect to such structure.

“(bb) FAILURE TO NOTIFY.—If a transferor fails to make a notification in accordance with item (aa) and such assisted structure is damaged by a flood disaster, the transferor shall pay the Federal Government an amount equal to the amount of any disaster relief provided by the Federal government with respect to such assisted structure.

“(III) ASSISTED STRUCTURE DEFINED.—For the purposes of this clause, the term ‘assisted structure’ means a structure on property that is part of an acquisition or relocation project assisted pursuant to subparagraph (A) that was, as part of such acquisition or relocation project—

“(aa) altered;

“(bb) improved;

“(cc) replaced;

“(dd) repaired; or

“(ee) restored.

“(C) ELIGIBLE STRUCTURE DEFINED.—For purposes of this paragraph, the term ‘eligible structure’ means any structure that—

“(i) was constructed in compliance with the Flood Insurance Rate Map and local building and zoning codes in effect at the date of construction of the structure; and

“(ii) has not previously been altered, improved, replaced, or repaired using assistance provided under this subsection.

“(5) TREATMENT OF COVERAGE LIMITS.—Any amount of coverage for a property provided pursuant to this subsection shall not be considered or counted for purposes of any limitation on coverage applicable to such property under section 1306(b) (42 U.S.C. 4013(b)) and any claim on such coverage shall not be considered a claim for purposes of section 1307(h) or subsection (a)(3) or (h)(3) of section 1366.

“(6) IMPLEMENTATION.—Notwithstanding any other provision of law, the Administrator may implement this subsection by adopting one or more standard endorsements to the Standard Flood Insurance Policy by publication of such standards in the Federal Register, or by comparable means.”.

SEC. 302. MULTIPLE-LOSS PROPERTIES.

(a) FINANCIAL ASSISTANCE.—Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

“(e) MULTIPLE-LOSS PROPERTIES.—In making determinations regarding financial assistance under the authorities of this Act, the Administrator may consider the ex-

tent to which a community is working to remedy problems with addressing multiple-loss properties.”.

(b) DEFINITIONS.—Subsection (a) of section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121) is amended—

(1) by redesignating paragraphs (8) through (15) as paragraphs (11) through (18), respectively; and

(2) by striking paragraph (7) and inserting the following new paragraphs:

“(7) MULTIPLE-LOSS PROPERTY.—The term ‘multiple-loss property’ means any property that is a repetitive-loss property, a severe repetitive-loss property, or an extreme repetitive-loss property.

“(8) REPETITIVE-LOSS PROPERTY.—The term ‘repetitive-loss property’ means a structure that has incurred flood-related damage for which 2 or more separate claims payments of any amount in excess of the loss-deductible for damage to the covered structure have been made under flood insurance coverage under this title.

“(9) SEVERE REPETITIVE-LOSS PROPERTY.—The term ‘severe repetitive-loss property’ means a structure that has incurred flood-related damage for which—

“(A) 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or

“(B) at least 2 separate claims payments have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding the value of the structure.

“(10) EXTREME REPETITIVE-LOSS PROPERTY.—The term ‘extreme repetitive-loss property’ means a structure that has incurred flood-related damage for which at least 2 separate claims have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding 150 percent of the maximum coverage amount available for the structure.”.

(c) CONFORMING AMENDMENTS.—The National Flood Insurance Act of 1968 is amended—

(1) in section 1304(b)(1)(A) (42 U.S.C. 4011(b)(1)(A)), as amended by section 301 of this Act, by striking “repetitive loss structures” and inserting “repetitive-loss properties”;

(2) in section 1307 (42 U.S.C. 4014)—

(A) in subsection (a)(2)(B), by striking “repetitive loss property” and inserting “repetitive-loss property”;

(B) in subsection (g)(2)(B), by striking clauses (i) and (ii) and inserting the following:

“(i) an extreme repetitive-loss property; or

“(ii) a severe repetitive-loss property.”;

(C) by striking subsection (h); and

(D) by redesignating subsection (i), as added by the preceding provisions of this Act, as subsection (h);

(3) in section 1315(a)(2)(A)(i) (42 U.S.C. 4022(a)(2)(A)(i)), by striking “repetitive loss structure” and inserting “repetitive-loss property”; and

(4) in section 1366 (42 U.S.C. 4104c)—

(A) in subsection (a)(2), by striking “repetitive loss structures” and inserting “repetitive-loss properties”;

(B) in subsection (c)(2)(A)(ii), by striking “repetitive loss structures” and inserting “multiple-loss properties”;

(C) in subsection (d)—

(i) in paragraph (1)—

(I) in the paragraph heading, by striking “REPETITIVE LOSS STRUCTURES” and inserting “REPETITIVE-LOSS AND EXTREME REPETITIVE LOSS PROPERTIES”; and

(II) in the matter preceding subparagraph (A), by striking “repetitive loss structures” and inserting “repetitive-loss properties or extreme repetitive-loss properties”; and

(ii) in paragraph (2)—

(I) in the paragraph heading, by striking “REPETITIVE LOSS STRUCTURES” and inserting “REPETITIVE-LOSS PROPERTIES”; and

(II) by striking “repetitive loss structures” and inserting “repetitive-loss properties”; and

(D) in subsection (h), by striking paragraphs (2) and (3).

SEC. 303. PREMIUM RATES FOR CERTAIN MITIGATED PROPERTIES.

(a) MITIGATION STRATEGIES.—Paragraph (1) of section 1361(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4102(d)(1)) is amended—

- (1) in subparagraph (A), by striking “and” at the end;
 - (2) in subparagraph (B), by striking “and” at the end; and
 - (3) by inserting after subparagraph (B) the following new subparagraphs:
 - “(C) with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and
 - “(D) elevation of mechanical or other critical systems; and”.
- (b) MITIGATION CREDIT.—Subsection (k) of section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(k)) is amended—
- (1) by striking “shall take into account” and inserting the following: “shall—
 - “(1) take into account”;
 - (2) in paragraph (1), as so designated by the amendment made by paragraph (1) of this subsection, by striking the period at the end and inserting “; and”;
 - and
 - (3) by adding at the end the following new paragraph:
 - “(2) offer a reduction of the risk premium rate charged to a policyholder, as determined by the Administrator, if the policyholder implements any mitigation method described in paragraph (1).”.

SEC. 304. COVERAGE FOR COOPERATIVES.

(a) EQUAL TREATMENT WITH CONDOMINIUMS.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013), as amended by the preceding provisions of this Act is further amended by adding at the end the following:

“(f) COOPERATIVE BUILDINGS.—Notwithstanding any other provision of law, the Administrator shall make flood insurance coverage available to any individual with a membership interest and occupancy agreement in a cooperative housing project on the same terms as any owner of a condominium.”.

(b) PAYMENT OF CLAIMS.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended—

- (1) in subsection (c)—
 - (A) by striking “flood insurance to condominium owners” and inserting the following: “flood insurance—
 - “(1) to condominium owners”; and
 - (B) by striking the period at the end and inserting “; or”; and
 - (C) by adding at the end the following:
 - “(2) to individuals with a membership interest and occupancy agreement in a cooperative housing project who purchased such flood insurance separate and apart from the flood insurance purchased by the cooperative association in which such individual is a member, based solely, or in any part, on the flood insurance coverage of the cooperative association or others on the overall property owned by the cooperative association.”; and
 - (2) by adding at the end the following:
 - “(d) DEFINITIONS.—For purposes of this section and section 1306(e), the terms ‘cooperative association’ and ‘cooperative housing project’ shall have such meaning as the Secretary shall provide.”.

SEC. 305. VOLUNTARY COMMUNITY-BASED FLOOD INSURANCE PILOT PROGRAM.

(a) ESTABLISHMENT.—The Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”) shall carry out a community-based flood insurance pilot program to make available, for purchase by participating communities, a single, community-wide flood insurance policy under the National Flood Insurance Program that—

- (1) covers all residential and non-residential properties within the community; and
- (2) satisfies, for all such properties within the community, the mandatory purchase requirements under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a).

(b) PARTICIPATION.—Participation by a community in the pilot program under this section shall be at the sole discretion of the community.

(c) REQUIREMENTS FOR COMMUNITY-WIDE POLICIES.—The Administrator shall ensure that a community-wide flood insurance policy made available under the pilot program under this section incorporates the following requirements:

- (1) A mapping requirement for properties covered by the policy.
- (2) A deductible.
- (3) Certification or accreditation of mitigation infrastructure when available and appropriate.
- (4) A community audit.
- (5) A method of preventing redundant claims payments by the National Flood Insurance Program in the case of a claim by an individual property owner who is covered by a community-wide flood insurance policy and an individual policy obtained through the Program.

(6) Coverage for damage arising from flooding that complies with the standards under the National Flood Insurance Program appropriate to the nature and type of property covered.

(d) **TIMING.**—The Administrator shall establish the demonstration program under this section not later than the expiration of the 180-day period beginning on the date of the enactment of this Act and the program shall terminate on September 30, 2022.

(e) **DEFINITION OF COMMUNITY.**—For purposes of this section, the term “community” means any unit of local government, within the meaning given such term under the laws of the applicable State.

SEC. 306. MITIGATION FUNDING.

For each of the first 5 fiscal years beginning after following the date of the enactment of this Act, there is authorized to be appropriated \$200,000,000 to carry out the flood mitigation assistance grant program under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c).

SEC. 307. COMMUNITY RATING SYSTEM IMPROVEMENTS.

(a) **PROVISION OF COMMUNITY RATING SYSTEM PREMIUM CREDITS TO MAXIMUM NUMBER OF COMMUNITIES PRACTICABLE.**—Subsection (b) of section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—

(1) in paragraph (2), by striking “may” and inserting “shall”; and

(2) in paragraph (3), by inserting “, and the Administrator shall provide credits to the maximum number of communities practicable” after “under this program”.

(b) **GRANTS FOR COMMUNITY RATING SYSTEM PROGRAM COORDINATORS.**—Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended by adding at the end the following new subsection:

“(c) **GRANTS FOR COMMUNITY RATING SYSTEM PROGRAM COORDINATORS.**—

“(1) **AUTHORITY.**—The Administrator shall carry out a program to make grants to consortia of States and communities for use only for costs of employing or otherwise retaining an individual or individuals to coordinate and carry out responsibilities relating to participation in the community rating system program under subsection (b) for States and communities that are members of such consortia.

“(2) **ELIGIBILITY.**—The Administrator shall establish such criteria as the Administrator considers appropriate for a consortium of States and communities to be eligible for grants under this subsection, which shall include requiring a consortium to provide evidence to the Administrator that the consortium has sufficient authority and administrative capability to use grant amounts in accordance with this subsection on behalf of its member jurisdictions.

“(3) **TIMING.**—A consortium receiving a grant under this section shall establish the position or positions described in paragraph (1), and employ or otherwise retain an individual or individuals to fill such position or positions, not later than the date that all such grant amounts are expended.

“(4) **APPLICATIONS.**—The Administrator shall provide for consortia of States and communities to submit applications for grants under this subsection, which shall include—

“(A) the evidence referred to in paragraph (2);

“(B) such assurances as the Administrator shall require to ensure compliance with the requirement under paragraph (3);

“(C) such assurances as the Administrator shall require to ensure that the consortia will provide funding sufficient to continue the position or positions funded with the grant amounts, in the same annual amount as under such grant funding, after such grant funds are expended; and

“(D) such other information as the Administrator may require.

“(5) **SELECTION.**—From among eligible consortia of States and communities submitting applications pursuant to paragraph (3), the Administrator shall select consortia to receive grants under this subsection in accordance with such competitive criteria for such section as the Administrator shall establish.

“(6) **DEFINITION OF COMMUNITY.**—For purposes of this section, the term ‘community’ has the meaning given such term in section 1366(h) (42 U.S.C. 4104c(h)), except that such term includes counties and regional planning authorities that do not have zoning and building code jurisdiction.

“(7) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for grants under this subsection—

“(A) \$7,000,000 for the first fiscal year commencing after the expiration of the 4-month period beginning on the date of the enactment of this Act; and

“(B) \$7,000,000 for each of the four consecutive fiscal years thereafter.”.

SEC. 308. COMMUNITY ASSISTANCE PROGRAM FOR EFFECTIVE FLOODPLAIN MANAGEMENT.

(a) **IN GENERAL.**—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“SEC. 1327. COMMUNITY ASSISTANCE PROGRAM FOR EFFECTIVE FLOODPLAIN MANAGEMENT.

“(a) **IN GENERAL.**—The Administrator shall establish a community assistance program under this section to increase the capacity and capability of States, Indian tribes, and communities to effectively manage flood risk and participate in the national flood insurance program, including the community rating system program under section 1315(b), by providing financial and technical assistance to States, tribes and communities.

“(b) **COMPONENTS.**—The community assistance program under this program shall include—

“(1) making community assistance grants under subsection (c) to States;

“(2) conducting periodic assessments, not less often than once every 5 years, of the technical assistance and training needs of States, Indian tribes, and communities;

“(3) providing technical assistance and training to States, Indian tribes, and communities in accordance with the needs identified by such assessments;

“(4) conducting periodic reviews of State, Indian tribe, and community floodplain management standards by the Administrator to promote continuous improvement in building and maintaining effective State floodplain management programs (as such term is defined in subsection (d));

“(5) conducting periodic estimates of the losses avoided nationally due to the adoption of qualifying floodplain management standards by States, Indian tribes and communities;

“(6) in coordination with each State receiving a grant under subsection (c), developing and executing a strategy to—

“(A) provide technical and financial assistance to communities, including small and rural communities, and Indian tribes within the State; and

“(B) encourage greater participation in the community rating system program; and

“(7) establishing goals for States participating in the program and incentives for exceeding such goals.

“(c) COMMUNITY ASSISTANCE GRANTS TO STATES.—

“(1) **IN GENERAL.**—Under the program under this section the Administrator may award grants to States, which shall be used only—

“(A) to increase the capacity and capability of the State and communities and Indian tribes in the State to effectively manage flood risk and to fully participate in the national flood insurance program, including the community rating system program; and

“(B) for activities related to implementation, administration, oversight, and enforcement of the national flood insurance program at the State and local and tribal levels.

“(2) **GUIDELINES.**—The Administrator shall establish guidelines governing the use of grant funds under this subsection, including setting forth activities eligible to be funded with such amounts.

“(3) **ELIGIBILITY.**—To be eligible to receive a grant under this subsection, a State shall—

“(A) demonstrate, to the satisfaction of the Administrator, that the State has in effect qualifying State floodplain management standards for the State;

“(B) agree to submit such reports, certifications, and information to the Administrator as the Administrator shall require, including those required under paragraph (5); and

“(C) meet any additional eligibility requirements as the Administrator may require.

“(4) **APPLICATION; SELECTION CRITERIA.**—The Administrator shall provide for States to submit applications for grants under this subsection, which shall include such information, assurances, and certifications as the Administrator may require, and may establish criteria for selection of qualifying applications to be selected for grants under this subsection.

“(5) **ONGOING REVIEW OF FLOODPLAIN MANAGEMENT STANDARDS.**—Each State that is awarded funds under this section shall provide periodic reports, certifications, and information regarding the floodplain management standards of such State as the Administrator may require for the duration of the use of grant amounts.

“(d) **DEFINITIONS.**—For purposes of this section:

“(1) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given such term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

“(2) QUALIFYING STATE FLOODPLAIN MANAGEMENT STANDARDS.—The term ‘qualifying State floodplain management standards’ means the floodplain management standards of a State that—

“(A) are specifically authorized under State law and do not conflict with or inhibit the implementation of the National Flood Insurance Act of 1968;

“(B) designate an entity responsible for coordinating the national flood insurance program in the State;

“(C) identify State resources and programs to manage floodplains and reduce flood risk;

“(D) address on a long-term basis—

“(i) integration of floodplain management activities with other State functions and activities;

“(ii) identification of flood hazards;

“(iii) management of natural floodplain functions and resources;

“(iv) elimination of adverse impacts of development on the floodplain;

“(v) flood mitigation and recovery strategies for the State;

“(vi) strategies for informing communities and citizens about flood risk and mitigation options; and

“(vii) measures for evaluating the effectiveness of State floodplain management efforts;

“(E) include a long-term plan that will facilitate the prioritization and provision of training and technical assistance to communities and Indian tribes in the State to increase local and tribal capacity and capability for floodplain management, including the capacity and capability to participate in the national flood insurance program and the community rating system program;

“(F) provide for oversight, administration and enforcement of the national flood insurance program at the State and community levels; and

“(G) meet such other requirements as the Administrator may establish.

“(e) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$20,000,000 for each of fiscal years 2019 through 2024 for the National Flood Insurance Fund for carrying out this section. Any amounts appropriated pursuant to this subsection shall remain available until expended.

“(2) SET-ASIDES.—From any amounts made available for grants under this section, the Administrator may reserve such amount as the Administrator considers appropriate—

“(A) for community assistance grants under subsection (c) to States; and

“(B) for additional assistance only for States exceeding the goals established pursuant to subsection (b)(8).”

(b) USE OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Subsection (a) of section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (7), by striking “and” at the end;

(2) in paragraph (8), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(9) for carrying out the community assistance program for effective floodplain management under section 1327.”

TITLE IV—MODERNIZATION

SEC. 401. EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“(o) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously covered by a flood insurance policy, either offered through the national flood insurance program or private market, that was used to satisfy the requirements under section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) to be a period of continuous coverage.”

SEC. 402. OPTIONAL COVERAGE FOR UMBRELLA POLICIES.

Subsection (b) of section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)), is amended—

- (1) in paragraph (4), by striking “and” at the end;
- (2) in paragraph (5), by striking the period at the end and inserting “; and”;

and

- (3) by adding at the end the following new paragraph:

“(6) the Administrator may provide that, in the case of any commercial property or other residential property, including multifamily rental property and agricultural property, one umbrella policy be made available to every insured upon renewal and every applicant with multiple structures on the same property, except that—

- “(A) purchase of such coverage shall be at the option of the insured; and
- “(B) any such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1).”.

SEC. 403. ANNUAL INDEPENDENT ACTUARIAL STUDY.

Part C of chapter II of the National Flood Insurance Act of 1968 (42 U.S.C. 4081 et seq.) is amended by adding at the end the following new section:

“SEC. 1349. ANNUAL INDEPENDENT ACTUARIAL STUDY.

“The Administrator shall provide for an independent actuarial study of the National Flood Insurance Program to be conducted annually, which shall analyze the financial position of the Program. The Administrator shall submit a report annually to the Congress describing the results of such study and assessing the financial status of the Program. The report shall recommend adjustments to underwriting standards, program participation, or premiums, if necessary, to ensure that the Program remains financially sound. The report shall also include an evaluation of the quality control procedures and accuracy of information utilized in the process of underwriting National Flood Insurance Program policies. Such evaluation shall include a review of the risk characteristics of policies.”.

SEC. 404. SHARING OF AND ACCESS TO INFORMATION.

(a) **IN GENERAL.**—Section 1313 of the National Flood Insurance Act of 1968 (42 U.S.C. 4020) is amended—

- (1) by inserting after the section enumerator the following: “(a) AVAILABILITY TO PUBLIC AND STATE AGENCIES.—”; and

- (2) by adding at the end the following new subsections:

“(b) **EXCHANGE OF NFIP AND PRIVATE FLOOD INSURANCE POLICY AND CLAIMS INFORMATION.**—The Administrator may provide to each private insurer that sells coverage that meets, at a minimum, the definition of private flood insurance under section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), current and historical property-specific information that is available to the Administration on flood insurance program coverage, flood damage assessments, and payment of claims, but only if the following conditions are met:

- “(1) Each private insurer receiving such data shall provide to the Administrator current and historical property-specific information, generated through the sale of the flood insurance that meets such definition of private flood insurance, by the private insurer on flood insurance coverage, flood damage assessments, and payment of claims.

- “(2) Such information obtained under paragraph shall be made available as required by subsections (c) and (d).

“(c) **HOMEOWNER ACCESS TO NFIP AND PRIVATE POLICY AND CLAIMS INFORMATION.**—Upon request by the current owner of a property, the Administrator shall provide to the owner any current and historical information available to the Administrator, including information obtained under subsection (b)(1), on insurance coverage, damage assessments, and payment of claims concerning such property of the owner. In addition, the Administrator shall provide information the Administrator may have on whether the property owner may be required to purchase flood insurance coverage due to previous receipt of federal disaster assistance, including assistance provided by the Small Business Administration, the Department of Housing and Urban Development, the Federal Emergency Management Agency, or any other type of assistance subject to the mandatory purchase requirement under section 102 of the Flood Disaster Protection Act of 1973.

“(d) **HOMEBUYER ACCESS TO FLOOD INSURANCE INFORMATION.**—Notwithstanding section 552a(b) of title 5, United States Code, not later than 14 days after a request for such information by a buyer under contract for purchase of a property, the Administrator shall provide to the buyer the following information:

“(1) The number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under this title.

“(2) Such other available information about the property as determined by the Administrator to accurately and adequately characterize the true flood risk to the property.

“(3) A notice to the recipient of the information that the information provided may only be utilized by the recipient alone and only for the purposes of homebuying.”

(b) **EFFECTIVE DATE.**—Subsection (d) of section 1313 of the National Flood Insurance Act of 1968, as added by the amendment made by subsection (a)(2) of this section, shall take effect beginning upon the expiration of the 12-month period that begins on the date of the enactment of this Act.

SEC. 405. ELEVATION CERTIFICATES.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following:

“SEC. 1328. ELEVATION CERTIFICATES.

“Surveyed elevation data and other information relating to a building that is recorded on a National Flood Insurance Program Elevation Certificate by an individual licensed to record that information shall continue to be in effect, and the Elevation Certificate shall not expire, until the date on which there is an alteration in the building.”

SEC. 406. LEVERAGING RISK TRANSFER OPPORTUNITIES FOR A SOUND FINANCIAL FRAMEWORK.

(a) **IN GENERAL.**—Subsection (e) of section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(e)) is amended—

(1) by striking “(e) RISK TRANSFER.—The Administrator” and inserting the following:

“(e) **LEVERAGING RISK TRANSFER OPPORTUNITIES FOR A SOUND FINANCIAL FRAMEWORK.**—

“(1) **AUTHORITY.**—The Administrator”; and

(2) by adding at the end the following:

“(2) **LEVERAGING RISK TRANSFER OPPORTUNITIES.**—On an annual basis, the Administrator shall evaluate ceding a portion of the risk of the flood insurance program under this title to the private reinsurance or capital markets, or any combination thereof, if the Administrator determines—

“(A) the rates and terms are reasonable and appropriate; and

“(B) doing so would further the development and maintenance of a sound financial framework for the National Flood Insurance Program.”

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall become effective upon the expiration of the 18-month period that begins upon the date of the enactment of this Act.

SEC. 407. WRITE-YOUR-OWN ARRANGEMENTS.

Section 1345 of the National Flood Insurance Act of 1968 (42 U.S.C. 4081) is amended by adding at the end the following new subsections:

“(f) **AUTHORITY TO TERMINATE WRITE YOUR OWN ARRANGEMENTS.**—The Administrator may cancel any Write Your Own (as such term is defined in section 100202(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4004)) arrangement in its entirety upon 30 days written notice to the Write Your Own company involved by certified mail stating one of the following reasons for such cancellation:

“(1) Fraud or misrepresentation by the company after the inception of the arrangement.

“(2) Nonpayment to the Administrator of any amount due.

“(3) Material failure to comply with the requirements of the arrangement or with the written standards, procedures, or guidance issued by the Administrator relating to the National Flood Insurance Program and applicable to the company.

“(g) **STANDARDIZED FEE AUTHORITY.**—The Administrator may establish and implement a standardized fee schedule for all engineering services provided in connection with flood insurance coverage provided under this title by means of a Write Your Own arrangement.”

SEC. 408. STUDY ON INCREASING PARTICIPATION.

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study that proposes to address, through programmatic and regulatory changes, how to increase participation in flood insurance coverage.

(b) **ISSUES.**—In conducting the study under subsection (a), the Comptroller General shall consider the following:

(1) Expanding participation in flood insurance coverage, beyond areas having special flood hazards, to areas of moderate or minimal flood hazard risk.

(2) Automatically enrolling consumers in flood insurance while providing consumers the opportunity to decline enrollment.

(3) Bundling flood insurance coverage that diversifies risk across all or multiple-peril forms.

(c) **DETERMINATIONS.**—In conducting the study under subsection (a), the Comptroller General shall determine the following:

(1) The percentage of properties with federally backed mortgages located in an area having special flood hazards that are covered by flood insurance that satisfies the requirement under section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)).

(2) The percentage of properties with federally backed mortgages located in the 500-year floodplain that are covered by flood insurance that would satisfy the requirement described in paragraph (1) if that requirement applied to such properties.

(d) **REPORT.**—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report on the study conducted under subsection (a) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(e) **DEFINITIONS.**—For purposes of this section—

(1) the term “500-year floodplain” has the meaning given the term in section 100202(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (40 U.S.C. 4004(a));

(2) the terms “Federal agency lender”, “improved real estate”, and “regulated lending institution” have the meanings given such terms in section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)); and

(3) the term “property with a federally backed mortgage” means improved real estate or a mobile home securing a loan that was—

(A) made by a regulated lending institution or Federal agency lender; or

(B) purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

PURPOSE AND SUMMARY

On June 10, 2019, Chairwoman Maxine Waters introduced H.R. 3167, the “National Flood Insurance Program Reauthorization Act of 2019,” which reauthorizes the National Flood Insurance Program (NFIP) for five years and would make several reforms to address affordability, mapping, floodplain management and mitigation, among other things. This bill would address affordability of premiums by: 1) creating a 5-year demonstration program for means-tested assistance to low-income policyholders; 2) repealing surcharges; 3) enabling policyholders to pay premiums in monthly installments; and 4) creating a state revolving loan fund. H.R. 3167 would also make several improvements to floodplain management and mitigation by: 1) raising the amount of funds made available under the Increased Cost of Compliance program and expanding the eligible mitigation activities under ICC; 2) helping to target mitigation funding for repeatedly flooded communities; 3) granting credits for alternative forms of mitigation when elevation is not feasible; 4) allowing NFIP coverage for cooperatives and community-based policies; and 5) authorizing floodplain management activities. Lastly, H.R. 3167 authorizes funding for flood mapping, requires up-to-date technology and more advanced and granular maps, improves the process for policyholders and communities to

appeal FEMA's mapping decisions, and creates new flood map zones for levee-impacted and agricultural areas.

BACKGROUND AND NEED FOR LEGISLATION

NFIP is the principal provider of primary flood insurance in the U.S., covering over 5 million households and businesses across the country for a total of over \$1.3 trillion in flood insurance coverage.¹ As of the end of FY 2018, 22,324 communities participate in the NFIP, covering an estimated 93 percent of the U.S. population. According to FEMA, the NFIP saves the nation an estimated \$1.9 billion annually in flood losses avoided because of the NFIP's building and floodplain management regulations.

The NFIP is largely self-funded through insurance premiums collected from policy holders. Policyholders are also assessed a number of surcharges and other fees. In FY 2018, policyholders paid \$382 million in surcharges, \$188 million in federal policy fees, and \$497 million in reserve fund assessments.²

Since FY2017, the NFIP has been extended by 13 short-term reauthorizations, causing uncertainty and instability in the market, and is now set to expire on November 21, 2019. In the event of a lapse, the NFIP would be unable to enter into new flood insurance contracts and could stall mortgage processing for homes that are statutorily required to have flood insurance. According to the National Association of Realtors, an estimated 40,000 home sales are not finalized or are interrupted every month that the NFIP's authority lapses. H.R. 3167 would reauthorize the NFIP for five years.

Policyholder costs and affordability

In response to sharp rate increases in 2013, Congress enacted the Homeowner Flood Insurance Affordability Act (HFIAA), which mandated that FEMA develop an affordability framework aimed at providing targeted assistance for policyholders. In 2018, FEMA submitted the Framework finding, among other things, that, "generally, incomes are higher outside the Special Flood Hazard Area (SFHA) than they are inside the SFHA. The median household income for residential policyholders is \$82,000, although it is substantially lower in the SFHA than outside the SFHA."³ Further, FEMA found that "the combination of higher premiums and lower incomes in the SFHA creates affordability pressure on households."⁴ In response, H.R. 3167 would create a five-year demonstration program that would provide means-tested assistance to policyholders at or below 80 percent of area median income (AMI) whose premiums exceed 2 percent of annual AMI. FEMA estimates that the demonstration program would cost \$47 million and provide premium relief for 62,000 policyholders.

HFIAA also slowed the glide path for reaching actuarial rates and caps premium increases in a rate class at 15% annually. H.R. 3167 maintains these premium protections. HFIAA also mandated

¹ See Policy Statistics, National Flood Insurance Program, current as of September 30, 2018, available at: <http://bsa.nfipstat.fema.gov/reports/1011.htm>.

² Federal Insurance and Mitigation Administration report, *The Watermark*, FY18 Volume 4.

³ An Affordability Framework for the National Flood Insurance Program, Department of Homeland Security, April 2018, available at: <https://www.fema.gov/media-library-data/1524056945852-e8db76c696cf3b7f6209e1adc4211af4/Affordability.pdf>.

⁴ *Id.*

surcharges on policyholders that are outside of actuarial risk. Recently, in its report entitled, “Options for Reducing the Deficit: 2019 to 2028,” CBO recommended eliminating this surcharge. H.R. 3167 would repeal the surcharges.

Other provisions in H.R. 3167 that assist policyholders with payments include: 1) allowing for monthly installment payments, which is similar to an amendment to H.R. 2874 from the 115th Congress offered by David Scott; 2) raising the minimum mandatory coverage amount from \$5,000 to \$25,000 to assist small businesses with small-dollar mortgages; and 3) allowing states to partner with FEMA to create revolving loan funds to provide low-interest loans to communities for mitigation investments, which is similar to H.R. 1610 sponsored by Reps. Crist and Williams.

Mapping

H.R. 3167 reauthorizes the NFIP’s flood mapping program for five years, authorizes \$500 million in flood mapping funding each year for five years, expands mapping to all areas of the United States, and calls for FEMA to make improvements to mapping of future flood risk. H.R. 3167 also requires FEMA to utilize up-to-date technology, improve coordination with USGS, states, and communities, and create more advanced and granular maps, which are provisions similar to H.R. 4905 from the 115th Congress, sponsored by Reps. Gonzalez and Mooney. H.R. 3167 also creates a pilot program to enhance mapping of urban flooding, make improvements to the appeals for communities and policyholders, and allow for the adoption of parts of flood maps while other parts are being finalized to bring certainty to communities.

H.R. 3167 also creates two new flood map zones: 1) for levee-impacted areas that provides partial protection even if it does not meet the minimum standards of the NFIP and 2) for agricultural structures in SFHAs. In many farm communities, meeting the current requirement to raise new, expanded, or repaired structures in the SFHA would require raising barns and silos upwards of 10 feet, which is cost prohibitive or simply inconsistent with continued agricultural land use. To address these issues, H.R. 3167 also enables local jurisdictions to provide variances from federal elevation and floodproofing requirements where compliance with such standards is impracticable, where a variance would not threaten public safety, require extraordinary public expense, create nuisances, or conflict with existing laws and ordinances, and where no more than one claim over \$1,000 has been paid in the preceding 10 years. This language is similar to H.R. 830 sponsored by Reps. Garamendi and LaMalfa.

Mitigation

Increased Cost of Compliance (ICC) coverage is one of several resources available to policyholders to assist with the rebuilding process after a flood. Currently, eligible NFIP policyholders can receive up to \$30,000 in ICC funds to rebuild, relocate, or elevate a structure. H.R. 3167 increases the amount of (ICC) policyholder funds available by directing FEMA to maximize ICC fee revenue, and expands the eligible uses of such funds to include pre-disaster mitigation and buyouts.

H.R. 3167 also makes a number of improvements to address properties that repeatedly flood. Although repetitive loss properties make up just one percent of NFIP policies, they account for 25–30 percent of claims.⁵ H.R. 3167 establishes clear definitions for varying degrees of repetitive loss properties and allows the Administrator to consider the extent to which a community is working to remedy such repetitive loss properties when allocating mitigation assistance. This will help to better target mitigation assistance to the properties and communities that are the highest risk.

H.R. 3167 also provides mitigation credits for alternative forms of mitigation that may be necessary in dense, urban environments where elevation is not possible. H.R. 3167 would also enable the NFIP to provide coverage for cooperatives, similar to H.R. 2868 from the 115th Congress sponsored by Reps. Zeldin and Maloney, and create a three-year community-based flood insurance pilot program to make single, community-wide policies available for purchase.

H.R. 3167 authorizes \$200,000,000 each year for five years for purposes of flood mitigation assistance, provides grants to communities for community rating system coordinators, and authorizes a technical assistance program for floodplain management.

Private sector and NFIP modernization

In February of 2019, the federal financial regulators promulgated a final rule implementing a provision of the Biggert-Waters Act to allow for the acceptance of certain private flood insurance policies to satisfy the mandatory purchase requirement.⁶ However, the regulators did not address the issue of “continuous coverage.” As a result, policyholders that leave the NFIP to purchase a private policy would lose their subsidies or grandfathered status with their NFIP policy if they ever decided to return. H.R. 3167 ensures that a policyholder does not lose their subsidies or grandfathered status if they leave and return to the NFIP after purchasing a private policy. This language is similar to H.R. 1666 sponsored by Reps. Castor and Luetkemeyer. H.R. 3167 also ensures that an NFIP policyholder who would like to switch to a private policy but has paid their annual premiums up front can receive a prorated refund from the NFIP when they make the switch.

H.R. 3167 requires the NFIP to modernize its policies for multi-family and commercial structures by allowing for “umbrella policies” that provide coverage for multiple structures in a single policy. Currently, umbrella policies are not offered by the NFIP and private umbrella policies do not satisfy the federal mandatory purchase requirement, which means that many businesses are forced to purchase separate NFIP policies for each individual structure, and if the maximum coverage allowed under the NFIP is insufficient, they are then forced to purchase a separate private policy that covers losses beyond the NFIP’s maximum coverage limits.

⁵ See, PEW Charitable Trusts, “Repeatedly Flooded Properties Cost Billions”, available at https://www.pewtrusts.org/-/media/assets/2016/10/repeatedly_flooded_properties_cost_billions.pdf?la=en.

⁶ Under the Flood Disaster Protection Act of 1973 regulated lending institutions are prohibited from making, increasing, extending or renewing a loan secured by improved real estate or a mobile home located or to be located in an SFHA in a community participating in the NFIP unless the property securing the loan is covered by flood insurance. Flood insurance may be provided through the NFIP or through a private insurance carrier.

H.R. 3167 would provide relief for these business owners by allowing them to obtain a single policy to cover their structures.

SECTION-BY-SECTION ANALYSIS

Sec. 1. Short title

National Flood Insurance Program Reauthorization Act of 2019.

Sec. 2. Congressional findings

This section includes several findings related to disaster costs and impacts in the United States, the role of the National Flood Insurance Program (NFIP), and the affordability challenges that policyholders face.

TITLE I—REAUTHORIZATION AND AFFORDABILITY

Sec. 101. Program extension

This section amends sections 1309 and 1319 of the National Flood Insurance Act of 1968 to reauthorize the NFIP for five years through September 30, 2024 and allows for a retroactive effective date in the event of a lapse.

Sec. 102. Demonstration program for policy affordability

This section creates a five-year demonstration program to provide targeted financial assistance to low-income policyholders. The assistance would be made available to policyholders earning 80 percent or less of the area median income, which will be determined by the FEMA Administrator in consultation with the Secretary of Housing and Urban Development. The discount will cover the chargeable premium rate in excess of two percent of the annual area median income for the area in which the property is located. However, all policyholders will be provided a written statement detailing the full actuarial premium rate for the coverage so that the policyholder knows the full-risk rate. The section also requires that the FEMA Administrator report to Congress on the demonstration.

Sec. 103. Premium and fees relief for families and small businesses

This section repeals section 1308A of the National Flood Insurance Act of 1968, ending surcharges currently assessed on policyholders, which in FY 2018, would have saved policyholders \$380 million. The CBO previously recommended repealing these surcharges in its report entitled, “Options for Reducing the Deficit: 2019 to 2028.” Further, this section also amends section 102(c) of the Flood Disaster Protection Act of 1973 to raise the minimum loan amount that triggers the mandatory purchase requirement from \$5,000 to \$25,000.

Sec. 104. Monthly installment payment of premiums

This section amends sections 1307 and 1308(g) of the National Flood Insurance Act of 1968 to include language similar to an amendment to H.R. 2874 from the 115th Congress offered by Rep. David Scott to authorize monthly payments instead of the current annual payment for flood insurance premiums.

Sec. 105. State revolving loan funds for flood mitigation

This section adds a new section 1326 to the National Flood Insurance Act of 1968, which authorizes FEMA to enter into agreements with eligible States to establish a flood mitigation assistance revolving loan fund to decrease flood risk. States can use the funding for a number of eligible activities such as elevation or relocation of the home but cannot use the funds for other activities such as new construction or to assist high-income homeowners. This section is similar to H.R. 1610 sponsored, by Reps. Crist and Williams.

Sec. 106. Use of replacement cost value

This section further amends section 1307 of the National Flood Insurance Act of 1968 by adding a new subsection (i), which restates FEMA's existing authority to consider the replacement cost value of the home in determining the affordability of insurance premiums.

Sec. 107. Refund of premiums upon cancellation

This section amends section 1306 of the National Flood Insurance Act of 1968 by adding a new subsection (e), which ensures that if an NFIP policyholder decides to switch to a private flood insurance, but they have already paid their NFIP premiums for the entirety of the year up front, the policyholder would receive a prorated refund of their NFIP premiums for the remainder of the year.

TITLE II—MAPPING

Sec. 201. Reauthorization of appropriations for national flood mapping program

This section amends subsection (f) of section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 to authorize \$500 million for each year over five years for flood mapping.

Sec. 202. National flood mapping program

This section further amends section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012, including by adding several new subsections at the end. The amendments made by this section expand flood mapping to all areas of the United States. The amendments made by this subsection also requires FEMA to utilize updated mapping technology, such as LiDAR, and provides for digital displays, and property specific mapping. The amendments made by this subsection require FEMA to submit an annual report to Congress on the progress achieved in the mapping program under this section including recommendations to reduce the cost and improve implementation. Lastly, the amendments made by this subsection require that in updating and maintaining maps, the FEMA Administrator shall ensure that maps are adequate for identifying future flood risks. Parts of this section are similar to H.R. 4905 from the 115th Congress, sponsored by Representatives Gonzalez and Mooney.

Sec. 203. Flood mapping modernization and homeowner empowerment pilot program

This section creates a pilot program to enhance mapping of urban flooding and better assessing urban flood risk, including au-

thorizing funds for this pilot program. This section is similar to H.R. 2462, sponsored by Reps. Quigley and Rooney.

Sec. 204. Mapping improvements and reach

This section further amends section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 to expand flood mapping to all areas of the United States and calls for mapping of future flood risk.

Sec. 205. Appeals regarding existing flood maps

This section amends section 1360 of the National Flood Insurance Act of 1968 by adding a new subsection (k), which provides a State, local government, or property owner, the right to appeal a denial for a map update if the entity or individual possesses knowledge or information that the flood elevation or an aspect of the map is inaccurate, or factors exist that mitigate the risk of flooding. The entity or individual can further appeal an adverse decision to the Scientific Resolution Panel, which shall recommend a non-binding decision to the FEMA Administrator. In the case of a successful or partially successful appeal, the Administrator is required to provide a refund of excess premiums paid.

Sec. 206. Appeals and publication of projected special flood hazard areas

This section amends section 1363 of the National Flood Insurance Act of 1968 to grant homeowners 90 days after the date of the second publication of a proposed flood insurance rate map to appeal the determination and provides that if no such appeal is received, that the proposed rate map is final.

Sec. 207. Communication and outreach regarding map changes

This section further amends section 100216 of the Biggert-Waters Flood Insurance Reform Act of 2012 to make a technical change to clarify that communities have a maximum of 30 days after being notified of a new map or map update to consult with the FEMA Administrator.

Sec. 208. Adoption of partial flood maps

This section amends section 1360(f) of the National Flood Insurance Act of 1968 to allow for portions of flood insurance rate maps for which no appeal has been submitted within the allowed for 90-day period to become final even if other portions are under appeal.

Sec. 209. New zone for levee-impacted areas

This section further amends section 1360 of the National Flood Insurance Act of 1968 to add a new subsection (l), which creates a new flood zone, known as the AL-E zone, that accounts for levee-impacted areas on flood maps, and provide for flood insurance rates in accordance with the protection afforded by the levee.

Sec. 210. Agricultural structures in special flood hazard areas

This section amends sections 1308 and 1315(a) of the National Flood Insurance Act of 1968 to grant local variances for certain agricultural structures so that elevation or flood proofing of such a structure is not required if elevation or flood proofing would not be

practicable and if it would not result in increased flood heights or threats to public safety and provided that not more than one claim payment exceeding \$1,000 has been made for the structure within a ten-year period. This section is similar to H.R. 830, sponsored by Reps. Garamendi and LaMalfa.

Sec. 211. Technical mapping advisory council

This section amends section 100215 of the Biggert-Waters Flood Insurance Reform Act of 2012 to add members to the Technical Mapping Advisory Council (TMAC) including a member of a recognized professional real estate brokerage association.

TITLE III—MITIGATION

Sec. 301. Increased Cost of Compliance

This section amends section 1304(b) of the National Flood Insurance Act of 1968 to authorize the FEMA Administrator to supplement its existing Increased Cost of Compliance (ICC) program by raising the maximum amount available from \$30,000 to \$60,000. The amendments made by this section also expands the eligible uses of ICC funds to include alternative methods of mitigation, pre-disaster mitigation, and the costs of property acquisition.

Sec. 302. Multiple-loss properties

This section amends section 1361 of the National Flood Insurance Act of 1968 by adding a new subsection (e), which grants the FEMA Administrator discretion to take into account when making determinations regarding mitigation assistance the extent to which communities are working to remedy problems with addressing multiple loss properties. The section also amends section 1370 of the Act to include definitions of multiple loss properties which includes repetitive loss, severe repetitive loss, and extreme repetitive loss. This section also makes amendments to the National Flood Insurance Act of 1968 to conform the Act to these modifications.

Sec. 303. Premium rates for certain mitigated properties

This section amends sections 1308 and 1361 of the National Flood Insurance Act of 1968 to allow for premium credits for alternative methods of mitigation that are more appropriate for dense urban environments where elevation is not practicable. This section is similar to H.R. 2868 from the 115th Congress sponsored by Reps. Zeldin and Maloney.

Sec. 304. Coverage for cooperatives

This section amends sections 1306 and 1312 of the National Flood Insurance Act of 1968 to require the FEMA Administrator to make NFIP coverage available to co-op and condo owners. This section is similar to H.R. 2868 from the 115th Congress, sponsored by Reps. Zeldin and Maloney.

Sec. 305. Voluntary community-based flood insurance pilot program

This section authorizes the FEMA Administrator to create a pilot program that makes available community-wide policies that cover all residential and non-residential properties in the community. The authority for the pilot program sunsets on September 30, 2022.

Sec. 306. Mitigation funding

This section provides \$200 million each year for five years for the Flood Mitigation Assistance program.

Sec. 307. Community rating system improvements

This section amends section 1315 of the National Flood Insurance Act of 1968 to make improvements to the Community Rating System (CRS) by requiring that credits be issued to the maximum number of communities practicable and by authorizing grants to consortia of States and communities for the costs of employing individuals to coordinate and carry out the responsibilities of participation in the CRS program. This section is similar to H.R. 3135 from the 115th Congress, sponsored by Rep. Keating.

Sec. 308. Community assistance program for effective floodplain management

This section amends the National Flood Insurance Act of 1968 to add a new section 1327, which authorizes, for the first time, a community assistance program for floodplain management by providing community assistance grants, conducting periodic assessments of technical assistance and training needs of States, Indian tribes, and communities, providing such technical assistance and training, and periodically assess the losses avoided nationally due to the adoption of qualifying floodplain management standards. In addition, this section requires States that receive grant funding to develop and execute a strategy to provide technical and financial assistance to communities, including small and rural communities, and to encourage greater participation in the CRS program. The new section 1327 also authorizes \$20 million each year for five years to carry out this program. This section also makes certain conforming changes.

TITLE IV—MODERNIZATION

Sec. 401. Effect of private flood insurance coverage on continuous coverage requirements

This section further amends section 1308 of the National Flood Insurance Act of 1968 to allow NFIP policyholders who leave the program to purchase a private policy to return to the NFIP without penalty.

Sec. 402. Optional coverage for umbrella policies

This section further amends section 1306 of the National Flood Insurance Act of 1968 to authorize the FEMA Administrator to offer umbrella policies for commercial properties, including multi-family and agricultural properties.

Sec. 403. Annual independent actuarial study

This section adds a new section 1349 to the National Flood Insurance Act of 1968 to require an annual independent actuarial study of the NFIP to analyze the financial status of the NFIP. The Administrator is required to submit a report to Congress describing the results of the study.

Sec. 404. Sharing of and access to claims history data

This section amends section 1313 of the National Flood Insurance Act of 1968 to ensure that homeowners and homebuyers can obtain property-specific information about prior flooding from FEMA in order to make more informed decisions about mitigation investments or home purchases.

Sec. 405. Elevation certificates

This section amends the National Flood Insurance Act of 1968 by adding a new section 1328, which codifies existing FEMA guidance that provides that elevation certificates do not expire until the date on which there is an alteration in the building.

Sec. 406. Leveraging risk transfer opportunities

This section amends section 1345 of the National Flood Insurance Act of 1968 to direct FEMA to evaluate ceding a portion of risk to private reinsurance or capital markets on an annual basis.

Sec. 407. Write-Your-Own arrangements

This section further amends section 1345 of the National Flood Insurance Act of 1968 to add two new subsections, which codify FEMA's existing authority to terminate WYO companies that engage in fraud or otherwise fail to comply with FEMA's requirements.

Sec. 408. Study on participation rates

This section requires the GAO to study and submit a report to Congress on participation rates.

HEARINGS

For the purposes of section 103(i) of H. Res. 6 for the 116th Congress, the Committee on Financial Services held a hearing to consider H.R. 3167 entitled "Preparing for the Storm: Reauthorization of the National Flood Insurance Program" on March 13, 2019. Testifying before the Committee was Maria Cox Lamm, South Carolina Department of Natural Resources, on behalf of the Association of State Flood Plain Managers; Christopher Heidrick, Heidrick & Company Insurance and Risk Management Services, LLC, on behalf of the Independent Insurance Agents and Brokers of America; Velma Smith, Senior Officer, The Pew Charitable Trusts; Mabel Guzmán, Broker, @properties, on behalf of the National Association of Realtors; Collin O'Mara, President and CEO, National Wildlife Federation, on behalf of the SmarterSafer Coalition; Raymond J. Lehmann, Director of Finance, Insurance and Trade Policy, R Street Institute. A number of members of the House of Representatives also testified, including The Honorable Sean P. Duffy, Member of Congress; The Honorable Garret Graves, Member of Congress; The Honorable Blaine Luetkemeyer, Member of Congress; The Honorable Frank Pallone, Member of Congress; The Honorable Bill Pascrell, Member of Congress; and The Honorable Steve Scalise, Member of Congress.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on June 12, 2019, and ordered H.R. 3167 to be reported favorably to the House with an amendment in the nature of a substitute by a vote of 59 yeas and zero nays, a quorum being present.

COMMITTEE VOTES AND ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that the following roll call vote occurred during the Committee's consideration of H.R. 3167:

Present	Representatives	Ayes	Nays
	Ms. Waters, <i>Chairwoman</i>	X	
	Mrs. Maloney	X	
	Ms. Velázquez	X	
	Mr. Sherman	X	
	Mr. Meeks	X	
	Mr. Clay	X	
	Mr. Scott	X	
	Mr. Green	X	
	Mr. Cleaver	X	
	Mr. Perlmutter	X	
	Mr. Himes	X	
	Mr. Foster	X	
	Mrs. Beatty	X	
	Mr. Heck	X	
	Mr. Vargas	X	
	Mr. Gottheimer	X	
	Mr. Gonzalez (TX)	X	
	Mr. Lawson	X	
	Mr. San Nicolas		
	Ms. Tlaib	X	
	Ms. Porter	X	
	Ms. Axne	X	
	Mr. Casten	X	
	Ms. Pressley	X	
	Mr. McAdams	X	
	Ms. Ocasio-Cortez	X	
	Ms. Wexton	X	
	Mr. Lynch	X	
	Ms. Gabbard	X	
	Ms. Adams	X	
	Ms. Dean	X	
	Mr. Garcia (IL)	X	
	Ms. Garcia (TX)	X	
	Mr. Phillips	X	
34			
	Mr. McHenry, <i>Ranking Member</i>	X	
	Ms. Wagner	X	
	Mr. King	X	
	Mr. Lucas	X	
	Mr. Posey	X	
	Mr. Luetkemeyer	X	
	Mr. Huizenga	X	
	Mr. Duffy	X	
	Mr. Stivers	X	
	Mr. Barr	X	
	Mr. Tipton	X	
	Mr. Williams	X	
	Mr. Hill	X	
	Mr. Emmer	X	
	Mr. Zeldin	X	
	Mr. Loudermilk	X	
	Mr. Mooney	X	
	Mr. Davidson	X	
	Mr. Budd	X	
	Mr. Kustoff	X	
	Mr. Hollingsworth	X	
	Mr. Gonzalez (OH)	X	
	Mr. Rose	X	
	Mr. Steil	X	
	Mr. Gooden	X	
	Mr. Riggleman	X	
26			

Committee on Financial Services

Full Committee
116th Congress (1st Session)

Date: 6/12/2019

Measure: Final passage of H.R. 13167, as amended

Agreed To	Yes X	No	Prsnt	Wdm
Voice Vote	Ayes		Nays	

Record Vote	FC
	59 Ayes - 0 Noes

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goals of H.R. 3167 are to reauthorize the NFIP and address affordability, mapping, floodplain management and mitigation reforms, among other things.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the following estimate for H.R. 3167 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 4, 2019.

Hon. MAXINE WATERS,
*Chairwoman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MADAM CHAIRWOMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3167, the National Flood Insurance Program Reauthorization Act of 2019.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Jon Sperl.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

At a Glance			
H.R. 3167, National Flood Insurance Program Reauthorization Act of 2019			
As ordered reported by the House Committee on Financial Services on June 11, 2019			
By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	15	302	678
Revenues ^a	0	-5	-27
Deficit Effect	15	307	705
Spending Subject to Appropriation (Outlays)	141	2,669	3,506
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
a. Estimate provided by the staff of the Joint Committee on Taxation.			

The bill would

- Extend the authority of the National Flood Insurance Program (NFIP) to operate through fiscal year 2024
- Change premium amounts for some policyholders
- Authorize appropriations for several grant programs related to mapping flood zones and mitigating flood risks

Estimated budgetary effects would primarily stem from

- Changing policyholders' premiums and coverage
- Changes in the number of people who choose to purchase NFIP policies
- Amounts appropriated for various NFIP grant programs

Areas of significant uncertainty include

- Estimating the number of affected policyholders and properties
- Estimating policyholders' responses to changes in incentives to purchase or drop insurance coverage
- Estimating how many policyholders and communities would appeal changes to flood maps and how the results of those appeals would affect premiums.

Bill summary: H.R. 3167 would authorize the National Flood Insurance Program, which is administered by the Federal Emergency Management Agency (FEMA), to enter into and renew flood insurance policies through fiscal year 2024. Under current law, that authority expires on November 21, 2019.

The bill also would change the program to reduce the cost of flood insurance for some policyholders. CBO estimates that enacting H.R. 3167 would reduce some premiums and would affect, in different ways, the number of property owners who purchase insurance through the NFIP.

Finally, H.R. 3167 would authorize FEMA to perform other activities, such as funding grants for flood mitigation, improving the quality and use of flood zone maps, and changing administrative processes.

Estimated Federal cost: The estimated budgetary effect of H.R. 3167 is shown in Table 1. The costs of the legislation fall within budget function 450 (community and regional development).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 3167

	By fiscal year, millions of dollars—											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020–2024	2020–2029
Increases in Direct Spending												
Estimated Budget Authority	15	32	71	83	101	74	74	76	76	76	302	678
Estimated Outlays	15	32	71	83	101	74	74	76	76	76	302	678
Decreases in Revenues												
Estimated Revenues	0	0	–1	–2	–2	–3	–4	–5	–5	–5	–5	–27
Net Increase in the Deficit From Changes in Direct Spending and Revenues												
Effect on the Deficit	15	32	72	85	103	77	78	81	81	81	307	705
Increases in Spending Subject to Appropriation												
Estimated Authorization	784	794	791	792	292	16	9	9	9	9	3,454	3,506
Estimated Outlays	141	423	619	794	692	566	220	33	9	9	2,669	3,506

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.
Components may not sum to totals because of rounding.

Basis of estimate: CBO assumes that the legislation will be enacted by the end of 2019, that changes in NFIP premiums would take effect gradually for new and renewed policies beginning in the spring of 2020, and that the authorized and necessary amounts will be appropriated for each fiscal year.

Background: The NFIP was established to encourage property owners to purchase flood insurance in the communities that have adopted minimum guidelines for floodplain management and that enforce building codes designed to mitigate flood damage.

Terms of Coverage. If a property is in a special flood hazard area (SFHA, a location estimated to have at least a 1 percent chance of being flooded in any year) and is financed by a federally regulated lending institution, a government-sponsored enterprise for housing, or a federal lender, it must be covered by flood insurance. That coverage mandate is known as the mandatory purchase requirement (MPR). Property that does not meet those criteria may be covered by an NFIP policy at the owners' discretion.

Premiums. Property owners who buy coverage through the NFIP pay annual premiums that are deposited into the National Flood Insurance Fund and used to pay damage claims submitted by policyholders. Owners of most covered properties—about 80 percent—are charged a premium based on FEMA's estimate of the expected cost to insure those properties against damage that the property will incur, in an average year, from flooding (known as actuarial premiums).

Premiums for the remaining 20 percent of properties are subsidized, and policyholders pay less than the expected cost.¹ Throughout the program's history, the Congress has directed FEMA to set premiums below full-risk rates for properties built before a community's flood insurance rate map (FIRM) was completed, or before 1975, whichever is later. FEMA estimates that, on

¹ For details about subsidized premiums, see Congressional Budget Office, *The National Flood Insurance Program: Financial Soundness and Affordability* (September 2017), www.cbo.gov/publication/53028, and *The National Flood Insurance Program: Factors Affecting Actuarial Soundness* (November 2009), www.cbo.gov/publication/41313.

average, premiums for those pre-FIRM properties are set at about 55 percent to 60 percent of the expected cost. Pre-FIRM properties constitute the majority of subsidized properties. A few post-FIRM properties also are eligible for discounted premiums. Some properties that have been newly mapped into SFHAs are charged lower rates for one year. In other cases, premiums are reduced for properties close to levees or other structures that, although originally built to mitigate flooding, are not functional.

FEMA is gradually increasing premiums for properties with explicit subsidies, aiming to phase out those subsidies eventually. For most policies, such as those for primary residences, increases are capped at 18 percent per year. In fiscal year 2018, FEMA collected about \$3.5 billion in premiums from roughly 5 million policyholders.

Additional Collections From Policyholders. All policyholders pay two extra fees: an NFIP Reserve Fund assessment set at 15 percent of the premium (or \$115 per policy, on average), and a surcharge of \$25 for primary residences or \$250 for nonprimary residences and commercial properties.² In 2018, \$880 million from those fees was deposited into the NFIP Reserve Fund to pay claims.

The NFIP's Ability to Pay Claims and Other Expenses. In addition to receipts from premiums and fees, the National Flood Insurance Fund and the NFIP Reserve Fund may be credited with annual appropriations, interest earned on fund balances, and amounts borrowed from the Treasury. For 2018, the Congress appropriated \$204 million to the National Flood Insurance Fund, and the NFIP borrowed and spent \$6.1 billion in 2018, mostly to cover claims from Hurricanes Harvey, Irma, and Maria, which made landfall in 2017.

In 2018, the NFIP also spent \$400 million to secure private reinsurance. If an individual flood generates losses above a specified amount, the reinsurer pays a claim to the NFIP, which reduces borrowing from the Treasury. In 2018, the program recovered more than \$1.0 billion in reinsurance claims to pay NFIP policyholders' claims after Hurricane Harvey.

Most of the NFIP's expenses consist of claims resulting from coverage in force. In 2018, the program spent \$9.7 billion on claims and \$2.6 billion on other expenses—for administering maps of flood zones, securing reinsurance, and paying commissions to private insurance companies that administer NFIP policies, for example. In 2018, the program's costs totaled 220 percent of premiums and other receipts.

Historically, actual expenses for claims (not including other program expenses) have varied widely from year to year, ranging from less than 10 percent to almost 900 percent of the premiums collected. CBO estimates that annual expenses will, on average, exceed annual income.

Direct spending: Section 101 would authorize FEMA to continue selling and renewing policies through September 2024; under cur-

²A primary residence is a single-family dwelling, condominium unit, apartment, or unit within a cooperative building in which the policyholder resides for more than half of the days in a calendar year, or for less than half of the year if the policyholder has one residence and does not lease it to another party. Nonprimary residences typically are vacation homes or rental properties.

rent law that authority is set to expire on November 21, 2019. The cost of extending the program through 2024 would total \$2.1 billion but those costs are already included in CBO's baseline projections of spending (consistent with the rules governing baseline projections as specified in the Balanced Budget and Emergency Deficit Control Act of 1985). Thus, extending the NFIP's authority to continue operations would have no effect on direct spending, relative to CBO's baseline projections. CBO estimates that enacting the changes in H.R. 3167 that are not related to extending the program would, on net, increase direct spending by \$678 million over the 2020–2029 period as shown in Table 2. Over the next 10 years, the total cost of continuing to operate the NFIP under the bill would be \$4.0 billion—\$3.3 billion assumed in CBO's baseline and \$0.7 billion stemming from changes in the bill.

TABLE 2.—ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES UNDER H.R. 3167

	By fiscal year, millions of dollars—												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020–2024	2020–2029	
Increases or Decreases (–) in Direct Spending													
Increased Cost of Compliance:													
Estimated Budget													
Authority	15	30	30	30	31	31	31	31	31	31	136	291	
Estimated Outlays	15	30	30	30	31	31	31	31	31	31	136	291	
New Zone for Areas with Levees:													
Estimated Budget													
Authority	0	0	3	11	24	42	43	44	45	45	38	257	
Estimated Outlays	0	0	3	11	24	42	43	44	45	45	38	257	
Low-Income Pilot Program:													
Estimated Budget													
Authority	0	0	35	40	45	0	0	0	0	0	120	120	
Estimated Outlays	0	0	35	40	45	0	0	0	0	0	120	120	
Adoption of Partial Flood Maps and Appeals of Existing Maps:													
Estimated Budget													
Authority	0	2	3	3	3	3	3	4	4	4	11	29	
Estimated Outlays	0	2	3	3	3	3	3	4	4	4	11	29	
Coverage for Cooperatives:													
Estimated Budget													
Authority	*	*	–1	–2	–3	–3	–4	–4	–5	–5	–6	–27	
Estimated Outlays	*	*	–1	–2	–3	–3	–4	–4	–5	–5	–6	–27	
Small-Loan Exception to Purchase Requirement:													
Estimated Budget													
Authority	*	*	1	1	1	1	1	1	1	1	3	8	
Estimated Outlays	*	*	1	1	1	1	1	1	1	1	3	8	
Total Changes:													
Estimated Budget Authority													
Authority	15	32	71	83	101	74	74	76	76	76	302	678	
Estimated Outlays	15	32	71	83	101	74	74	76	76	76	302	678	
Decreases in Revenues													
Estimated Revenues	0	0	–1	–2	–2	–3	–4	–5	–5	–5	–5	–27	
Net Increase in the Deficit From Changes in Direct Spending and Revenues													
Total Changes	15	32	72	85	103	77	78	81	81	81	307	705	

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.
* = between –\$500,000 and \$500,000.

National Flood Insurance Program Premiums. H.R. 3167 also would affect direct spending by adjusting premiums or by changing the number of policies purchased. Most of the changes would decrease premiums; two would affect the number of NFIP policies purchased by property owners. The estimates for the following provisions are made under the assumption that all of the policies proposed in H.R. 3167 would be enacted together.

Repeal Surcharges. Section 103 would repeal the annual \$25 surcharge for coverage of a primary residence and the \$250 surcharge for a nonprimary residence or commercial property. Those amounts are deposited into the NFIP Reserve Fund, along with the additional assessments for that fund—currently 15 percent of a policy’s premium. In 2018, FEMA collected \$383 million in surcharges and \$497 million in assessments and thus deposited \$880 million into the reserve fund.

Under current law, FEMA must build up the fund’s balances by depositing specified amounts from surcharges and assessments.³ H.R. 3167 would repeal the surcharge, but it would not change that mandate to contribute the minimum amount necessary each year. Based on information from FEMA officials, CBO expects that to compensate for the elimination of the surcharge under H.R. 3167, FEMA would administratively increase the assessment from 15 percent to about 26 percent, on average. As a result, CBO estimates, the cost of the provision would be fully offset over the 2020–2029 period through collections of larger assessments, but there would be no net change in total receipts collected by the program.

Increased Cost of Compliance. Section 301 would allow NFIP policyholders to purchase coverage under the Increased Cost of Compliance (ICC) program, which helps defray the cost of mitigation projects that reduce a property’s risk of flood damage. Under current law, if a building covered by an NFIP policy sustains a flood loss and is declared substantially damaged or has been flooded repeatedly, ICC coverage provides up to \$30,000 to bring the building into compliance with state or community floodplain management laws or ordinances. Spending for the ICC program is offset by premiums collected from policyholders. The annual ICC premium is currently capped at \$75.

Under H.R. 3167, policyholders could purchase additional coverage up to \$30,000, bringing the maximum coverage to \$60,000 for a single property. The bill also would expand the list of permissible uses of ICC funds to include new methods of mitigation, such as retrofitting property with flood-proof materials or relocating vulnerable structures. CBO expects that those changes would increase both the demand for ICC policies and the amount of the average ICC claim. Using information provided by FEMA, CBO estimates that the cost per ICC policy would increase by 150 percent under H.R. 3167.

Because the bill would not authorize FEMA to increase ICC premiums, CBO estimates that the provision would increase net direct

³The Biggert-Waters Flood Insurance Reform Act of 2012 requires FEMA to deposit those collections to build a financial reserve that will meet the program’s expected future obligations. Each year, the agency deposits at least 7.5 percent of its reserve ratio—equal to 1 percent of the program’s total potential loss exposure for all outstanding policies in force in the prior fiscal year. Coverage in force is currently about \$1.3 trillion; the reserve ratio is approximately \$13 billion. FEMA must deposit at least 7.5 percent of that amount each year until the balance reaches the reserve ratio. See 42 U.S.C. 4017a(d).

spending for that extra coverage. Using information from FEMA, CBO estimates that enacting that provision would increase direct spending by about \$30 million annually and by \$291 million over the 2020–2029 period.

New Zone for Areas with Levees. Section 209 would require FEMA to establish and map new flood zones (termed AL–E zones) for areas affected by the presence of levees. According to FEMA, 625,000 policyholders now reside in zones with levees; about 190,000 of those policies are in places where the levee system does not meet minimum standards for accreditation.

Under the bill, communities with levee systems could apply to FEMA to remap their areas into AL–E zones. If FEMA determines that levees in those communities cannot be accredited, policyholders would be eligible for reduced rates associated with areas of moderate flood risk and would pay those lower rates until FEMA sets actuarially sound rates that account for the level of flood risk reduction provided by a particular levee system. Accordingly, CBO expects that enacting the provision initially would result in policyholders in AL–E zones paying lower premiums than under current law. The associated cost would increase over time, as more communities apply for AL–E designation, fail to achieve accreditation, and the policyholders thus begin to pay lower premiums.

Using information from FEMA, CBO expects that the agency’s levee review process would identify the first unaccredited levees two years after enactment. Beginning in 2022, CBO estimates, about 10,000 policies each year would become eligible for subsidized rates, and each year’s cohort of AL–E applicants would pay those rates for an average of four years—the period that CBO estimates that FEMA would need to set new AL–E rates for each zone. That estimate is based on information from the agency’s Technical Mapping Advisory Council, which reported in 2015 that the production of a new or revised flood map typically takes three to five years. CBO estimates that the cost of the subsidized premiums would compound each year because more policyholders would become eligible and their properties would otherwise have been subject to a 15 percent annual premium increase. CBO estimates that enacting the provision would increase direct spending by \$257 million over the 2020–2029 period.

Low-Income Pilot Program. Section 102 would direct FEMA to implement a five-year demonstration project (ending on May 31, 2024) that would offer discounted premiums to policyholders in residential households with income below 80 percent of the median income in the area. Under the bill, FEMA would consult with the Department of Housing and Urban Development to determine eligibility and offer qualifying policyholders annual premiums that did not exceed 2 percent of that area’s median income. CBO expects that FEMA would require two years to set up the program so that the agency could establish data collection agreements with other agencies and develop new information systems to identify eligible households and verify incomes.

Using information from FEMA, CBO estimates that approximately 60,000 current policyholders would meet the income requirement and we assume that the premium for eligible households would be set at a flat rate of 2 percent of an area’s median income. On that basis, CBO estimates that enacting the provision would

cost about \$35 million in 2022 and that those costs would increase in 2023 and 2024 as more policyholders apply for and receive the discounted premium. The pilot program would terminate in 2024. CBO estimates that enacting the provision would reduce premiums and therefore increase direct spending by \$120 million over the 2020–2029 period.

Adoption of Partial Flood Maps and Appeals of Existing Maps. Section 208 would allow local governments to delay the finalization of portions of flood maps in areas where the special flood hazard area expands and to expedite the finalization of changes in areas where the SFHA decreases. If communities delay adoption of flood maps with expanded SFHAs, some property owners would not be subject to the mandatory purchase requirement for flood insurance despite being in a high-risk flood zone. Furthermore, premiums in those areas would not be commensurate with actual flood risk, thus increasing the number of subsidized policies insured by the program. As a result, enacting section 208 would increase direct spending.

The cost of enacting section 208 would depend on administrative decisions in the thousands of communities that participate in the NFIP and on the resulting differences in risks and premiums that would be created for particular portions of each community's flood map. Using information from FEMA, CBO expects that relatively few communities—roughly 10 to 20 per year—would pursue partial appeals of flood maps and that those appeals would delay finalization of map changes by 1.5 years, on average. CBO estimates that forgone premiums from 5,000 to 10,000 policies each year would increase direct spending by \$20 million over the 2020–2029 period. There is significant uncertainty surrounding that estimate. Spending could be higher or lower depending on how many communities appeal map changes and on how long those subsidized premiums are in place.

Section 205 of the legislation also would increase costs by making the program's mapping update process more favorable to those seeking a revision. The provision would allow a state or local government, or a property owner, to appeal a denial for a formal map update if that entity has information that the flood elevation or some other aspect of the map is technically inaccurate or if the appellant can prove that factors exist that mitigate the risk of flooding. In the case of a successful appeal, the provision would require FEMA to refund excess premiums. Under current law, FEMA receives appeals for about 5 percent of all flood map studies before they take effect. Refunds, in a limited set of cases, average about \$3,100 per policy. Using information from FEMA, CBO estimates that the changes to the appeals process would result in several hundred additional policyholders receiving refunds each year and would increase direct spending by \$9 million over the 2020–2029 period.

Changes That Would Affect the Number of NFIP Policies Purchased. Two provisions of H.R. 3167 would directly affect the number of policies purchased through the NFIP. All policies—whether actuarial or subsidized—generate income for the program in the form of surcharges and reserve fund assessments. Thus, changes to the program that reduce the number of policies purchased reduce income from those fees, effectively increasing the program's reli-

ance on existing balances (or borrowing) to pay claims and therefore increasing direct spending. Simultaneously, any reduction in the number of subsidized policies would contribute to the actuarial soundness of the program because the expected costs of those policies are greater than the premiums paid for them.

Coverage for Cooperatives. Under current law, individual owners of condominiums may purchase flood insurance under the program but residents who own shares in housing cooperatives—called co-ops—cannot. Instead, a cooperative can purchase a master policy for a shared building. Section 304 would require FEMA to make flood insurance available to co-op members at terms that match those for condominium owners. CBO expects that enacting the provision would increase the number of NFIP policies.

Using information from the Census Bureau, CBO estimates that the number of condominium units nationwide is more than seven times the number of co-op units. The NFIP currently insures about 86,000 individual condominium units. Assuming that a similar percentage of co-op owners would purchase insurance, CBO estimates that, under H.R. 3167, about 12,000 co-op owners would purchase NFIP policies over the next few years, of which 20 percent would be subsidized. Using information from FEMA, CBO estimates that, on average, condominium owners pay more on premiums than the expected cost of their policies. On that basis, CBO estimates the provision would reduce direct spending by about \$27 million over the 2020–2029 period.

Small-Loan Exception to Purchase Requirement. Under current law, owners must carry flood insurance if their properties are within an SFHA and financed by a federally regulated lending institution, government-sponsored enterprise for housing, or federal lender. Insurance coverage under those policies must at least equal either the outstanding principal balance of the loan (usually a home mortgage) or the maximum limit of coverage made available for the particular type of property, whichever is less. An exception is made for small loans: Flood insurance is not required for properties with an outstanding principal balance of \$5,000 or less and a repayment term of one year or less.

Section 103 would exempt property owners with an outstanding principal balance of \$25,000 or less from the MPR. Using a database of NFIP policy information, CBO estimates that roughly 63,000 policyholders have outstanding mortgages between \$5,000 and \$25,000. CBO estimates that about 39,000 own properties in SFHAs that are subject to the MPR.

CBO anticipates that some of those policyholders would drop their coverage. In 2014, the Government Accountability Office reported that many property owners underestimate both the risk of a flood and the amount of damage a flood might cause.⁴ On average, affected policyholders' premiums total about \$170 annually to cover the remaining mortgage principal owed on their properties. CBO is unaware of any data about the propensity of policyholders to drop insurance when given the opportunity. However, we expect that a significant number of people would drop coverage if the requirement changed. In the absence of more specific information,

⁴ See Government Accountability Office, *Overview of GAO's Past Work on the National Flood Insurance Programs*, GAO-14-297R (May 2014), www.gao.gov/products/GAO-14-297R.

CBO assumes that under the bill about half of that group of roughly 39,000 policyholders would drop their coverage within a few years.

Using information from FEMA on premiums and assessments paid by those policyholders, and on the expected cost to insure them, CBO estimates that enacting section 103 would increase net direct spending by \$8 million over the 2020–2029 period. The lost premiums and fees would be partially offset by a reduction in claims; in particular, property owners with subsidized policies who dropped coverage would reduce net spending because their expected cost to the NFIP exceeds premiums paid for the coverage. CBO’s estimates of those costs are uncertain and could be significantly greater or smaller, depending on the number of dropped policies and whether those policies are subsidized.

Revenues: Section 105 of the bill would authorize the appropriation of \$250 million over the 2020–2024 period for FEMA to make grants to capitalize state revolving loan funds, from which states would in turn make loans and grants to finance flood mitigation projects. The staff of the Joint Committee on Taxation (JCT) expects that states would use a portion of those grants to leverage additional funds by issuing tax-exempt bonds. JCT estimates that issuing additional tax-exempt bonds would reduce federal revenues by \$27 million over the 2020–2029 period (see Table 2 on page 5).

Spending subject to appropriation: H.R. 3167 would authorize appropriations totaling \$3.5 billion over the 2020–2024 period for FEMA to administer several grant programs, to modernize the agency’s process for producing flood maps, and to make other changes to the program (see Table 3). CBO estimates that implementing those provisions would increase spending by \$2.7 billion over the 2020–2024 period, assuming appropriation of the authorized and necessary amounts.

TABLE 3.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 3167

	By fiscal year, millions of dollars—					
	2020	2021	2022	2023	2024	2020–2024
Flood Mapping and Floodplain Management:						
Authorization	501	504	500	500	0	2,006
Estimated Outlays	101	201	352	502	400	1,556
Flood Mitigation Funding:						
Authorization	270	277	277	277	277	1,378
Estimated Outlays	27	209	253	277	277	1,043
Administrative and Other Costs:						
Estimated Authorization	13	13	14	15	15	70
Estimated Outlays	13	13	14	15	15	70
Total Changes:						
Estimated Authorization	784	794	791	792	292	3,454
Estimated Outlays	141	423	619	794	692	2,669

Components may not sum to totals because of rounding.

Flood Mapping and Modernization of Floodplain Management. Section 201 would authorize the appropriation of \$500 million a year over the 2020–2023 period for FEMA’s Risk MAP (Mapping, Assessment and Planning) program. Based on historic patterns of outlays for that program, CBO estimates that implementing those provisions would increase spending on flood mapping and floodplain management by \$1.6 billion over the 2020–2024 period and

by \$450 million after 2024. Section 203 would authorize the appropriation of specific amounts for 2020 and 2021 that would total \$6 million for a new program to improve mapping of urban flood risks.

Flood Mitigation Funding. Several provisions in H.R. 3167 would authorize appropriations for efforts to mitigate flood damage. Section 306 would authorize the appropriation of \$200 million a year over the 2020–2024 period for FEMA’s Flood Mitigation Assistance grant program. In fiscal year 2018, that program received appropriations of \$175 million to make grants to state and tribal governments and to NFIP communities for mitigation projects and planning.

Section 105 would authorize the appropriation of \$50 million a year over the 2020–2024 period for FEMA to make grants to capitalize new revolving funds administered by states. From those revolving funds, states would make loans and grants to local governments, homeowners, and other property owners for flood mitigation projects, such as elevating or relocating buildings.

Section 308 would authorize the appropriation of \$20 million a year over the 2020–2024 period for FEMA to carry out a floodplain management grant program. In addition, section 307 would authorize the appropriation of \$7 million a year over the 2021–2024 period for the agency to make grants to facilitate participation in the program’s Community Rating System—a voluntary program that offers communities incentives to exceed the minimum requirements for floodplain management.

Based on historical patterns of outlays for those or similar grant programs, CBO estimates that implementing those provisions would increase spending by about \$1.0 billion over the 2020–2024 period and by about \$300 million after 2024.

Administrative Changes and Other Costs. In addition to amounts specifically authorized in H.R. 3167 for updates to the mapping program and for mitigation grants, CBO estimates that FEMA would require \$70 million over the 2020–2024 period to implement several other provisions in the bill.

Most of the estimated amounts would cover the costs of hiring additional employees (assuming an average cost of \$150,000 per employee), making necessary investments in information management systems, and providing for contract support. Specifically, over the 2020–2024 period, CBO estimates the following costs:

- \$30 million to implement the pilot program for low-income households authorized by section 102 and the new grant programs under sections 203 and 307;
- \$18 million under section 404 to create and administer an electronic system for sharing property-specific information with private flood insurance companies and with policyholders;
- \$11 million under sections 205 and 206 to respond to appeals of rate map changes and under section 208 to oversee a new process to allow partial adoption of flood maps;
- \$6 million to pay independent actuaries for annual studies of program finances and for the Government Accountability Office to study ways to increase participation in the NFIP;
- \$3 million to develop guidance and processes for administering umbrella insurance policies; and
- \$2 million for a pilot program that offers communitywide flood insurance.

Uncertainty: CBO's cost estimate for H.R. 3167 reflects uncertainty in several areas:

- Estimating the number of policyholders and properties that would be affected by changes in the bill, including what flood zones and policy types apply to each;
- Estimating policyholders' responses to incentives to purchase insurance if it becomes available or drop insurance if it is no longer required; and
- Estimating the effect of changes in the bill on the amount of premiums paid and on the amount of risk that drives the cost of providing coverage.

For this estimate, there is substantial additional uncertainty concerning the effects of sections 205, 206, and 208, which would amend administrative processes to allow policyholders and NFIP communities to appeal changes to flood maps. In particular, section 208 would allow interested parties to delay finalizing map panels in areas where a special flood hazard area expands and to speed up finalizing maps in areas where an SFHA decreases.

The effect of those provisions would vary widely across the country and would depend on the administrative decisions of thousands of individual policyholders and their participating communities. CBO's estimates of costs are therefore uncertain and could be significantly different, depending on the extent to which individual policyholders and communities appeal decisions, how many policyholders receive premium reductions, and on how long those gaps between premiums and risk are sustained.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 4.

TABLE 4.—CBO'S ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS OF H.R. 3167

	By fiscal year, millions of dollars—											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020–2024	2020–2029
	Net Increase in the Deficit											
Pay-As-You-Go Effect	15	32	72	85	103	77	78	81	81	81	307	705
Memorandum:												
Changes in Outlays ..	15	32	71	83	101	74	74	76	76	76	302	678
Changes in Revenues	0	0	–1	–2	–2	–3	–4	–5	–5	–5	–5	–27

Increase in long-term deficits: CBO estimates that enacting H.R. 3167 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2030.

Mandates: None.

Estimate prepared by: Federal Costs: Jon Sperl; Federal Revenues: Staff of the Joint Committee on Taxation; Mandates: Rachel Austin.

Estimate reviewed by: Kim Cawley, Chief, Natural and Physical Resources Cost Estimates Unit; H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 3167. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act*.

UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the *Congressional Budget and Impoundment Control Act* (as amended by Section 101(a)(2) of the *Unfunded Mandates Reform Act*, Pub. L. 104-4), the Committee adopts as its own the estimate of federal mandates regarding H.R. 3167 as amended, prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation. Section 211 does make certain modifications to an existing advisory Committee.

COMMITTEE CORRESPONDENCE



Committee on Transportation and Infrastructure
U.S. House of Representatives

Peter A. DeFazio
 Chairman

Washington, DC 20515
 October 8, 2019

Sam Graves, MO
 Ranking Member

Katherine W. Dodrick, Staff Director

Paul J. Sass, Republican Staff Director

The Honorable Maxine Waters
 Chairwoman, Committee on Financial Services
 House of Representatives
 2129 Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairwoman Waters:

I write concerning *H.R. 3167, the National Flood Insurance Program Reauthorization Act of 2019*. There are certain provisions in this legislation that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

In order to expedite floor consideration of H.R. 3167, the Committee on Transportation and Infrastructure agrees to forgo action on the bill. However, this is conditional on our mutual understanding that forgoing consideration of the bill would not prejudice the Committee with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation that fall within the Committee's Rule X jurisdiction. It is also conditional on our mutually agreed changes to the text of the bill. I request that you urge the Speaker to name members of this Committee to any conference committee named to consider such provisions.

Please place a copy of this letter and your response acknowledging our jurisdictional interest into the committee report on H.R. 3167, and into the *Congressional Record* during consideration of the measure on the House floor. I look forward to working with the Committee on Financial Services as the bill moves through the legislative process.

Sincerely,


 Peter A. DeFazio
 Chair

cc: The Honorable Nancy Pelosi
 The Honorable Sam Graves
 The Honorable Patrick McHenry
 Mr. Thomas J. Wickham Jr., Parliamentarian

MAXINE WATERS, CA
CHAIRWOMAN

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

PATRICK MCHENRY, NC
RANKING MEMBER

October 16, 2019

The Honorable Peter A. Defazio
Chairman
House Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

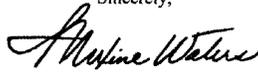
Dear Mr. Chairman:

I am writing to acknowledge your letter dated October 8, 2019, waiving the Committee on Transportation and Infrastructure's consideration of H.R. 3167, "the National Flood Insurance Reauthorization Act of 2019." The Committee on Financial Services confirms our mutual understanding that foregoing action on H.R. 3167 does not prejudice any future jurisdictional claim over the subject matters contained in the bill or similar legislation, nor does it prejudice your committee from seeking the appointment of conferees on the bill or such legislation. I also confirm our mutual understanding that certain changes to the legislation that have been discussed between the staffs of the two Committees will be included in any version of the bill that is considered by the whole House.

The Committee on Financial Services further acknowledges your request for appointment of outside conferees from the Committee on Transportation and Infrastructure for any provisions within the Committee's Rule X jurisdiction should this bill or similar language be considered in a conference with the Senate.

Pursuant to your request, I will ensure that this exchange of letters is included in the Committee report to H.R. 3167 and the *Congressional Record* during Floor consideration of the bill. I appreciate your cooperation regarding this legislation.

Sincerely,


MAXINE WATERS
Chairwoman

Cc: The Honorable Patrick McHenry

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Pursuant to section 102(b)(3) of the *Congressional Accountability Act*, Pub. L. No. 104-1, H.R. 3167, as amended, does not apply to terms and conditions of employment or to access to public services or accommodations within the legislative branch.

EARMARK STATEMENT

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 3167 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as described in clauses 9(e), 9(f), and 9(g) of rule XXI.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of H.R. 3167 establishes or reauthorizes a program of the Federal Government known to be duplicative of another federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

CHANGES TO EXISTING LAW

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 3167 as reported, are shown as follows:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

NATIONAL FLOOD INSURANCE ACT OF 1968

* * * * *

TITLE XIII—NATIONAL FLOOD INSURANCE

* * * * *

CHAPTER I—THE NATIONAL FLOOD INSURANCE PROGRAM

BASIC AUTHORITY

SEC. 1304. (a) To carry out the purposes of this title, the Administrator of the Federal Emergency Management Agency is authorized to establish and carry out a national flood insurance program which will enable interested persons to purchase insurance against loss resulting from physical damage to or loss of real property or personal property related thereto arising from any flood occurring in the United States.

(b) ADDITIONAL COVERAGE FOR COMPLIANCE WITH LAND USE AND CONTROL MEASURES.—

(1) *IN GENERAL.*—The national flood insurance program established pursuant to subsection (a) shall enable the purchase of insurance to cover the cost of implementing measures that are consistent with land use and control measures established by the community under section 1361 for—

[(1)] (A) properties that are [repetitive loss structures] *repetitive-loss properties*;

[(2)] (B) properties that are substantially damaged structures;

[(3)] (C) properties that have sustained flood damage on multiple occasions, if the Administrator determines that it is cost-effective and in the best interests of the National Flood Insurance Fund to require compliance with the land use and control measures[.];

(D) *properties identified by the Administrator as priorities for mitigation activities before the occurrence of damage to or loss of property which is covered by flood insurance; and*

[(4)] (E) properties for which an offer of mitigation assistance is made under—

[(A)] (i) section 1366 (Flood Mitigation Assistance Program);

[(B)] (ii) the Hazard Mitigation Grant Program authorized under section 404 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5170c);

[(C)] (iii) the Predisaster Hazard Mitigation Program under section 203 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5133); and

[(D)] (iv) any programs authorized or for which funds are appropriated to address any unmet needs or for which supplemental funds are made available.

[The Administrator]

(2) *PREMIUM.*—*The Administrator shall impose a surcharge on each insured of not more than \$75 per policy to provide cost of compliance coverage in accordance with the provisions of this subsection.*

(3) *AMOUNT OF COVERAGE.*—*Each policy for flood insurance coverage made available under this title shall provide coverage under this subsection having an aggregate liability for any single property of \$60,000.*

(4) *ELIGIBLE MITIGATION ACTIVITIES.*—

(A) *IN GENERAL.*—*Eligible mitigation methods the cost of which is covered by coverage provided under this subsection shall include—*

(i) *alternative methods of mitigation identified in the guidelines issued pursuant to section 1361(d);*

(ii) *pre-disaster mitigation projects for eligible structures (as such term is defined in subparagraph (C)); and*

(iii) *costs associated with the purchase, clearing, and stabilization of property that is part of an acquisition*

or relocation program that complies with subparagraph (B).

(B) ACQUISITION AND RELOCATION PROJECT ELIGIBILITY AND REQUIREMENTS.—

(i) IN GENERAL.—An acquisition or relocation project shall be eligible to receive assistance pursuant to subparagraph (A)(iii) only if—

(I) any property acquired, accepted, or from which a structure will be removed shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices; and

(II) any new structure erected on such property will be—

(aa) a public facility that is open on all sides and functionally related to a designated open space;

(bb) a restroom; or

(cc) a structure that the Administrator approves in writing before the commencement of the construction of the structure.

(ii) FURTHER ASSISTANCE.—If an acquisition or relocation project is assisted pursuant to subparagraph (A)(iii)—

(I) no person may apply to a Federal entity for disaster assistance with regard to any property acquired, accepted, or from which a structure was removed as part of such acquisition or relocation project; and

(II) no Federal entity may provide disaster assistance for such property.

(iii) REQUIREMENT TO MAINTAIN FLOOD INSURANCE COVERAGE.—

(I) IN GENERAL.—Notwithstanding any other provision of law, any assisted structure (as such term is defined in subclause (III)) shall, at all times, maintain insurance against flood damage, in accordance with Federal law, for the life of such structure.

(II) TRANSFER OF PROPERTY.—

(aa) DUTY TO NOTIFY.—If any part of a property on which an assisted structure is located is transferred, the transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing, including in all documents evidencing the transfer of ownership of the property of the requirements, that such transferee is required to—

(AA) obtain flood insurance in accordance with applicable Federal law with respect to such assisted structure, if such structure is not so insured on the date on which the structure is transferred; and

(BB) maintain flood insurance in accordance with applicable Federal law with respect to such structure.

(bb) FAILURE TO NOTIFY.—If a transferor fails to make a notification in accordance with item (aa) and such assisted structure is damaged by a flood disaster, the transferor shall pay the Federal Government an amount equal to the amount of any disaster relief provided by the Federal government with respect to such assisted structure.

(III) ASSISTED STRUCTURE DEFINED.—For the purposes of this clause, the term “assisted structure” means a structure on property that is part of an acquisition or relocation project assisted pursuant to subparagraph (A) that was, as part of such acquisition or relocation project—

- (aa) altered;
- (bb) improved;
- (cc) replaced;
- (dd) repaired; or
- (ee) restored.

(C) ELIGIBLE STRUCTURE DEFINED.—For purposes of this paragraph, the term “eligible structure” means any structure that—

(i) was constructed in compliance with the Flood Insurance Rate Map and local building and zoning codes in effect at the date of construction of the structure; and

(ii) has not previously been altered, improved, replaced, or repaired using assistance provided under this subsection.

(5) TREATMENT OF COVERAGE LIMITS.—Any amount of coverage for a property provided pursuant to this subsection shall not be considered or counted for purposes of any limitation on coverage applicable to such property under section 1306(b) (42 U.S.C. 4013(b)) and any claim on such coverage shall not be considered a claim for purposes of section 1307(h) or subsection (a)(3) or (h)(3) of section 1366.

(6) IMPLEMENTATION.—Notwithstanding any other provision of law, the Administrator may implement this subsection by adopting one or more standard endorsements to the Standard Flood Insurance Policy by publication of such standards in the Federal Register, or by comparable means.

(c) In carrying out the flood insurance program the Administrator shall, to the maximum extent practicable, encourage and arrange for—

(1) appropriate financial participation and risk sharing in the program by insurance companies and other insurers, and

(2) other appropriate participation on other than a risk-sharing basis, by insurance companies and other insurers, insurance agents and brokers, and insurance adjustment organizations, in accordance with the provisions of chapter II.

* * * * *

NATURE AND LIMITATION OF INSURANCE COVERAGE

SEC. 1306. (a) The Administrator shall from time to time, after consultation with the advisory committee authorized under section 1318, appropriate representatives of the pool formed or otherwise created under section 1331, and appropriate representatives of the insurance authorities of the respective States, provide by regulation for general terms and conditions of insurability which shall be applicable to properties eligible for flood insurance coverage under section 1305, including—

- (1) the types, classes, and locations of any such properties which shall be eligible for flood insurance;
- (2) the nature and limits of loss or damage in any areas (or subdivisions thereof) which may be covered by such insurance;
- (3) the classification, limitation, and rejection of any risks which may be advisable;
- (4) appropriate minimum premiums;
- (5) appropriate loss-deductibles; and
- (6) any other terms and conditions relating to insurance coverage or exclusion which may be necessary to carry out the purposes of this title.

(b) In addition to any other terms and conditions under subsection (a), such regulations shall provide that—

- (1) any flood insurance coverage based on chargeable premium rates under section 1308 which are less than the estimated premium rates under section 1307(a)(1) shall not exceed—

(A) in the case of residential properties—

- (i) \$35,000 aggregate liability for any single-family dwelling, and \$100,000 for any residential structure containing more than one dwelling unit,
- (ii) \$10,000 aggregate liability per dwelling unit for any contents related to such unit, and
- (iii) in the States of Alaska and Hawaii, and in the Virgin Islands and Guam, the limits provided in clause (i) of this sentence shall be: \$50,000 aggregate liability for any single-family dwelling, and \$150,000 for any residential structure containing more than one dwelling unit;

(B) in the case of business properties which are owned or leased and operated by small business concerns, an aggregate liability with respect to any single structure, including any contents thereof related to premises of small business occupants (as term is defined by the Administrator), which shall be equal to (i) \$100,000 plus (ii) \$100,000 multiplied by the number of such occupants and shall be allocated among such occupants (or among the occupant or occupants and the owner) under regulations prescribed by the Administrator; except that the aggregate liability for the structure itself may in no case exceed \$100,000; and

(C) in the case of church properties which may become eligible for flood insurance under section 1305—

- (i) \$100,000 aggregate liability for any single structure, and

(ii) \$100,000 aggregate liability per unit for any contents related to such unit; and

(2) in the case of any residential building designed for the occupancy of from 1 to 4 families for which the risk premium rate is determined in accordance with the provisions of section 1307(a)(1), additional flood insurance in excess of the limits specified in clause (i) of subparagraph (A) of paragraph (1) shall be made available, with respect to any single such building, up to an aggregate liability (including such limits specified in paragraph (1)(A)(i)) of \$250,000;

(3) in the case of any residential property for which the risk premium rate is determined in accordance with the provisions of section 1307(a)(1), additional flood insurance in excess of the limits specified in clause (ii) of subparagraph (A) of paragraph (1) shall be made available to every insured upon renewal and every applicant for insurance so as to enable any such insured or applicant to receive coverage up to a total amount (including such limits specified in paragraph (1)(A)(ii)) of \$100,000;

(4) in the case of any nonresidential building, including a church, for which the risk premium rate is determined in accordance with the provisions of section 1307(a)(1), additional flood insurance in excess of the limits specified in subparagraphs (B) and (C) of paragraph (1) shall be made available with respect to any single such building, up to an aggregate liability (including such limits specified in subparagraph (B) or (C) of paragraph (1), as applicable) of \$500,000, and coverage shall be made available up to a total of \$500,000 aggregate liability for contents owned by the building owner and \$500,000 aggregate liability for each unit within the building for contents owned by the tenant; **[and]**

(5) any flood insurance coverage which may be made available in excess of the limits specified in subparagraph (A), (B), or (C) of paragraph (1), shall be based only on chargeable premium rates under section 1308 which are not less than the estimated premium rates under section 1307(a)(1), and the amount of such excess coverage shall not in any case exceed an amount equal to the applicable limit so specified (or allocated) under paragraph (1)(C), (2), (3), or (4), as applicable~~].~~; *and*

(6) *the Administrator may provide that, in the case of any commercial property or other residential property, including multifamily rental property and agricultural property, one umbrella policy be made available to every insured upon renewal and every applicant with multiple structures on the same property, except that—*

(A) purchase of such coverage shall be at the option of the insured; and

(B) any such coverage shall be made available only at chargeable rates that are not less than the estimated premium rates for such coverage determined in accordance with section 1307(a)(1).

(c) **EFFECTIVE DATE OF POLICIES.—**

(1) **WAITING PERIOD.—**Except as provided in paragraph (2), coverage under a new contract for flood insurance coverage under this title entered into after the date of enactment of the Riegle Community Development and Regulatory Improvement

Act of 1994, and any modification to coverage under an existing flood insurance contract made after such date, shall become effective upon the expiration of the 30-day period beginning on the date that all obligations for such coverage (including completion of the application and payment of any initial premiums owed) are satisfactorily completed.

(2) EXCEPTION.—The provisions of paragraph (1) shall not apply to—

(A) the initial purchase of flood insurance coverage under this title when the purchase of insurance is in connection with the making, increasing, extension, or renewal of a loan;

(B) the initial purchase of flood insurance coverage pursuant to a revision or updating of floodplain areas or flood-risk zones under section 1360(f), if such purchase occurs during the 1-year period beginning upon publication of notice of the revision or updating under section 1360(h); or

(C) the initial purchase of flood insurance coverage for private property if—

(i) the Administrator determines that the property is affected by flooding on Federal land that is a result of, or is exacerbated by, post-wildfire conditions, after consultation with an authorized employee of the Federal agency that has jurisdiction of the land on which the wildfire that caused the post-wildfire conditions occurred; and

(ii) the flood insurance coverage was purchased not later than 60 days after the fire containment date, as determined by the appropriate Federal employee, relating to the wildfire that caused the post-wildfire conditions described in clause (i).

(d) OPTIONAL HIGH-DEDUCTIBLE POLICIES FOR RESIDENTIAL PROPERTIES.—

(1) AVAILABILITY.—In the case of residential properties, the Administrator shall make flood insurance coverage available, at the option of the insured, that provides for a loss-deductible for damage to the covered property in various amounts, up to and including \$10,000.

(2) DISCLOSURE.—

(A) FORM.—The Administrator shall provide the information described in subparagraph (B) clearly and conspicuously on the application form for flood insurance coverage or on a separate form, segregated from all unrelated information and other required disclosures.

(B) INFORMATION.—The information described in this subparagraph is—

(i) information sufficient to inform the applicant of the availability of the coverage option required by paragraph (1) to applicants for flood insurance coverage; and

(ii) a statement explaining the effect of a loss-deductible and that, in the event of an insured loss, the insured is responsible out-of-pocket for losses to the extent of the deductible selected.

(e) REFUND OF UNEARNED PREMIUMS FOR POLICIES CANCELED BECAUSE OF REPLACEMENT WITH PRIVATE FLOOD INSURANCE.—

(1) REQUIRED REFUND.—Subject to subsection (c), if at any time an insured under a policy for flood insurance coverage for a property that is made available under this title cancels such policy because other duplicate flood insurance coverage for the same property has been obtained from a source other than the National Flood Insurance Program under this title, the Administrator shall refund to the former insured a portion of the premiums paid for the coverage made available under this title, as determined consistent with industry practice according to the portion of the term of the policy that such coverage was in effect, but only if a copy of declarations page of the new policy obtained from a source other than the program under this title is provided to the Administrator.

(2) EFFECTIVE DATE OF CANCELLATION.—For purposes of this subsection, a cancellation of a policy for coverage made available under the National Flood Insurance Program under this title, for the reason specified in paragraph (1), shall be effective—

(A) on the effective date of the new policy obtained from a source other than the program under this title, if the request for such cancellation was received by the Administrator before the expiration of the 6-month period beginning on the effective date of the new policy; or

(B) on the date of the receipt by the Administrator of the request for cancellation, if the request for such cancellation was received by the Administrator after the expiration of the 6-month period beginning on the effective date of the new policy.

(3) PROHIBITION OF REFUNDS FOR PROPERTIES RECEIVING INCREASED COST OF COMPLIANCE CLAIMS.—No premium amounts paid for coverage made available under this title may be refunded pursuant to this subsection—

(A) with respect to coverage for any property for which measures have been implemented using amounts received pursuant to a claim under increased cost of compliance coverage made available pursuant to section 1304(b); or

(B) if a claim has been paid or is pending under the policy term for which the refund is sought.

(f) COOPERATIVE BUILDINGS.—Notwithstanding any other provision of law, the Administrator shall make flood insurance coverage available to any individual with a membership interest and occupancy agreement in a cooperative housing project on the same terms as any owner of a condominium.

ESTIMATES OF PREMIUM RATES

SEC. 1307. (a) The Administrator is authorized to undertake and carry out such studies and investigations and receive or exchange such information as may be necessary to estimate, and shall from time to time estimate, on an area, subdivision, or other appropriate basis—

- (1) the risk premium rates for flood insurance which—
 - (A) based on consideration of—

(i) the risk involved and accepted actuarial principles; and

(ii) the flood mitigation activities that an owner or lessee has undertaken on a property, including differences in the risk involved due to land use measures, floodproofing, flood forecasting, and similar measures, and

(B) including—

(i) the applicable operating costs and allowances set forth in the schedules prescribed under section 1311 and reflected in such rates,

(ii) *the costs associated with the monthly collection of premiums provided for in section 1308(g) (42 U.S.C. 4015(g)), but only if such costs exceed the operating costs and allowances set forth in clause (i) of this subparagraph, and any administrative expenses (or portion of such expenses) of carrying out the flood insurance program which, in his discretion, should properly be reflected in such rates,*

(iii) any remaining administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 1360) not included under clause (ii), which shall be recovered by a fee charged to policyholders and such fee shall not be subject to any agents' commissions, company expense allowances, or State or local premium taxes, and

(iv) all costs, as prescribed by principles and standards of practice in ratemaking adopted by the American Academy of Actuaries and the Casualty Actuarial Society, including—

(I) an estimate of the expected value of future costs,

(II) all costs associated with the transfer of risk, and

(III) the costs associated with an individual risk transfer with respect to risk classes, as defined by the Administrator,

would be required in order to make such insurance available on an actuarial basis for any types and classes of properties for which insurance coverage is available under section 1305(a) (or is recommended to the Congress under section 1305(b));

(2) the rates, if less than the rates estimated under paragraph (1), which would be reasonable, would encourage prospective insureds to purchase flood insurance, and would be consistent with the purposes of this title, and which, together with a fee charged to policyholders that shall not be not subject to any agents' commission, company expenses allowances, or State or local premium taxes, shall include any administrative expenses incurred in carrying out the flood insurance and floodplain management programs (including the costs of mapping activities under section 1360), except that the Administrator shall not estimate rates under this paragraph for—

(A) any residential property which is not the primary residence of an individual;

(B) any severe [repetitive loss property] *repetitive-loss property*;

(C) any property that has incurred flood-related damage in which the cumulative amounts of payments under this title equaled or exceeded the fair market value of such property;

(D) any business property; or

(E) any property which on or after the date of enactment of the Biggert-Waters Flood Insurance Reform Act of 2012 has experienced or sustained—

(i) substantial damage exceeding 50 percent of the fair market value of such property; or

(ii) substantial improvement exceeding 50 percent of the fair market value of such property; and

(3) the extent, if any, to which federally assisted or other flood protection measures initiated after the date of the enactment of this title affect such rates.

(b) In carrying out subsection (a), the Administrator shall, to the maximum extent feasible and on a reimbursable basis, utilize the services of the Department of the Army, the Department of the Interior, The Department of Agriculture, the Department of Commerce, and the Tennessee Valley Authority, and, as appropriate, other Federal departments or agencies, and for such purposes may enter into agreements or other appropriate arrangements with any persons.

(c) The Administrator shall give priority to conducting studies and investigations and making estimates under this section in those States or areas (or subdivisions thereof) which he has determined have evidenced a positive interest in securing flood insurance coverage under the flood insurance program.

(d) Notwithstanding any other provision of law, any structure existing on the date of enactment of the Flood Disaster Protection Act of 1973 and located within Avoyelles, Evangeline, Rapides, or Saint Landry Parish in the State of Louisiana, which the Administrator determines is subject to additional flood hazards as a result of the construction or operation of the Atchafalaya Basin Levee System, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates that shall not exceed those which would be applicable if such additional hazards did not exist.

(e) Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Administrator, on the construction or reconstruction of a flood protection system which will afford flood protection for the one-hundred-year frequency flood as determined by the Administrator, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. The Administrator shall find that adequate progress on the construction or reconstruction of a flood protection system, based on the present value of the completed flood protection system, has been made only if: (1) 100 percent of the cost of the system has been authorized; (2) at least 60 percent of the cost of the system has been appropriated; (3) at least 50 percent of the cost of the sys-

tem has been expended; and (4) the system is at least 50 percent completed. Notwithstanding any other provision of law, in determining whether a community has made adequate progress on the construction, reconstruction, or improvement of a flood protection system, the Administrator shall consider all sources of funding, including Federal, State, and local funds.

(f) Notwithstanding any other provision of law, this subsection shall apply to riverine and coastal levees that are located in a community which has been determined by the Administrator of the Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so, and shall apply without regard to the level of Federal funding of or participation in the construction, reconstruction, or improvement of the flood protection system. Except as provided in this subsection, in such a community, flood insurance shall be made available to those properties impacted by the disaccreditation of the flood protection system at premium rates that do not exceed those which would be applicable to any property located in an area of special flood hazard, the construction of which was started prior to the effective date of the initial Flood Insurance Rate Map published by the Administrator for the community in which such property is located. A revised Flood Insurance Rate Map shall be prepared for the community to delineate as Zone AR the areas of special flood hazard that result from the disaccreditation of the flood protection system. A community will be considered to be in the process of restoration if—

(1) the flood protection system has been deemed restorable by a Federal agency in consultation with the local project sponsor;

(2) a minimum level of flood protection is still provided to the community by the disaccredited system; and

(3) restoration of the flood protection system is scheduled to occur within a designated time period and in accordance with a progress plan negotiated between the community and the Federal Emergency Management Agency.

Communities that the Administrator of the Federal Emergency Management Agency determines to meet the criteria set forth in paragraphs (1) and (2) as of January 1, 1992, shall not be subject to revised Flood Insurance Rate Maps that contravene the intent of this subsection. Such communities shall remain eligible for C zone rates for properties located in zone AR for any policy written prior to promulgation of final regulations for this section. Floodplain management criteria for such communities shall not require the elevation of improvements to existing structures and shall not exceed 3 feet above existing grade for new construction, provided the base flood elevation based on the disaccredited flood control system does not exceed five feet above existing grade, or the remaining new construction in such communities is limited to infill sites, rehabilitation of existing structures, or redevelopment of previously developed areas.

The Administrator of the Federal Emergency Management Agency shall develop and promulgate regulations to implement this sub-

section, including minimum floodplain management criteria, within 24 months after the date of enactment of this subsection.

(g) **NO EXTENSION OF SUBSIDY TO NEW POLICIES OR LAPSED POLICIES.**—The Administrator shall not provide flood insurance to prospective insureds at rates less than those estimated under subsection (a)(1), as required by paragraph (2) of that subsection, for—

(1) any policy under the flood insurance program that has lapsed in coverage, unless the decision of the policy holder to permit a lapse in flood insurance coverage was as a result of the property covered by the policy no longer being required to retain such coverage; or

(2) any prospective insured who refuses to accept any offer for mitigation assistance by the Administrator (including an offer to relocate), including an offer of mitigation assistance—

(A) following a major disaster, as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122); or

(B) in connection with—

[(i) a repetitive loss property; or

[(ii) a severe repetitive loss property.]

(i) an extreme repetitive-loss property; or

(ii) a severe repetitive-loss property.

[(h) **DEFINITION.**—In this section, the term “severe repetitive loss property” has the following meaning:

[(1) **SINGLE-FAMILY PROPERTIES.**—In the case of a property consisting of 1 to 4 residences, such term means a property that—

[(A) is covered under a contract for flood insurance made available under this title; and

[(B) has incurred flood-related damage—

[(i) for which 4 or more separate claims payments have been made under flood insurance coverage under this chapter, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or

[(ii) for which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the property.

[(2) **MULTIFAMILY PROPERTIES.**—In the case of a property consisting of 5 or more residences, such term shall have such meaning as the Director shall by regulation provide.]

(h) USE OF REPLACEMENT COST VALUE.—*In determining affordability for insurance provided under this title, the Administrator may consider, where appropriate, the impact of the inclusion of the replacement cost or other settlement basis of the structure.*

ESTABLISHMENT OF CHARGEABLE PREMIUM RATES

SEC. 1308. (a) On the basis of estimates made under section 1307 and such other information as may be necessary, the Administrator shall from time to time prescribe, after providing notice—

(1) chargeable premium rates for any types and classes of properties for which insurance coverage shall be available under section 1305 (at less than the estimated risk premium rates under section 1307(a)(1), where necessary), and

(2) the terms and conditions under which, and the areas (including subdivisions thereof) within which such rates shall apply.

(b) Such rates shall, insofar as practicable, be—

(1) based on a consideration of the respective risks involved, including differences in risks due to land use measures, flood-proofing, flood forecasting, and similar measures;

(2) adequate, on the basis of accepted actuarial principles, to provide reserves for anticipated losses, or if less than such amount consistent with the objective of making flood insurance available where necessary at reasonable rates so as to encourage prospective insureds to purchase such insurance and with the purposes of this title;

(3) adequate, together with the fee under paragraph (1)(B)(iii) or (2) of section 1307(a), to provide for any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section 1360);

(4) stated so as to reflect the basis for such rates, including the differences (if any) between the estimated risk premium rates under section 1307(a)(1) and the estimated rates under section 1307(a)(2); and

(5) adequate, on the basis of accepted actuarial principles, to cover the average historical loss year obligations incurred by the National Flood Insurance Fund.

(c) ACTUARIAL RATE PROPERTIES.—Subject only to the limitations provided under paragraphs (1) and (2), the chargeable rate shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section 1307(a)(1) with respect to the following properties:

(1) POST-FIRM PROPERTIES.—Any property the construction or substantial improvement of which the Administrator determines has been started after December 31, 1974, or started after the effective date of the initial rate map published by the Administrator under paragraph (2) of section 1360 for the area in which such property is located, whichever is later, except that the chargeable rate for properties under this paragraph shall be subject to the limitation under subsection (e).

(2) CERTAIN LEASED COASTAL AND RIVER PROPERTIES.—Any property leased from the Federal Government (including residential and nonresidential properties) that the Administrator determines is located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.

(d) With respect to any chargeable premium rate prescribed under this section, a sum equal to the portion of the rate that covers any administrative expenses of carrying out the flood insurance and floodplain management programs which have been estimated under paragraphs (1)(B)(ii) and (1)(B)(iii) of section 1307(a) or paragraph (2) of such section (including the fees under such paragraphs), shall be paid to the Administrator. The Administrator shall deposit the sum in the National Flood Insurance Fund established under section 1310.

(e) ANNUAL LIMITATION ON PREMIUM INCREASES.—Except with respect to properties described under paragraph (2) of subsection (c), and notwithstanding any other provision of this title—

(1) the chargeable risk premium rate for flood insurance under this title for any property may not be increased by more than 18 percent each year, except—

(A) as provided in paragraph (4);

(B) in the case of property identified under section 1307(g); or

(C) in the case of a property that—

(i) is located in a community that has experienced a rating downgrade under the community rating system program carried out under section 1315(b);

(ii) is covered by a policy with respect to which the policyholder has—

(I) decreased the amount of the deductible; or

(II) increased the amount of coverage; or

(iii) was misrated;

(2) the chargeable risk premium rates for flood insurance under this title for any properties initially rated under section 1307(a)(2) within any single risk classification, excluding properties for which the chargeable risk premium rate is not less than the applicable estimated risk premium rate under section 1307(a)(1), shall be increased by an amount that results in an average of such rate increases for properties within the risk classification during any 12-month period of not less than 5 percent of the average of the risk premium rates for such properties within the risk classification upon the commencement of such 12-month period;

(3) the chargeable risk premium rates for flood insurance under this title for any properties within any single risk classification may not be increased by an amount that would result in the average of such rate increases for properties within the risk classification during any 12-month period exceeding 15 percent of the average of the risk premium rates for properties within the risk classification upon the commencement of such 12-month period; and

(4) the chargeable risk premium rates for flood insurance under this title for any properties described in subparagraphs (A) through (E) of section 1307(a)(2) shall be increased by 25 percent each year, until the average risk premium rate for such properties is equal to the average of the risk premium rates for properties described under paragraph (3).

(f) ADJUSTMENT OF PREMIUM.—Notwithstanding any other provision of law, if the Administrator determines that the holder of a flood insurance policy issued under this Act is paying a lower premium than is required under this section due to an error in the flood plain determination, the Administrator may only prospectively charge the higher premium rate.

(g) FREQUENCY OF PREMIUM COLLECTION.—

(1) *OPTIONS*.—With respect to any chargeable premium rate prescribed under this section, the Administrator shall provide policyholders that are not required to escrow their premiums and fees for flood insurance as set forth under section 102 of

the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) with the option of paying their premiums annually or monthly.

(2) MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.—

(A) EXEMPTION FROM RULEMAKING.—*Until such time as the Administrator promulgates regulations implementing paragraph (1) of this subsection, the Administrator may adopt policies and procedures, notwithstanding any other provisions of law and in alignment and consistent with existing industry escrow and servicing standards, necessary to implement such paragraph without undergoing notice and comment rulemaking and without conducting regulatory analyses otherwise required by statute, regulation, or Executive order.*

(B) PILOT PROGRAM.—*The Administrator may initially implement paragraph (1) of this subsection as a pilot program that provides for a gradual phase-in of implementation.*

(C) POLICYHOLDER PROTECTION.—*The Administrator may—*

(i) during the 12-month period beginning on the date of the enactment of this subparagraph, charge policyholders choosing to pay premiums in monthly installments a fee for the total cost of the monthly collection of premiums not to exceed \$25 annually; and

(ii) after the expiration of the 12-month period referred to in clause (i), adjust the fee charged annually to cover the total cost of the monthly collection of premiums as determined by the report submitted pursuant to subparagraph (D).

(D) ANNUAL REPORTS.—*On an annual basis, the Administrator shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate the ongoing costs associated with the monthly payment of premiums.*

(h) RULE OF CONSTRUCTION.—*For purposes of this section, the calculation of an “average historical loss year”—*

(1) includes catastrophic loss years; and

(2) shall be computed in accordance with generally accepted actuarial principles.

(i) RATES FOR PROPERTIES NEWLY MAPPED INTO AREAS WITH SPECIAL FLOOD HAZARDS.—*Notwithstanding subsection (f), the premium rate for flood insurance under this title that is purchased on or after the date of the enactment of this subsection—*

(1) on a property located in an area not previously designated as having special flood hazards and that, pursuant to any issuance, revision, updating, or other change in a flood insurance map, becomes designated as such an area; and

(2) where such flood insurance premium rate is calculated under subsection (a)(1) of section 1307 (42 U.S.C. 4014(a)(1)), shall for the first policy year be the preferred risk premium for the property and upon renewal shall be calculated in accordance with subsection (e) of this section until the rate reaches the rate calculated under subsection (a)(1) of section 1307.

(j) **PREMIUMS AND REPORTS.**—In setting premium risk rates, in addition to striving to achieve the objectives of this title the Administrator shall also strive to minimize the number of policies with annual premiums that exceed one percent of the total coverage provided by the policy. For any policies premiums that exceed this one percent threshold, the Administrator shall report such exceptions to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(k) **CONSIDERATION OF MITIGATION METHODS.**—In calculating the risk premium rate charged for flood insurance for a property under this section, the Administrator [shall take into account] *shall*—

(1) *take into account* the implementation of any mitigation method identified by the Administrator in the guidance issued under section 1361(d) (42 U.S.C. 4102(d)) [.] *and*

(2) *offer a reduction of the risk premium rate charged to a policyholder, as determined by the Administrator, if the policyholder implements any mitigation method described in paragraph (1).*

(l) **CLEAR COMMUNICATIONS.**—The Administrator shall clearly communicate full flood risk determinations to individual property owners regardless of whether their premium rates are full actuarial rates.

(m) **PROTECTION OF SMALL BUSINESSES, NON-PROFITS, HOUSES OF WORSHIP, AND RESIDENCES.**—

(1) **REPORT.**—Not later than 18 months after the date of the enactment of this section and semiannually thereafter, the Administrator shall monitor and report to Committee on Financial Services of the House Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, the Administrator's assessment of the impact, if any, of the rate increases required under subparagraphs (A) and (D) of section 1307(a)(2) [and the surcharges required under section 1308A] on the affordability of flood insurance for—

(A) small businesses with less than 100 employees;

(B) non-profit entities;

(C) houses of worship; and

(D) residences with a value equal to or less than 25 percent of the median home value of properties in the State in which the property is located.

(2) **RECOMMENDATIONS.**—If the Administrator determines that the rate increases [or surcharges] described in paragraph (1) are having a detrimental effect on affordability, including resulting in lapsed policies, late payments, or other criteria related to affordability as identified by the Administrator, for any of the properties identified in subparagraphs (A) through (D) of such paragraph, the Administrator shall, not later than 3 months after making such a determination, make such recommendations as the Administrator considers appropriate to improve affordability to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(n) **PREMIUM RATES FOR CERTAIN AGRICULTURAL STRUCTURES WITH VARIANCES.**—*Notwithstanding any other provision of this Act, the chargeable premium rate for coverage under this title for any*

structure provided a variance pursuant to section 1315(a)(3) shall be the same as the rate that otherwise would apply to such structure if the structure had been dry floodproofed or a comparable actuarial rate based upon the risk associated with structures within the applicable AL-E zone established under section 1360(l).

(o) EFFECT OF PRIVATE FLOOD INSURANCE COVERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—For purposes of applying any statutory, regulatory, or administrative continuous coverage requirement, including under section 1307(g)(1), the Administrator shall consider any period during which a property was continuously covered by a flood insurance policy, either offered through the national flood insurance program or private market, that was used to satisfy the requirements under section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) to be a period of continuous coverage.

SEC. 1308A. PREMIUM SURCHARGE.

[(a) IMPOSITION AND COLLECTION.—The Administrator shall impose and collect an annual surcharge, in the amount provided in subsection (b), on all policies for flood insurance coverage under the National Flood Insurance Program that are newly issued or renewed after the date of the enactment of this section. Such surcharge shall be in addition to the surcharge under section 1304(b) and any other assessments and surcharges applied to such coverage.

[(b) AMOUNT.—The amount of the surcharge under subsection (a) shall be—

[(1) \$25, except as provided in paragraph (2); and

[(2) \$250, in the case of a policy for any property that is—

[(A) a non-residential property; or

[(B) a residential property that is not the primary residence of an individual.

[(c) TERMINATION.—Subsections (a) and (b) shall cease to apply on the date on which the chargeable risk premium rate for flood insurance under this title for each property covered by flood insurance under this title, other than properties for which premiums are calculated under subsection (e) or (f) of section 1307 or section 1336 of this Act (42 U.S.C. 4014, 4056) or under section 100230 of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4014 note), is not less than the applicable estimated risk premium rate under section 1307(a)(1) for such property.]

FINANCING

SEC. 1309. (a) All authority which was vested in the Housing and Home Finance Administrator by virtue of section 15(e) of the Federal Flood Insurance Act of 1956 (70 Stat. 1084) (pertaining to the issue of notes or other obligations or the Secretary of the Treasury), as amended by subsections (a) and (b) of section 1303 of this Act, shall be available to the Administrator for the purpose of carrying out the flood insurance program under this title; except that the total amount of notes and obligations which may be issued by the Administrator pursuant to such authority (1) without the approval of the President, may not exceed \$500,000,000, and (2) with the approval of the President, may not exceed \$1,500,000,000 through the date specified in section 1319, and \$1,000,000,000 thereafter; ex-

cept that, through ~~September 30, 2019~~ *September 30, 2024*, clause (2) of this sentence shall be applied by substituting “\$30,425,000,000” for “\$1,500,000,000”. The Administrator shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate at any time when he requests the approval of the President in accordance with the preceding sentence.

(b) Any funds borrowed by the Administrator under this authority shall, from time to time, be deposited in the National Flood Insurance Fund established under section 1310.

(c) Upon the exercise of the authority established under subsection (a), the Administrator shall transmit a schedule for repayment of such amounts to—

- (1) the Secretary of the Treasury;
- (2) the Committee on Banking, Housing, and Urban Affairs of the Senate; and
- (3) the Committee on Financial Services of the House of Representatives.

(d) In connection with any funds borrowed by the Administrator under the authority established in subsection (a), the Administrator, beginning 6 months after the date on which such funds are borrowed, and continuing every 6 months thereafter until such borrowed funds are fully repaid, shall submit a report on the progress of such repayment to—

- (1) the Secretary of the Treasury;
- (2) the Committee on Banking, Housing, and Urban Affairs of the Senate; and
- (3) the Committee on Financial Services of the House of Representatives.

NATIONAL FLOOD INSURANCE FUND

SEC. 1310. (a) To carry out the flood insurance program authorized by this title, the Administrator shall establish in the Treasury of the United States a National Flood Insurance Fund (hereinafter referred to as the “fund”) which shall be an account separate from any other accounts or funds available to the Administrator and shall be available as described in subsection (f), without fiscal year limitation (except as otherwise provided in this section)—

- (1) for making such payments as may, from time to time, be required under section 1334;
- (2) to pay reinsurance claims under the excess loss reinsurance coverage provided under section 1335;
- (3) to repay to the Secretary of the Treasury such sums as may be borrowed from him (together with interest) in accordance with the authority provided in section 1309;
- (4) to the extent approved in appropriations Acts, to pay any administrative expenses of the flood insurance and floodplain management programs (including the costs of mapping activities under section 1360);
- (5) for the purposes specified in subsection (d) under the conditions provided therein;
- (6) for carrying out the program under section 1315(b);
- (7) for transfers to the National Flood Mitigation Fund, but only to the extent provided in section 1367(b)(1); **[and]**

(8) for carrying out section 1363(f)[.]; and

(9) for carrying out the community assistance program for effective floodplain management under section 1327.

(b) The fund shall be credited with—

(1) such funds borrowed in accordance with the authority provided in section 1309 as may from time to time be deposited in the fund;

(2) premiums, fees, or other charges which may be paid or collected in connection with the excess loss reinsurance coverage provided under section 1335;

(3) such amounts as may be advanced to the fund from appropriations in order to maintain the fund in an operative condition adequate to meet its liabilities;

(4) interest which may be earned on investments of the fund pursuant to subsection (c);

(5) such sums as are required to be paid to the Administrator under section 1308(d); and

(6) receipts from any other operations under this title (including premiums under the conditions specified in subsection (d), and salvage proceeds, if any, resulting from reinsurance coverage).

(c) If, after—

(1) all outstanding obligations of the fund have been liquidated, and

(2) any outstanding amounts which may have been advanced to the fund from appropriations authorized under section 1376(a)(2)(B) have been credited to the appropriation from which advanced, with interest accrued at the rate, prescribed under section 15(e) of the Federal Flood Insurance Act of 1956, as in effect immediately prior to the enactment of this title,

the Administrator determines that the moneys of the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

(d) In the event the Administrator makes a determination in accordance with the provisions of section 1340 that operation of the flood insurance program, in whole or in part, should be carried out through the facilities of the Federal Government, the fund shall be available for all purposes incident thereto, including—

(1) cost incurred in the adjustment and payment of any claims for losses, and

(2) payment of applicable operating costs set forth in the schedules prescribed under section 1311,

for so long as the program is so carried out, and in such event any premiums paid shall be deposited by the Administrator to the credit of the fund.

(e) An annual business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by sections 9103 and 9104 of title 31, United States Code, for wholly-owned Government corporations.

(f) The Fund shall be available, with respect to any fiscal year beginning on or after October 1, 1981, only to the extent approved in appropriation Acts; except that the fund shall be available for the purpose described in subsection (d)(1) without such approval.

SEC. 1310A. RESERVE FUND.

(a) **ESTABLISHMENT OF RESERVE FUND.**—In carrying out the flood insurance program authorized by this chapter, the Administrator shall establish in the Treasury of the United States a National Flood Insurance Reserve Fund (in this section referred to as the “Reserve Fund”) which shall—

- (1) be an account separate from any other accounts or funds available to the Administrator; and
- (2) be available for meeting the expected future obligations of the flood insurance program, including—
 - (A) the payment of claims;
 - (B) claims adjustment expenses; and
 - (C) the repayment of amounts outstanding under any note or other obligation issued by the Administrator under section 1309(a).

(b) **RESERVE RATIO.**—Subject to the phase-in requirements under subsection (d), the Reserve Fund shall maintain a balance equal to—

- (1) 1 percent of the sum of the total potential loss exposure of all outstanding flood insurance policies in force in the prior fiscal year; or
- (2) such higher percentage as the Administrator determines to be appropriate, taking into consideration any circumstance that may raise a significant risk of substantial future losses to the Reserve Fund.

(c) **MAINTENANCE OF RESERVE RATIO.**—

(1) **IN GENERAL.**—The Administrator shall have the authority to establish, increase, or decrease the amount of aggregate annual insurance premiums to be collected for any fiscal year necessary—

- (A) to maintain the reserve ratio required under subsection (b); and
- (B) to achieve such reserve ratio, if the actual balance of such reserve is below the amount required under subsection (b).

(2) **CONSIDERATIONS.**—In exercising the authority granted under paragraph (1), the Administrator shall consider—

- (A) the expected operating expenses of the Reserve Fund;
- (B) the insurance loss expenditures under the flood insurance program;
- (C) any investment income generated under the flood insurance program; and
- (D) any other factor that the Administrator determines appropriate.

(3) **LIMITATIONS.**—

(A) **RATES.**—In exercising the authority granted under paragraph (1), the Administrator shall be subject to all other provisions of this Act, including any provisions relating to chargeable premium rates or annual increases of such rates.

(B) **USE OF ADDITIONAL ANNUAL INSURANCE PREMIUMS.**—Notwithstanding any other provision of law or any agreement entered into by the Administrator, the Administrator shall ensure that all amounts attributable to the establish-

ment or increase of annual insurance premiums under paragraph (1) are transferred to the Administrator for deposit into the Reserve Fund, to be available for meeting the expected future obligations of the flood insurance program as described in subsection (a)(2).

[(4) DEPOSIT OF PREMIUM SURCHARGES.—The Administrator shall deposit in the Reserve Fund any surcharges collected pursuant to section 1308A.]

(d) PHASE-IN REQUIREMENTS.—The phase-in requirements under this subsection are as follows:

(1) IN GENERAL.—Beginning in fiscal year 2013 and not ending until the fiscal year in which the ratio required under subsection (b) is achieved, in each such fiscal year the Administrator shall place in the Reserve Fund an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

(2) AMOUNT SATISFIED.—As soon as the ratio required under subsection (b) is achieved, and except as provided in paragraph (3), the Administrator shall not be required to set aside any amounts for the Reserve Fund.

(3) EXCEPTION.—If at any time after the ratio required under subsection (b) is achieved, the Reserve Fund falls below the required ratio under subsection (b), the Administrator shall place in the Reserve Fund for that fiscal year an amount equal to not less than 7.5 percent of the reserve ratio required under subsection (b).

(e) LIMITATION ON RESERVE RATIO.—In any given fiscal year, if the Administrator determines that the reserve ratio required under subsection (b) cannot be achieved, the Administrator shall submit, on a calendar quarterly basis, a report to Congress that—

(1) describes and details the specific concerns of the Administrator regarding the consequences of the reserve ratio not being achieved;

(2) demonstrates how such consequences would harm the long-term financial soundness of the flood insurance program; and

(3) indicates the maximum attainable reserve ratio for that particular fiscal year.

(f) INVESTMENT.—The Secretary of the Treasury shall invest such amounts of the Reserve Fund as the Secretary determines advisable in obligations issued or guaranteed by the United States.

* * * * *

PAYMENT OF CLAIMS

SEC. 1312. (a) IN GENERAL.—The Administrator is authorized to prescribe regulations establishing the general method or methods by which proved and approved claims for losses may be adjusted and paid for any damage to or loss of property which is covered by flood insurance made available under the provisions of this title.

(b) MINIMUM ANNUAL DEDUCTIBLE.—

(1) PRE-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred on or before December 31, 1974, or before the effective date of an initial flood in-

insurance rate map published by the Administrator under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

(A) \$1,500, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than \$100,000; and

(B) \$2,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than \$100,000.

(2) POST-FIRM PROPERTIES.—For any structure which is covered by flood insurance under this title, and on which construction or substantial improvement occurred after December 31, 1974, or after the effective date of an initial flood insurance rate map published by the Administrator under section 1360 for the area in which such structure is located, the minimum annual deductible for damage to such structure shall be—

(A) \$1,000, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount equal to or less than \$100,000; and

(B) \$1,250, if the flood insurance coverage for such structure covers loss of, or physical damage to, such structure in an amount greater than \$100,000.

(c) PAYMENT OF CLAIMS TO CONDOMINIUM OWNERS.—The Administrator may not deny payment for any damage to or loss of property which is covered by **flood insurance to condominium owners flood insurance**—

(1) *to condominium owners who purchased such flood insurance separate and apart from the flood insurance purchased by the condominium association in which such owner is a member, based solely, or in any part, on the flood insurance coverage of the condominium association or others on the overall property owned by the condominium association*; or

(2) *to individuals with a membership interest and occupancy agreement in a cooperative housing project who purchased such flood insurance separate and apart from the flood insurance purchased by the cooperative association in which such individual is a member, based solely, or in any part, on the flood insurance coverage of the cooperative association or others on the overall property owned by the cooperative association.*

(d) DEFINITIONS.—For purposes of this section and section 1306(e), the terms “cooperative association” and “cooperative housing project” shall have such meaning as the Secretary shall provide.

DISSEMINATION OF FLOOD INSURANCE INFORMATION

SEC. 1313. (a) AVAILABILITY TO PUBLIC AND STATE AGENCIES.—The Administrator shall from time to time take such action as may be necessary in order to make information and data available to the public, and to any State or local agency or official, with regard to—

(1) the flood insurance program, its coverage and objectives, and

(2) estimated and chargeable flood insurance premium rates, including the basis for and differences between such rates in accordance with the provisions of section 1308.

(b) EXCHANGE OF NFIP AND PRIVATE FLOOD INSURANCE POLICY AND CLAIMS INFORMATION.—The Administrator may provide to each private insurer that sells coverage that meets, at a minimum, the definition of private flood insurance under section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), current and historical property-specific information that is available to the Administration on flood insurance program coverage, flood damage assessments, and payment of claims, but only if the following conditions are met:

(1) Each private insurer receiving such data shall provide to the Administrator current and historical property-specific information, generated through the sale of the flood insurance that meets such definition of private flood insurance, by the private insurer on flood insurance coverage, flood damage assessments, and payment of claims.

(2) Such information obtained under paragraph shall be made available as required by subsections (c) and (d).

(c) HOMEOWNER ACCESS TO NFIP AND PRIVATE POLICY AND CLAIMS INFORMATION.—Upon request by the current owner of a property, the Administrator shall provide to the owner any current and historical information available to the Administrator, including information obtained under subsection (b)(1), on insurance coverage, damage assessments, and payment of claims concerning such property of the owner. In addition, the Administrator shall provide information the Administrator may have on whether the property owner may be required to purchase flood insurance coverage due to previous receipt of federal disaster assistance, including assistance provided by the Small Business Administration, the Department of Housing and Urban Development, the Federal Emergency Management Agency, or any other type of assistance subject to the mandatory purchase requirement under section 102 of the Flood Disaster Protection Act of 1973.

(d) HOMEBUYER ACCESS TO FLOOD INSURANCE INFORMATION.—Notwithstanding section 552a(b) of title 5, United States Code, not later than 14 days after a request for such information by a buyer under contract for purchase of a property, the Administrator shall provide to the buyer the following information:

(1) The number and dollar value of claims filed for the property, over the life of the property, under a flood insurance policy made available under this title.

(2) Such other available information about the property as determined by the Administrator to accurately and adequately characterize the true flood risk to the property.

(3) A notice to the recipient of the information that the information provided may only be utilized by the recipient alone and only for the purposes of homebuying.

* * * * *

STATE AND LOCAL LAND USE CONTROLS

SEC. 1315. (a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.—

(1) IN GENERAL.—After December 31, 1971, no new flood insurance coverage shall be provided under this title in any area (or subdivision thereof) unless an appropriate public body shall have adopted adequate land use and control measures (with effective enforcement provisions) which the Administrator finds are consistent with the comprehensive criteria for land management and use under section 1361.

(2) AGRICULTURAL STRUCTURES.—

(A) ACTIVITY RESTRICTIONS.—Notwithstanding any other provision of law, the adequate land use and control measures required to be adopted in an area (or subdivision thereof) pursuant to paragraph (1) may provide, at the discretion of the appropriate State or local authority, for the repair and restoration to predamaged conditions of an agricultural structure that—

(i) is a [repetitive loss structure] *repetitive-loss property*; or

(ii) has incurred flood-related damage to the extent that the cost of restoring the structure to its predamaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

(B) PREMIUM RATES AND COVERAGE.—To the extent applicable, an agricultural structure repaired or restored pursuant to subparagraph (A) shall pay chargeable premium rates established under section 1308 at the estimated risk premium rates under section 1307(a)(1). If resources are available, the Administrator shall provide technical assistance and counseling, upon request of the owner of the structure, regarding wet flood-proofing and other flood damage reduction measures for agricultural structures. The Administrator shall not be required to make flood insurance coverage available for such an agricultural structure unless the structure is wet flood-proofed through permanent or contingent measures applied to the structure or its contents that prevent or provide resistance to damage from flooding by allowing flood waters to pass through the structure, as determined by the Administrator.

(C) PROHIBITION ON DISASTER RELIEF.—Notwithstanding any other provision of law, any agricultural structure repaired or restored pursuant to subparagraph (A) shall not be eligible for disaster relief assistance under any program administered by the Administrator or any other Federal agency.

(D) DEFINITIONS.—For purposes of this paragraph—

(i) the term “agricultural structure” means any structure used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities; and

(ii) the term “agricultural commodities” means agricultural commodities and livestock.

(3) ALLOWABLE LOCAL VARIANCES FOR CERTAIN AGRICULTURAL STRUCTURES.—

(A) REQUIREMENT.—Notwithstanding any other provision of this Act—

(i) the land use and control measures adopted pursuant to paragraph (1) may not, for purposes of such paragraph, be considered to be inadequate or inconsistent with the comprehensive criteria for land management and use under section 1361 because such measures provide that, in the case of any agricultural structure that is located in an area having special flood hazards, a variance from compliance with the requirements to elevate or floodproof such a structure and meeting the requirements of subparagraph (B) may be granted; and

(ii) the Administrator may not suspend a community from participation in the national flood insurance program, or place such a community on probation under such program, because such land use and control measures provide for such a variance.

This subparagraph shall not limit the ability of the Administrator to take enforcement action against a community that does not adopt adequate variance criteria or establish proper enforcement mechanisms.

(B) VARIANCE; CONSIDERATIONS.—The requirements of this subparagraph with respect to a variance are as follows:

(i) The variance is granted by an official from a duly constituted State or local zoning authority, or other authorized public body responsible for regulating land development or occupancy in flood-prone areas.

(ii) In the case of new construction, such official has determined—

(I) that neither floodproofing nor elevation of the new structure to the base flood elevation is practicable; and

(II) that the structure is not located in—

(aa) a designated regulatory floodway;

(bb) an area riverward of a levee or other flood control structure; or

(cc) an area subject to high velocity wave action or seaward of flood control structures.

(iii) In the case of existing structures—

(I) if such structure is substantially damaged or in need of substantial repairs or improvements, such official has determined that neither floodproofing nor elevation to the base flood elevation is practicable; and

(II) if such structure is located within a designated regulatory floodway, such official has determined that the repair or improvement does not result in any increase in base flood levels during the base flood discharge.

(iv) Such official has determined that the variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

(v) *Not more than one claim payment exceeding \$1,000 has been made for the structure under flood insurance coverage under this title within any period of 10 consecutive years at any time prior to the granting of the variance.*

(C) *DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:*

(i) *AGRICULTURAL STRUCTURE.—The term “agricultural structure” has the meaning given such term in paragraph (2)(D).*

(ii) *FLOODPROOFING.—The term “floodproofing” means, with respect to a structure, any combination of structural and non-structural additions, changes, or adjustments to the structure, including attendant utilities and equipment, that reduce or eliminate potential flood damage to real estate or improved real property, water and sanitary facilities, structures, or their contents.*

(b) **COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.—**

(1) **AUTHORITY AND GOALS.—**The Administrator shall carry out a community rating system program, under which communities participate voluntarily—

(A) to provide incentives for measures that reduce the risk of flood or erosion damage that exceed the criteria set forth in section 1361 and evaluate such measures;

(B) to encourage adoption of more effective measures that protect natural and beneficial floodplain functions;

(C) to encourage floodplain and erosion management; and

(D) to promote the reduction of Federal flood insurance losses.

(2) **INCENTIVES.—**The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Administrator determines have adopted and enforced measures that reduce the risk of flood and erosion damage that exceed the criteria set forth in section 1361. In providing incentives under this paragraph, the Administrator **[may]** *shall* provide for credits to flood insurance premium rates in communities that the Administrator determines have implemented measures that protect natural and beneficial floodplain functions.

(3) **CREDITS.—**The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program, *and the Administrator shall provide credits to the maximum number of communities practicable.* If a community has received mitigation assistance under section 1366, the credits shall be phased in a manner, determined by the Administrator, to recover the amount of such assistance provided for the community.

(4) **REPORTS.—**Not later than 2 years after the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994 and not less than every 2 years thereafter, the Administrator shall submit a report to the Con-

gress regarding the program under this subsection. Each report shall include an analysis of the cost-effectiveness of the program, any other accomplishments or shortcomings of the program, and any recommendations of the Administrator for legislation regarding the program.

(c) *GRANTS FOR COMMUNITY RATING SYSTEM PROGRAM COORDINATORS.*—

(1) *AUTHORITY.*—*The Administrator shall carry out a program to make grants to consortia of States and communities for use only for costs of employing or otherwise retaining an individual or individuals to coordinate and carry out responsibilities relating to participation in the community rating system program under subsection (b) for States and communities that are members of such consortia.*

(2) *ELIGIBILITY.*—*The Administrator shall establish such criteria as the Administrator considers appropriate for a consortium of States and communities to be eligible for grants under this subsection, which shall include requiring a consortium to provide evidence to the Administrator that the consortium has sufficient authority and administrative capability to use grant amounts in accordance with this subsection on behalf of its member jurisdictions.*

(3) *TIMING.*—*A consortium receiving a grant under this section shall establish the position or positions described in paragraph (1), and employ or otherwise retain an individual or individuals to fill such position or positions, not later than the date that all such grant amounts are expended.*

(4) *APPLICATIONS.*—*The Administrator shall provide for consortia of States and communities to submit applications for grants under this subsection, which shall include—*

(A) *the evidence referred to in paragraph (2);*

(B) *such assurances as the Administrator shall require to ensure compliance with the requirement under paragraph (3);*

(C) *such assurances as the Administrator shall require to ensure that the consortia will provide funding sufficient to continue the position or positions funded with the grant amounts, in the same annual amount as under such grant funding, after such grant funds are expended; and*

(D) *such other information as the Administrator may require.*

(5) *SELECTION.*—*From among eligible consortia of States and communities submitting applications pursuant to paragraph (3), the Administrator shall select consortia to receive grants under this subsection in accordance with such competitive criteria for such section as the Administrator shall establish.*

(6) *DEFINITION OF COMMUNITY.*—*For purposes of this section, the term “community” has the meaning given such term in section 1366(h) (42 U.S.C. 4104c(h)), except that such term includes counties and regional planning authorities that do not have zoning and building code jurisdiction.*

(7) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated for grants under this subsection—*

- (A) \$7,000,000 for the first fiscal year commencing after the expiration of the 4-month period beginning on the date of the enactment of this Act; and
- (B) \$7,000,000 for each of the four consecutive fiscal years thereafter.

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PROGRAM EXPIRATION

SEC. 1319. No new contract for flood insurance under this title shall be entered into after ~~September 30, 2019~~ *September 30, 2024*.

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SEC. 1326. STATE REVOLVING LOAN FUNDS FOR LOW-INTEREST LOANS.

- (a) *DEFINITIONS.—In this section—*
 - (1) the term “Community Rating System” means the community rating system carried out under section 1315(b);
 - (2) the term “eligible State” means a State, the District of Columbia, and the Commonwealth of Puerto Rico;
 - (3) the term “insular area” means—
 - (A) Guam;
 - (B) American Samoa;
 - (C) the Commonwealth of the Northern Mariana Islands;
 - (D) the Federated States of Micronesia;
 - (E) the Republic of the Marshall Islands;
 - (F) the Republic of Palau; and
 - (G) the United States Virgin Islands;
 - (4) the term “intended use plan” means a plan prepared under subsection (d)(1);
 - (5) the term “low-income geographic area” means an area described in paragraph (1) or (2) of section 301(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161(a));
 - (6) the term “low-income homeowner” means the owner of a primary residence, the household income of which in a taxable year is not more than 80 percent of the median income for the area in which the residence is located;
 - (7) the term “participating State” means an eligible State that—
 - (A) has entered into an agreement under subsection (b)(1); and
 - (B) agrees to comply with the requirements of this section;
 - (8) the term “pre-FIRM building” means a building for which construction or substantial improvement occurred before the effective date of the initial Flood Insurance Rate Map published by the Administrator under section 1360 for the area in which the building is located;
 - (9) the term “repetitive-loss property” has the meaning given the term in section 1370(a);
 - (10) the term “severe repetitive-loss property” has the meaning given the term in section 1370(a);

(11) the term “State loan fund” means a flood mitigation assistance revolving loan fund established by an eligible State under this section; and

(12) the term “tribal government” means the recognized government of an Indian tribe, or the governing body of an Alaska Native regional or village corporation, that has been determined eligible to receive services from the Bureau of Indian Affairs.

(b) GENERAL AUTHORITY.—

(1) IN GENERAL.—The Administrator may enter into an agreement with an eligible State to provide a capitalization grant for the eligible State to establish a revolving fund that will provide funding assistance to help homeowners, businesses, nonprofit organizations, and communities reduce flood risk in order to decrease—

- (A) the loss of life and property;
- (B) the cost of flood insurance; and
- (C) Federal disaster payments.

(2) TIMING OF DEPOSIT AND AGREEMENTS FOR DISTRIBUTION OF FUNDS.—

(A) IN GENERAL.—Not later than the last day of the fiscal year following the fiscal year in which a capitalization grant is made to a participating State under paragraph (1), the participating State shall—

- (i) deposit the grant in the State loan fund of the State; and
- (ii) enter into one or more binding agreements that provide for the State to distribute the grant funds for purposes authorized under subsection (c) such that—

(I) in the case of the initial grant made under this section to a State, not less than 75 percent of the amount of the grant funds shall be distributed before the expiration of the 24-month period beginning upon deposit of such funds in the State loan fund of the State; and

(II) in the case of any subsequent grant made under this section to a State, not less than 90 percent of the amount of the grant funds made under the capitalization grant shall be distributed before the expiration of the 12-month period beginning upon deposit of such funds in the State loan fund of the State.

(B) NONCOMPLIANCE.—Except as provided in subparagraph (C), if a participating State does not comply with subparagraph (A) with respect to a grant, the Administrator shall reallocate the grant in accordance with paragraph (3)(B).

(C) EXCEPTION.—The Administrator may not reallocate any funds under subparagraph (B) to a participating State that violated subparagraph (A) with respect to a grant made during the same fiscal year in which the funds to be reallocated were originally made available.

(3) ALLOCATION.—

(A) IN GENERAL.—The Administrator shall allocate amounts made available to carry out this section to participating States—

(i) for the participating States to deposit in the State loan funds established by the participating States; and
 (ii) except as provided in paragraph (6), in accordance with the requirements described in subparagraph (B).

(B) REQUIREMENTS.—The requirements described in this subparagraph are as follows:

(i) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each participating State receives the percentage amount that is obtained by dividing the number of properties that were insured under the national flood insurance program in that State in the fiscal year preceding the fiscal year in which the amount is allocated by the total number of properties that were insured under the national flood insurance program in the fiscal year preceding the fiscal year in which the amount is allocated.

(ii) Fifty percent of the total amount made available under subparagraph (A) shall be allocated so that each participating State receives a percentage of funds that is equal to the product obtained under clause (iii)(IV) with respect to that participating State after following the procedures described in clause (iii).

(iii) The procedures described in this clause are as follows:

(I) Divide the total amount collected in premiums for properties insured under the national flood insurance program in each participating State during the previous fiscal year by the number of properties insured under the national flood insurance program in that State for that fiscal year.

(II) Add together each quotient obtained under subclause (I).

(III) For each participating State, divide the quotient obtained under subclause (I) with respect to that State by the sum obtained under subclause (II).

(IV) For each participating State, multiply the amount that is 50 percent of the total amount made available under subparagraph (A) by the quotient obtained under subclause (III).

(iv) Except as provided in paragraph (5), in a fiscal year—

(I) a participating State may not receive more than 15 percent of the total amount that is made available under subparagraph (A) in that fiscal year; and

(II) if a participating State, based on the requirements under clauses (i) through (iii), would, but for the limit under subclause (I) of this clause, receive an amount that is greater than the amount the State is authorized to receive under that subclause, the difference between the authorized amount and the amount otherwise due to the State

under clauses (i) through (iii) shall be allocated to other participating States—

(aa) that, in that fiscal year, have not received an amount under subparagraph (A) that is more than the authorized amount under subclause (I) of this clause; and

(bb) by using the requirements under clauses (i) through (iii), except that a participating State may receive an allocation under this subclause only if the allocation does not result in the State receiving a total amount for the fiscal year under subparagraph (A) that is greater than the authorized amount under subclause (I).

(4) *NO REVOLVING FUND REQUIRED.*—

(A) *IN GENERAL.*—Notwithstanding any other provision of this section, and subject to subparagraph (B), a participating State that receives less than \$4,000,000 under paragraph (3)(B) in a fiscal year may distribute the funds directly in the form of grants or technical assistance for a purpose described in subsection (c)(2), without regard to whether the State has established a State loan fund.

(B) *STATE MATCHING.*—A participating State that exercises the authority under subparagraph (A) in a fiscal year shall provide matching funds from non-Federal sources in an amount that is equal to 15 percent of the amount that the State receives under paragraph (3)(B) in that fiscal year for purposes described in subparagraph (A).

(5) *ALLOCATION OF REMAINING FUNDS.*—After allocating amounts made available to carry out this section for a fiscal year in accordance with paragraph (3), the Administrator shall allocate any remaining amounts made available for that fiscal year to participating States, using the procedures described in clauses (i) through (iii) of paragraph (3)(B).

(6) *ALLOCATION FOR TRIBAL GOVERNMENTS AND INSULAR AREAS.*—The Administrator shall reserve not less than 5.0 percent of the amount made available to carry out this section in a fiscal year to enter into grant agreements with tribal governments and insular areas, with the grant funds to be distributed—

(A) according to criteria established by the Administrator; and

(B) for a purpose described in subsection (c)(2).

(7) *ADMINISTRATIVE COSTS; TECHNICAL ASSISTANCE.*—The Administrator shall reserve not more than 2.5 percent of the amount made available to carry out this section in a fiscal year—

(A) for administrative costs incurred in carrying out this section; and

(B) to provide technical assistance to recipients of grants under this section.

(c) *USE OF FUNDS.*—

(1) *IN GENERAL.*—Amounts deposited in a State loan fund, including repayments of loans made from the fund and interest earned on the amounts in the fund, shall be used—

- (A) consistent with paragraphs (2) and (3) and subsection (g), to provide financial assistance for—
- (i) homeowners, businesses, and nonprofit organizations that are eligible to participate in the national flood insurance program;
 - (ii) any local government that participates in the national flood insurance program; and
 - (iii) any State government agencies or subdivisions of any State government that engage in floodplain management activities;
- (B) as a source of revenue and security for leveraged loans, the proceeds of which shall be deposited in the State loan fund; or
- (C) for the sale of bonds as security for payment of the principal and interest on revenue or general obligation bonds issued by the participating State to provide matching funds under subsection (g), if the proceeds from the sale of the bonds are deposited in the State loan fund.
- (2) PURPOSES.—A recipient of financial assistance provided through amounts from a State loan fund—
- (A) shall use the amounts to reduce—
 - (i) flood risk; or
 - (ii) potential flood claims submitted under the national flood insurance program;
 - (B) shall use the amounts in a cost-effective manner under requirements established by the State, which may require an applicant for financial assistance to submit any information that the State considers relevant or necessary before the date on which the applicant receives the assistance;
 - (C) shall use the amounts for projects that—
 - (i) meet design and construction standards established by the Administrator;
 - (ii) are located in communities that—
 - (I) participate in the national flood insurance program; and
 - (II) have developed a State, local, or tribal government hazard mitigation plan that has been approved by the Administrator under section 1366;
 - (iii)(I) address a repetitive-loss property or a severe repetitive-loss property; or
 - (II) address flood risk in the 500-year floodplain, areas of residual flood risk, or other areas of potential flood risk, as identified by the Administrator; and
 - (iv) address current risk and anticipate future risk, such as sea-level rise;
 - (D) may use the amounts—
 - (i) for projects relating to—
 - (I) structural elevation;
 - (II) floodproofing;
 - (III) the relocation or removal of buildings from the 100-year floodplain or other areas of flood risk, including the acquisition of properties for such a purpose;

(IV) environmental restoration activities that directly reduce flood risk;

(V) any eligible activity described in subparagraphs (A) through (G) of section 1366(c)(3); or

(VI) other activities determined appropriate by the Administrator;

(ii) with respect to a project described in clause (i), only for expenditures directly related to a project described in that clause, including expenditures for planning, design, and associated pre-construction activities; and

(iii) to acquire, for the purposes of permanent protection, land, buildings, or a conservation easement from a willing seller or grantor;

(E) may not use the amounts—

(i) to construct buildings or expand existing buildings unless the activity is for the purpose of flood mitigation;

(ii) to improve any structure, unless the recipient has obtained flood insurance coverage in an amount at least equal to the lesser of the eligible project costs or the maximum insurable limit for the structure under the national flood insurance program coverage for the structure, which coverage shall be maintained for the useful life of the structure;

(iii) to improve a residential property with an appraised value that is not less than 125 percent of the limitation on the maximum original principal obligation of a conventional mortgage that may be purchased by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation in the area in which the property is located, as established under section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2));

(iv) for the direct benefit of a homeowner if the annual household adjusted gross income of the homeowner during the previous fiscal year was not less than \$200,000, as annually adjusted by the Administrator to reflect changes in the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics of the Department of Labor and rounded to the nearest \$25; or

(v) to acquire real property or an interest in real property unless the property is purchased from a willing seller; and

(F) shall, in the use of such amounts, give priority to the maximum extent practicable to projects that assist low-income homeowners and low-income geographical areas.

(d) **INTENDED USE PLANS.**—

(1) **IN GENERAL.**—After providing the opportunity for public review and comment, each participating State shall annually prepare a plan that identifies, for the year following the date of issuance of the intended use plan, the intended uses of the

amounts available in the State loan fund of the participating State.

(2) *CONSULTATION DURING PREPARATION.*—Each participating State, in preparing an intended use plan, shall ensure that the State agency with primary responsibility for floodplain management—

(A) provides oversight with respect to the preparation of the intended use plan; and

(B) consults with any other appropriate State agency, including agencies responsible for coastal and environmental management.

(3) *CONTENTS.*—A participating State shall, in each intended use plan—

(A) include—

(i) an explanation of the mitigation and resiliency benefits the State intends to achieve, including by—

(I) reducing future damage and loss associated with flooding;

(II) reducing the number of severe repetitive-loss properties and repetitive-loss properties in the State;

(III) decreasing the number of flood insurance claims in the State; and

(IV) increasing the rating under the Community Rating System for communities in the State;

(ii) information with respect to the availability of, and the application process for receiving, financial assistance from the State loan fund of the State;

(iii) the criteria and methods established for the distribution of amounts from the State loan fund of the State;

(iv) the amount of financial assistance that the State anticipates allocating to—

(I) local government projects; and

(II) projects for homeowners, business, or non-profit organizations;

(v) the expected terms of the assistance provided under clause (iv); and

(vi) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund; and

(B) provide, to the maximum extent practicable, that priority for the use of amounts from the State loan fund shall be given to projects that—

(i) address severe repetitive-loss properties and repetitive-loss properties;

(ii) assist low-income homeowners and low-income geographic areas; and

(iii) address flood risk for pre-FIRM buildings.

(4) *PUBLICATION.*—Each participating State shall publish and periodically update a list of all projects receiving funding from the State loan fund of the State, which shall include identification of—

(A) the community in which the project is located;

- (B) the type and amount of assistance provided for each project; and
- (C) the expected funding schedule and date of completion of each project.
- (e) **FUND MANAGEMENT.**—Amounts in a State loan fund shall—
- (1) remain available for providing financial assistance under this section until distributed;
 - (2) if the amounts are not required for immediate distribution or expenditure, be invested in interest-bearing obligations; and
 - (3) except as provided in subsection (i), include only—
 - (A) amounts received from capitalization grants made under this section;
 - (B) repayments of loans made from the fund; and
 - (C) interest earned on amounts in the fund.
- (f) **MATCHING FUNDS.**—
- (1) **FULL GRANT.**—On or before the date on which a participating State receives a capitalization grant, the State shall deposit into the State loan fund of the State, in addition to the amount of the capitalization grant, an amount from non-Federal sources that is not less than 10 percent of the total amount of the capitalization grant.
 - (2) **REDUCED GRANT.**—Notwithstanding paragraph (1), if a State deposits in the State loan fund of the State in connection a capitalization grant an amount from non-Federal sources that is less than 10 percent of the total amount of the capitalization grant that would otherwise be received by the State, the Administrator shall reduce the amount of the capitalization grant received by the State to the amount that is 10 times the amount so deposited and shall allocate such remaining grant amounts under subsection (b)(5) together with the amounts allocated under such subsection.
- (g) **TYPES OF ASSISTANCE.**—Unless otherwise prohibited by State law, a participating State may use the amounts deposited into a State loan fund under this section only—
- (1) to make a loan, on the condition that—
 - (A) the interest rate for the loan is not more than the market interest rate;
 - (B) the recipient of the loan will begin making principal and interest payments on the loan not later than 1 year after the date on which the project for which the loan was made is completed;
 - (C) the loan will be fully amortized not later than 20 years after the date on which the project for which the loan was made is completed, except that, in the case of a loan made for a project in a low-income geographic area or to a low-income homeowner, the State may provide a longer amortization period for the loan if that longer period—
 - (i) ends on a date that is not later than 30 years after the date on which the project is completed; and
 - (ii) is not longer than the expected design life of the project;
 - (D) the recipient of the loan demonstrates, based on verified and documented information that, at the time the loan is consummated, that the recipient has a reasonable ability to repay the loan, according to its terms, except that

this subparagraph may not be construed to authorize any reduction or limitation in efforts to comply with the requirements of subsection (c)(2)(E) (relating to priority for assistance for low-income homeowners and low-income geographical areas); and

(E) payments of principal and interest with respect to the loan will be deposited into the State loan fund;

(2) to buy or refinance the debt obligation of a local government related to flood mitigation or resiliency activities, at an interest rate that is not more than the market interest rate;

(3) to guarantee, or purchase insurance for, a local obligation, the proceeds of which finance a project eligible for assistance under this section, if the guarantee or purchase, as applicable, would—

(A) improve credit market access; or

(B) reduce the interest rate with respect to the obligation;

(4) as a source of revenue or as security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund; or

(5) to earn interest on those amounts.

(h) ASSISTANCE FOR LOW-INCOME HOMEOWNERS AND LOW-INCOME GEOGRAPHIC AREAS.—

(1) IN GENERAL.—Notwithstanding any other provision of this section, if a participating State uses amounts from a State loan fund to provide financial assistance under subsection (c) in a low-income geographic area or to a low-income homeowner, the State may provide additional subsidization to the recipient of the assistance, including forgiveness of the principal of a loan.

(2) LIMITATION.—For each fiscal year, the total amount of additional subsidization provided by a participating State under paragraph (1) may not exceed 30 percent of the amount of the capitalization grant allocated to the State for that fiscal year.

(i) ADMINISTRATION OF FUND.—

(1) IN GENERAL.—A participating State may combine the financial administration of a State loan fund with the financial administration of any other revolving fund established by the State if—

(A) combining the administration of the funds would—

(i) be convenient and avoid administrative costs; and

(ii) not violate the law of the State; and

(B) the Administrator determines that—

(i) amounts obtained from a grant made under this section, amounts obtained from the repayment of a loan made from a State loan fund, and interest earned on amounts in a State loan fund will be—

(I) accounted for separately from amounts from other revolving funds; and

(II) used only for purposes authorized under this section; and

(ii) after consulting with the appropriate State agencies, the authority to establish assistance priorities and carry out oversight and related activities, other than financial administration, with respect to flood assistance

remains with the State agency with primary responsibility for floodplain management.

(2) ADMINISTRATIVE AND TECHNICAL COSTS.—

(A) IN GENERAL.—For each fiscal year, a participating State may use the amount described in subparagraph (B) to—

(i) pay the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs incurred in establishing a State loan fund;

(ii) provide appropriate oversight of projects authorized under this section; and

(iii) provide technical assistance and outreach to recipients in the State of amounts under this section, including with respect to updating hazard mitigation plans and participating in the Community Rating System, in an amount that is not more than 4 percent of the funds made available to the State under this section.

(B) DESCRIPTION.—The amount described in this subparagraph is an amount equal to the sum of—

(i) any fees collected by a participating State to recover the costs described in subparagraph (A)(i), regardless of the source; and

(ii) the greatest of—

(I) \$400,000;

(II) 0.2 percent of the value of the State loan fund of a State, as of the date on which the valuation is made; and

(III) an amount equal to 7 percent of all grant awards made to a participating State for the State loan fund of the State under this section for the fiscal year.

(3) AUDIT AND REPORT.—

(A) AUDIT REQUIREMENT.—Not less frequently than biennially, each participating State shall conduct an audit of the State loan fund of the State.

(B) REPORT.—Each participating State shall submit to the Administrator a biennial report regarding the activities of the State under this section during the period covered by the report, including—

(i) the result of any audit conducted by the State under subparagraph (A); and

(ii) a review of the effectiveness of the State loan fund of the State with respect to—

(I) the intended use plans of the State; and

(II) meeting the objectives described in subsection (b)(1).

(4) OVERSIGHT.—In conducting oversight with respect to State loan funds established under this section, the Administrator—

(A) shall—

(i) periodically audit the funds in accordance with procedures established by the Comptroller General of the United States; and

(ii) not less frequently than once every 4 years, review each State loan fund to determine the effectiveness of the fund in reducing flood risk; and

(B) may, at any time—

(i) make recommendations to a participating State with respect to the administration of the State loan fund of the State; or

(ii) require specific changes with respect to a State loan fund in order to improve the effectiveness of the fund.

(j) **LIABILITY PROTECTIONS.**—The Federal Government shall not be liable for any claim based upon the exercise or performance of, or the failure to exercise or perform, a discretionary function or duty on the part of the Federal agency, or an employee of the Federal Government, in carrying out the provision of this section.

(k) **REGULATIONS.**—The Administrator shall promulgate such guidance or regulations as may be necessary to carry out this section, including guidance or regulations that—

(1) ensure that each participating State to which funds are allocated under this section uses the funds as efficiently as possible;

(2) reduce, to the maximum extent practicable, waste, fraud, and abuse with respect to the implementation of this section; and

(3) require any party that receives funds directly or indirectly under this section, including a participating State and a recipient of amounts from a State loan fund, to use procedures with respect to the management of the funds that conform to generally accepted accounting standards.

(l) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2020 through 2024.

SEC. 1327. COMMUNITY ASSISTANCE PROGRAM FOR EFFECTIVE FLOODPLAIN MANAGEMENT.

(a) **IN GENERAL.**—The Administrator shall establish a community assistance program under this section to increase the capacity and capability of States, Indian tribes, and communities to effectively manage flood risk and participate in the national flood insurance program, including the community rating system program under section 1315(b), by providing financial and technical assistance to States, tribes and communities.

(b) **COMPONENTS.**—The community assistance program under this program shall include—

(1) making community assistance grants under subsection (c) to States;

(2) conducting periodic assessments, not less often than once every 5 years, of the technical assistance and training needs of States, Indian tribes, and communities;

(3) providing technical assistance and training to States, Indian tribes, and communities in accordance with the needs identified by such assessments;

(4) conducting periodic reviews of State, Indian tribe, and community floodplain management standards by the Administrator to promote continuous improvement in building and

maintaining effective State floodplain management programs (as such term is defined in subsection (d));

(5) conducting periodic estimates of the losses avoided nationally due to the adoption of qualifying floodplain management standards by States, Indian tribes and communities;

(6) in coordination with each State receiving a grant under subsection (c), developing and executing a strategy to—

(A) provide technical and financial assistance to communities, including small and rural communities, and Indian tribes within the State; and

(B) encourage greater participation in the community rating system program; and

(7) establishing goals for States participating in the program and incentives for exceeding such goals.

(c) COMMUNITY ASSISTANCE GRANTS TO STATES.—

(1) IN GENERAL.—Under the program under this section the Administrator may award grants to States, which shall be used only—

(A) to increase the capacity and capability of the State and communities and Indian tribes in the State to effectively manage flood risk and to fully participate in the national flood insurance program, including the community rating system program; and

(B) for activities related to implementation, administration, oversight, and enforcement of the national flood insurance program at the State and local and tribal levels.

(2) GUIDELINES.—The Administrator shall establish guidelines governing the use of grant funds under this subsection, including setting forth activities eligible to be funded with such amounts.

(3) ELIGIBILITY.—To be eligible to receive a grant under this subsection, a State shall—

(A) demonstrate, to the satisfaction of the Administrator, that the State has in effect qualifying State floodplain management standards for the State;

(B) agree to submit such reports, certifications, and information to the Administrator as the Administrator shall require, including those required under paragraph (5); and

(C) meet any additional eligibility requirements as the Administrator may require.

(4) APPLICATION; SELECTION CRITERIA.—The Administrator shall provide for States to submit applications for grants under this subsection, which shall include such information, assurances, and certifications as the Administrator may require, and may establish criteria for selection of qualifying applications to be selected for grants under this subsection.

(5) ONGOING REVIEW OF FLOODPLAIN MANAGEMENT STANDARDS.—Each State that is awarded funds under this section shall provide periodic reports, certifications, and information regarding the floodplain management standards of such State as the Administrator may require for the duration of the use of grant amounts.

(d) DEFINITIONS.—For purposes of this section:

(1) INDIAN TRIBE.—The term “Indian tribe” has the meaning given such term in section 4 of the Native American Housing

Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

(2) **QUALIFYING STATE FLOODPLAIN MANAGEMENT STANDARDS.**—The term “qualifying State floodplain management standards” means the floodplain management standards of a State that—

(A) are specifically authorized under State law and do not conflict with or inhibit the implementation of the National Flood Insurance Act of 1968;

(B) designate an entity responsible for coordinating the national flood insurance program in the State;

(C) identify State resources and programs to manage floodplains and reduce flood risk;

(D) address on a long-term basis—

(i) integration of floodplain management activities with other State functions and activities;

(ii) identification of flood hazards;

(iii) management of natural floodplain functions and resources;

(iv) elimination of adverse impacts of development on the floodplain;

(v) flood mitigation and recovery strategies for the State;

(vi) strategies for informing communities and citizens about flood risk and mitigation options; and

(vii) measures for evaluating the effectiveness of State floodplain management efforts;

(E) include a long-term plan that will facilitate the prioritization and provision of training and technical assistance to communities and Indian tribes in the State to increase local and tribal capacity and capability for floodplain management, including the capacity and capability to participate in the national flood insurance program and the community rating system program;

(F) provide for oversight, administration and enforcement of the national flood insurance program at the State and community levels; and

(G) meet such other requirements as the Administrator may establish.

(e) **FUNDING.**—

(1) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$20,000,000 for each of fiscal years 2019 through 2024 for the National Flood Insurance Fund for carrying out this section. Any amounts appropriated pursuant to this subsection shall remain available until expended.

(2) **SET-ASIDES.**—From any amounts made available for grants under this section, the Administrator may reserve such amount as the Administrator considers appropriate—

(A) for community assistance grants under subsection (c) to States; and

(B) for additional assistance only for States exceeding the goals established pursuant to subsection (b)(8).

SEC. 1328. ELEVATION CERTIFICATES.

Surveyed elevation data and other information relating to a building that is recorded on a National Flood Insurance Program

Elevation Certificate by an individual licensed to record that information shall continue to be in effect, and the Elevation Certificate shall not expire, until the date on which there is an alteration in the building.

CHAPTER II—ORGANIZATION AND ADMINISTRATION OF
THE FLOOD INSURANCE PROGRAM

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PART C—PROVISIONS OF GENERAL APPLICABILITY

SERVICES BY INSURANCE INDUSTRY

SEC. 1345. (a) In administering the flood insurance program under this chapter, the Administrator is authorized to enter into any contracts, agreements, or other appropriate arrangements which may, from time to time, be necessary for the purpose of utilizing, on such terms and conditions as may be agreed upon, the facilities and services of any insurance companies or other insurers, insurance agents and brokers, or insurance adjustment organizations; and such contracts, agreements, or arrangements may include provision for payment of applicable operating costs and allowances for such facilities and services as set forth in the schedules prescribed under section 1311.

(b) Any such contracts, agreements, or other arrangements may be entered into without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provisions of law requiring competitive bidding and without regard to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(c) The Administrator of the Federal Emergency Management Agency shall hold any agent or broker selling or undertaking to sell flood insurance under this title harmless from any judgment for damages against such agent or broker as a result of any court action by a policyholder or applicant arising out of an error or omission on the part of the Federal Emergency Management Agency, and shall provide any such agent or broker with indemnification, including court costs and reasonable attorney fees, arising out of and caused by an error or omission on the part of the Federal Emergency Management Agency and its contractors. The Administrator of the Federal Emergency Management Agency may not hold harmless or indemnify an agent or broker for his or her error or omission.

(d) FEMA AUTHORITY ON TRANSFER OF POLICIES.—Notwithstanding any other provision of this title, the Administrator may, at the discretion of the Administrator, refuse to accept the transfer of the administration of policies for coverage under the flood insurance program under this title that are written and administered by any insurance company or other insurer, or any insurance agent or broker.

[(e) RISK TRANSFER.—The Administrator] (e) *LEVERAGING RISK TRANSFER OPPORTUNITIES FOR A SOUND FINANCIAL FRAMEWORK.*—

(1) *AUTHORITY.*—*The Administrator* may secure reinsurance of coverage provided by the flood insurance program from the private reinsurance and capital markets at rates and on terms determined by the Administrator to be reasonable and appro-

appropriate, in an amount sufficient to maintain the ability of the program to pay claims.

(2) *LEVERAGING RISK TRANSFER OPPORTUNITIES.*—On an annual basis, the Administrator shall evaluate ceding a portion of the risk of the flood insurance program under this title to the private reinsurance or capital markets, or any combination thereof, if the Administrator determines—

(A) the rates and terms are reasonable and appropriate; and

(B) doing so would further the development and maintenance of a sound financial framework for the National Flood Insurance Program.

(f) *AUTHORITY TO TERMINATE WRITE YOUR OWN ARRANGEMENTS.*—The Administrator may cancel any Write Your Own (as such term is defined in section 100202(a) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4004)) arrangement in its entirety upon 30 days written notice to the Write Your Own company involved by certified mail stating one of the following reasons for such cancellation:

(1) Fraud or misrepresentation by the company after the inception of the arrangement.

(2) Nonpayment to the Administrator of any amount due.

(3) Material failure to comply with the requirements of the arrangement or with the written standards, procedures, or guidance issued by the Administrator relating to the National Flood Insurance Program and applicable to the company.

(g) *STANDARDIZED FEE AUTHORITY.*—The Administrator may establish and implement a standardized fee schedule for all engineering services provided in connection with flood insurance coverage provided under this title by means of a Write Your Own arrangement.

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SEC. 1349. ANNUAL INDEPENDENT ACTUARIAL STUDY.

The Administrator shall provide for an independent actuarial study of the National Flood Insurance Program to be conducted annually, which shall analyze the financial position of the Program. The Administrator shall submit a report annually to the Congress describing the results of such study and assessing the financial status of the Program. The report shall recommend adjustments to underwriting standards, program participation, or premiums, if necessary, to ensure that the Program remains financially sound. The report shall also include an evaluation of the quality control procedures and accuracy of information utilized in the process of underwriting National Flood Insurance Program policies. Such evaluation shall include a review of the risk characteristics of policies.

CHAPTER III—COORDINATION OF FLOOD INSURANCE WITH LAND-MANAGEMENT PROGRAMS IN FLOOD-PRONE AREAS

IDENTIFICATION OF FLOOD-PRONE AREAS

SEC. 1360. (a) The Administrator is authorized to consult with, receive information from, and enter into any agreements or other arrangements with the Secretaries of the Army, the Interior, Agriculture, and Commerce, the Tennessee Valley Authority, and the

heads of other Federal departments or agencies, on a reimbursement basis, or with the head of any State or local agency, or enter into contracts with any persons or private firms, in order that he may—

(1) identify and publish information with respect to all flood plain areas, including coastal areas located in the United States, which have special flood hazards, within five years following the date of the enactment of this Act, and

(2) establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each of these areas until the date specified in section 1319.

(b) The Administrator is directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of this section, in order to make known the degree of hazard within each such zone at the earliest possible date. To accomplish this objective, the Administrator is authorized, without regard to subsections (a) and (b) of section 3324 of title 31, United States Code, and section 3709 of the Revised Statutes (41 U.S.C. 5), to make grants, provide technical assistance, and enter into contracts, cooperative agreements, or other transactions, on such terms as he may deem appropriate, or consent to modifications thereof, and to make advance or progress payments in connection therewith.

(c) The Secretary of Defense (through the Army Corps of Engineers), the Secretary of the Interior (through the United States Geological Survey), the Secretary of Agriculture (through the Soil Conservation Service), the Secretary of Commerce (through the National Oceanic and Atmospheric Administration), the head of the Tennessee Valley Authority, and the heads of all other Federal agencies engaged in the identification or delineation of flood-risk zones within the several States shall, in consultation with the Administrator, give the highest practicable priority in the allocation of available manpower and other available resources to the identification and mapping of flood hazard areas and flood-risk zones, in order to assist the Administrator to meet the deadline established by this section.

(d) The Administrator shall, not later than September 30, 1984, submit to the Congress a plan for bringing all communities containing flood-risk zones into full program status by September 30, 1987.

(e) REVIEW OF FLOOD MAPS.—Once during each 5-year period (the 1st such period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994) or more often as the Administrator determines necessary, the Administrator shall assess the need to revise and update all floodplain areas and flood risk zones identified, delineated, or established under this section, based on an analysis of all natural hazards affecting flood risks.

(f) UPDATING FLOOD MAPS.—The Administrator shall revise and update any floodplain areas and flood-risk zones—

(1) upon the determination of the Administrator, according to the assessment under subsection (e), that revision and updating are necessary for the areas and zones; or

(2) upon the request from any State or local government stating that specific floodplain areas or flood-risk zones in the State or locality need revision or updating, if sufficient technical data justifying the request is submitted and the unit of government making the request agrees to provide funds in an amount determined by the Administrator.

Panels of the revised flood insurance rate maps for which no appeal has been submitted during the 90-day period referred to in subsection (b) shall be considered final.

(g) AVAILABILITY OF FLOOD MAPS.—To promote compliance with the requirements of this title, the Administrator shall make flood insurance rate maps and related information available free of charge to the Federal entities for lending regulation, Federal agency lenders, State agencies directly responsible for coordinating the national flood insurance program, and appropriate representatives of communities participating in the national flood insurance program, and at a reasonable cost to all other persons. Any receipts resulting from this subsection shall be deposited in the National Flood Insurance Fund, pursuant to section 1310(b)(6).

(h) NOTIFICATION OF FLOOD MAP CHANGES.—The Administrator shall cause notice to be published in the Federal Register (or shall provide notice by another comparable method) of any change to flood insurance map panels and any change to flood insurance map panels issued in the form of a letter of map amendment or a letter of map revision. Such notice shall be published or otherwise provided not later than 30 days after the map change or revision becomes effective. Notice by any method other than publication in the Federal Register shall include all pertinent information, provide for regular and frequent distribution, and be at least as accessible to map users as notice in the Federal Register. All notices under this subsection shall include information on how to obtain copies of the changes or revisions.

(i) COMPENDIA OF FLOOD MAP CHANGES.—Every 6 months, the Administrator shall publish separately in their entirety within a compendium, all changes and revisions to flood insurance map panels and all letters of map amendment and letters of map revision for which notice was published in the Federal Register or otherwise provided during the preceding 6 months. The Administrator shall make such compendia available, free of charge, to Federal entities for lending regulation, Federal agency lenders, and States and communities participating in the national flood insurance program pursuant to section 1310 and at cost to all other parties. Any receipts resulting from this subsection shall be deposited in the National Flood Insurance Fund, pursuant to section 1310(b)(6).

(j) PROVISION OF INFORMATION.—In the implementation of revisions to and updates of flood insurance rate maps, the Administrator shall share information, to the extent appropriate, with the Under Secretary of Commerce for Oceans and Atmosphere and representatives from State coastal zone management programs.

(k) APPEALS OF EXISTING MAPS.—

(1) RIGHT TO APPEAL.—*A State or local government, or the owner or lessee of real property, who has made a formal request to the Administrator to update a flood map that the Administrator has denied may at any time appeal such a denial as provided in this subsection.*

(2) *BASIS FOR APPEAL.*—*The basis for appeal under this subsection shall be the possession of knowledge or information that—*

(A) *the base flood elevation level or designation of any aspect of a flood map is scientifically or technically inaccurate; or*

(B) *factors exist that mitigate the risk of flooding, including ditches, banks, walls, vegetation, levees, lakes, dams, reservoirs, basin, retention ponds, and other natural or manmade topographical features.*

(3) *APPEALS PROCESS.*—

(A) *ADMINISTRATIVE ADJUDICATION.*—*An appeal under this subsection shall be determined by a final adjudication on the record, and after opportunity for an administrative hearing.*

(B) *RIGHTS UPON ADVERSE DECISION.*—*If an appeal pursuant to subparagraph (A) does not result in a decision in favor of the State, local government, owner, or lessee, such party may appeal the adverse decision to the Scientific Resolution Panel provided for in section 1363A, which shall recommend a non-binding decision to the Administrator.*

(4) *RELIEF.*—

(A) *WHOLLY SUCCESSFUL APPEALS.*—*In the case of a successful appeal resulting in a policyholder's property being removed from a special flood hazard area, such policyholder may cancel the policy at any time within the current policy year, and the Administrator shall provide such policyholder a refund in the amount of any premiums paid for such policy year, plus any premiums paid for flood insurance coverage that the policyholder was required to purchase or maintain during the 2-year period preceding such policy year.*

(B) *PARTIALLY SUCCESSFUL APPEALS.*—*In the case of any appeal in which mitigating factors were determined to have reduced, but not eliminated, the risk of flooding, the Administrator shall reduce the amount of flood insurance coverage required to be maintained for the property concerned by the ratio of the successful portion of the appeal as compared to the entire appeal. The Administrator shall refund to the policyholder any payments made in excess of the amount necessary for such new coverage amount, effective from the time when the mitigating factor was created or the beginning of the second policy year preceding the determination of the appeal, whichever occurred later.*

(C) *ADDITIONAL RELIEF.*—*The Administrator may provide additional refunds in excess of the amounts specified in subparagraphs (A) and (B) if the Administrator determines that such additional amounts are warranted.*

(5) *RECOVERY OF COSTS.*—*When, incident to any appeal which is successful in whole or part regarding the designation of the base flood elevation or any aspect of the flood map, including elevation or designation of a special flood hazard area, the community, or the owner or lessee of real property, as the case may be, incurs expense in connection with the appeal, including services provided by surveyors, engineers, and scientific*

experts, the Administrator shall reimburse such individual or community for reasonable expenses to an extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal, but not including legal services, in the effecting of an appeal based on a scientific or technical error on the part of the Federal Emergency Management Agency. No reimbursement shall be made by the Administrator in respect to any fee or expense payment, the payment of which was agreed to be contingent upon the result of the appeal. The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this paragraph.

(6) *GUIDANCE.*—The Administrator shall issue guidance to implement this subsection, which shall not be subject to the notice and comment requirements under section 553 of title 5, United States Code.

(l) *LEVEE-IMPACTED AREAS.*—

(1) *IN GENERAL.*—Subject to full implementation of subparagraphs (A)(iii) and (B) of section 100216(b)(1) of the Biggert-Waters Flood Insurance Reform Act of 2012 (42 U.S.C. 4101b(b)(1)) and notwithstanding any other provision of law, if a community applies to the Administrator for the remapping of a levee-impacted area in which the pertinent levee system fails to meet the minimum design, operation, and maintenance standards of the National Flood Insurance Program required for levee accreditation on a flood insurance rate map in accordance with the Levee Analysis Mapping Procedure initiated by the Administrator to replace the “without levees” approach to a Flood Insurance Study, the Administrator shall—

(A) establish flood risk zones for those levee-impacted areas on such maps, to be known as “AL-E zones”, that have an established elevation for community floodplain management; and

(B) make flood insurance available to properties located within those levee-impacted areas.

(2) *TRANSITION.*—During the period beginning on the date of enactment of this subsection and ending on the date on which the Administrator develops rates for the various AL-E zones, a structure located in a portion of a community that is located within a levee-impacted area described in paragraph (1) shall be eligible for rates associated with areas of moderate flood hazards.

CRITERIA FOR LAND MANAGEMENT AND USE

SEC. 1361. (a) The Administrator is authorized to carry out studies and investigations, utilizing to the maximum extent practicable the existing facilities and services of other Federal departments or agencies, and State and local governmental agencies, and any other organizations, with respect to the adequacy of State and local measures in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention, and may enter into any contracts, agreements or other appropriate arrangements to carry out such authority.

(b) Such studies and investigations shall include, but not be limited to, laws, regulations or ordinances relating to encroachments

and obstructions on stream channels and floodways, the orderly development and use of flood plains of rivers or streams, floodway encroachment lines, and flood plain zoning, building codes, building permits, and subdivision or other building restrictions.

(c) On the basis of such studies and investigations, and such other information as he deems necessary, the Administrator shall from time to time develop comprehensive criteria designed to encourage, where necessary, the adoption of adequate State and local measures which, to the maximum extent feasible, will—

- (1) construct the development of land which is exposed to flood damage where appropriate,
- (2) guide the development of proposed construction away from locations which are threatened by flood hazards,
- (3) assist in reducing damage caused by floods, and
- (4) otherwise improve the long-range land management and use of flood prone areas,

and he shall work closely with and provide any necessary technical assistance to State, interstate, and local governmental agencies, to encourage the application of such criteria and the adoption and enforcement of such measures.

(d) FLOOD MITIGATION METHODS FOR BUILDINGS.—The Administrator shall establish guidelines for property owners that—

- (1) provide alternative methods of mitigation, other than building elevation, to reduce flood risk to residential buildings that cannot be elevated due to their structural characteristics, including—
 - (A) types of building materials; [and]
 - (B) types of floodproofing; [and]
 - (C) *with respect to buildings in dense urban environments, methods that can be deployed on a block or neighborhood scale; and*
 - (D) *elevation of mechanical or other critical systems; and*
- (2) inform property owners about how the implementation of mitigation methods described in paragraph (1) may affect risk premium rates for flood insurance coverage under the National Flood Insurance Program.

(e) *MULTIPLE-LOSS PROPERTIES.*—*In making determinations regarding financial assistance under the authorities of this Act, the Administrator may consider the extent to which a community is working to remedy problems with addressing multiple-loss properties.*

* * * * *

APPEALS

SEC. 1363. (a) In establishing projected flood elevations and designating areas having special flood hazards for land use purposes with respect to any community pursuant to section 1361, the Administrator shall first propose such determinations and designations by publication for comment [in the Federal Register], by direct notification to the chief executive officer of the community, and by publication in a prominent local newspaper.

(b) The Administrator shall publish notification of flood elevation determinations and designations of areas having special flood hazards in a prominent local newspaper at least twice during the ten-

day period following notification to the local government. [During the ninety-day period following the second publication, any owner or lessee of real property within the community who believes his property rights to be adversely affected by the Administrator's proposed determination may appeal such determination to the local government.] *Any owner or lessee of real property within the community who believes the owner's or lessee's rights to be adversely affected by the Administrator's proposed determination may appeal such determination to the local government no later than 90 days after the date of the second publication.* The sole grounds for appeal shall be the possession of knowledge or information indicating that (1) the elevations being proposed by the Administrator with respect to an identified area having special flood hazards are scientifically or technically incorrect, or (2) the designation of an identified special flood hazard area is scientifically or technically incorrect.

(c) Appeals by private persons shall be made to the chief executive officer of the community, or to such agency as he shall publicly designate, and shall set forth the data that tend to negate or contradict the Administrator's finding in such form as the chief executive officer may specify. The community shall review and consolidate all such appeals and issue a written opinion stating whether the evidence presented is sufficient to justify an appeal on behalf of such persons by the community in its own name. Whether or not the community decides to appeal the Administrator's determination, copies of individual appeals shall be sent to the Administrator as they are received by the community, and the community's appeal or a copy of its decision not to appeal shall be filed with the Administrator not later than ninety days after the date of the second newspaper publication of the Administrator's notification.

(d) In the event the Administrator does not receive an appeal from the community within the ninety days provided he shall consolidate and review on their own merits, in accordance with the procedures set forth in [subsection (e)] *subsection (f)*, the appeals filed within the community by private persons and shall make such modifications of his proposed determinations as may be appropriate, taking into account the written opinion, if any, issued by the community in not supporting such appeals. The Administrator's decision shall be in written form, and copies thereof shall be sent both to the chief executive officer of the community and to each individual appellant.

(e) DETERMINATION BY ADMINISTRATOR IN THE ABSENCE OF APPEALS.—If the Administrator has not received any appeals, upon expiration of the 90-day appeal period established under subsection (b) of this section the Administrator's proposed determination shall become final. The community shall be given a reasonable time after the Administrator's final determination in which to adopt local land use and control measures consistent with the Administrator's determination.

[(e)] (f) Upon appeal by any community, as provided by this section, the Administrator shall review and take fully into account any technical or scientific data submitted by the community that tend to negate or contradict the information upon which his proposed determination is based. The Administrator shall resolve such appeal by consultation with officials of the local government involved, by administrative hearing, or by submission of the conflicting data

to the Scientific Resolution Panel provided for in section 1363A. Until the conflict in data is resolved, and the Administrator makes a final determination on the basis of his findings in the Federal Register, and so notifies the governing body of the community, flood insurance previously available within the community shall continue to be available, and no person shall be denied the right to purchase such insurance at chargeable rates. The Administrator shall make his determination within a reasonable time. The community shall be given a reasonable time after the Administrator's final determination in which to adopt local land use and control measures consistent with the Administrator's determination. The reports and other information used by the Administrator in making his final determination shall be made available for public inspection and shall be admissible in a court of law in the event the community seeks judicial review as provided by this section.

[(f)] (g) REIMBURSEMENT OF CERTAIN EXPENSES.—When, incidental to any appeal under subsection (b) or (c) of this section, the owner or lessee of real property or the community, as the case may be, or, in the case of an appeal that is resolved by submission of conflicting data to the Scientific Resolution Panel provided for in section 1363A, the community, incurs expense in connection with the services of surveyors, engineers, or similar services, but not including legal services, in the effecting of an appeal based on a scientific or technical error on the part of the Federal Emergency Management Agency, which is successful in whole or part, the Administrator shall reimburse such individual or community to an extent measured by the ratio of the successful portion of the appeal as compared to the entire appeal and applying such ratio to the reasonable value of all such services, but no reimbursement shall be made by the Administrator in respect to any fee or expense payment, the payment of which was agreed to be contingent upon the result of the appeal. The Administrator may use such amounts from the National Flood Insurance Fund established under section 1310 as may be necessary to carry out this subsection. The Administrator shall promulgate regulations to carry out this subsection.

[(g)] (h) Except as provided in section 1363A, any appellant aggrieved by any final determination of the Administrator upon administrative appeal, as provided by this section, may appeal such determination to the United States district court for the district within which the community is located not more than sixty days after receipt of notice of such determination. The scope of review by the court shall be as provided by chapter 7 of title 5, United States Code. During the pendency of any such litigation, all final determinations of the Administrator shall be effective for the purposes of this title unless stayed by the court for good cause shown.

* * * * *

MITIGATION ASSISTANCE

SEC. 1366. (a) AUTHORITY.—The Administrator shall carry out a program to provide financial assistance to States and communities, using amounts made available from the National Flood Mitigation Fund under section 1367, for planning and carrying out activities designed to reduce the risk of flood damage to structures covered

under contracts for flood insurance under this title. Such financial assistance shall be made available—

(1) to States and communities in the form of grants under this section for carrying out mitigation activities;

(2) to States and communities in the form of grants under this section for carrying out mitigation activities that reduce flood damage to severe [repetitive loss structures] *repetitive-loss properties*; and

(3) to property owners in the form of direct grants under this section for carrying out mitigation activities that reduce flood damage to individual structures for which 2 or more claim payments for losses have been made under flood insurance coverage under this title if the Administrator, after consultation with the State and community, determines that neither the State nor community in which such a structure is located has the capacity to manage such grants.

(b) ELIGIBILITY FOR MITIGATION ASSISTANCE.—To be eligible to receive financial assistance under this section for mitigation activities, a State or community shall develop, and have approved by the Administrator, a flood risk mitigation plan (in this section referred to as a “mitigation plan”), that describes the mitigation activities to be carried out with assistance provided under this section, is consistent with the criteria established by the Administrator under section 1361, provides for reduction of flood losses to structures for which contracts for flood insurance are available under this title, and may be included in a multihazard mitigation plan. The mitigation plan shall be consistent with a comprehensive strategy for mitigation activities for the area affected by the mitigation plan, that has been adopted by the State or community following a public hearing.

(c) ELIGIBLE MITIGATION ACTIVITIES.—

(1) REQUIREMENT OF CONSISTENCY WITH APPROVED MITIGATION PLAN.—Amounts provided under this section may be used only for mitigation activities that are consistent with mitigation plans that are approved by the Administrator and identified under paragraph (4). The Administrator shall provide assistance under this section to the extent amounts are available in the National Flood Mitigation Fund pursuant to appropriation Acts, subject only to the absence of approvable mitigation plans.

(2) REQUIREMENTS OF TECHNICAL FEASIBILITY, COST EFFECTIVENESS, AND INTEREST OF NATIONAL FLOOD INSURANCE FUND.—

(A) IN GENERAL.—The Administrator may approve only mitigation activities that the Administrator determines—

(i) are technically feasible and cost-effective; or

(ii) will eliminate future payments from the National Flood Insurance Fund for severe [repetitive loss structures] *multiple-loss properties* through an acquisition or relocation activity.

(B) CONSIDERATIONS.—In making a determination under subparagraph (A), the Administrator shall take into consideration recognized ancillary benefits.

(3) ELIGIBLE ACTIVITIES.—Eligible activities under a mitigation plan may include—

(A) demolition or relocation of any structure located on land that is along the shore of a lake or other body of water and is certified by an appropriate State or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or flooding;

(B) elevation, relocation, demolition, or floodproofing of structures (including public structures) located in areas having special flood hazards or other areas of flood risk;

(C) acquisition by States and communities of properties (including public properties) located in areas having special flood hazards or other areas of flood risk and properties substantially damaged by flood, for public use, as the Administrator determines is consistent with sound land management and use in such area;

(D) elevation, relocation, or floodproofing of utilities (including equipment that serves structures);

(E) minor physical mitigation efforts that do not duplicate the flood prevention activities of other Federal agencies and that lessen the frequency or severity of flooding and decrease predicted flood damages, which shall not include major flood control projects such as dikes, levees, seawalls, groins, and jetties unless the Administrator specifically determines in approving a mitigation plan that such activities are the most cost-effective mitigation activities for the National Flood Mitigation Fund;

(F) the development or update of mitigation plans by a State or community which meet the planning criteria established by the Administrator, except that the amount from grants under this section that may be used under this subparagraph may not exceed \$50,000 for any mitigation plan of a State or \$25,000 for any mitigation plan of a community;

(G) the provision of technical assistance by States to communities and individuals to conduct eligible mitigation activities;

(H) other activities that the Administrator considers appropriate and specifies in regulation;

(I) other mitigation activities not described in subparagraphs (A) through (G) or the regulations issued under subparagraph (H), that are described in the mitigation plan of a State or community; and

(J) without regard to the requirements under paragraphs (1) and (2) of subsection (d), and if the State applied for and was awarded at least \$1,000,000 in grants available under this section in the prior fiscal year, technical assistance to communities to identify eligible activities, to develop grant applications, and to implement grants awarded under this section, not to exceed \$50,000 to any 1 State in any fiscal year.

(4) ELIGIBILITY OF DEMOLITION AND REBUILDING OF PROPERTIES.—The Administrator shall consider as an eligible activity the demolition and rebuilding of properties to at least base flood elevation or greater, if required by the Administrator or if required by any State regulation or local ordinance, and in accordance with criteria established by the Administrator.

(d) **MATCHING REQUIREMENT.**—The Administrator may provide grants for eligible mitigation activities as follows:

(1) **SEVERE ~~REPETITIVE LOSS STRUCTURES~~ REPETITIVE-LOSS AND EXTREME REPETITIVE LOSS PROPERTIES.**—In the case of mitigation activities to severe ~~repetitive loss structures~~ *repetitive-loss properties or extreme repetitive-loss properties*, in an amount up to—

(A) 100 percent of all eligible costs, if the activities are approved under subsection (c)(2)(A)(i); or

(A) the expected savings to the National Flood Insurance Fund from expected avoided damages through acquisition or relocation activities, if the activities are approved under subsection (c)(2)(A)(ii).

(2) **~~REPETITIVE LOSS STRUCTURES~~ REPETITIVE-LOSS PROPERTIES.**—In the case of mitigation activities to ~~repetitive loss structures~~ *repetitive-loss properties*, in an amount up to 90 percent of all eligible costs.

(3) **OTHER MITIGATION ACTIVITIES.**—In the case of all other mitigation activities, in an amount up to 75 percent of all eligible costs

(e) **RECAPTURE.**—

(1) **NONCOMPLIANCE WITH PLAN.**—If the Administrator determines that a State or community that has received mitigation assistance under this section has not carried out the mitigation activities as set forth in the mitigation plan, the Administrator shall recapture any unexpended amounts and deposit the amounts in the National Flood Mitigation Fund under section 1367.

(2) **FAILURE TO PROVIDE MATCHING FUNDS.**—If the Administrator determines that a State or community that has received mitigation assistance under this section has not provided matching funds in the amount required under subsection (d), the Administrator shall recapture any unexpended amounts of mitigation assistance exceeding the amount of such matching funds actually provided and deposit the amounts in the National Flood Mitigation Fund under section 1367.

(f) **REPORTS.**—Not later than 1 year after the date of enactment of the Biggert-Waters Flood Insurance Reform Act of 2012 and biennially thereafter, the Administrator shall submit a report to the Congress describing the status of mitigation activities carried out with assistance provided under this section.

(g) **FAILURE TO MAKE GRANT AWARD WITHIN 5 YEARS.**—For any application for a grant under this section for which the Administrator fails to make a grant award within 5 years of the date of the application, the grant application shall be considered to be denied and any funding amounts allocated for such grant applications shall remain in the National Flood Mitigation Fund under section 1367 of this title and shall be made available for grants under this section.

(h) **DEFINITIONS.**—For purposes of this section, the following definitions shall apply:

(1) **COMMUNITY.**—The term “community” means—

(A) a political subdivision that—

(i) has zoning and building code jurisdiction over a particular area having special flood hazards; and

(ii) is participating in the national flood insurance program; or

(B) a political subdivision of a State, or other authority, that is designated by political subdivisions, all of which meet the requirements of subparagraph (A), to administer grants for mitigation activities for such political subdivisions.

[(2) REPETITIVE LOSS STRUCTURE.—The term “repetitive loss structure” has the meaning given such term in section 1370.

[(3) SEVERE REPETITIVE LOSS STRUCTURE.—The term “severe repetitive loss structure” means a structure that—

[(A) is covered under a contract for flood insurance made available under this title; and

[(B) has incurred flood-related damage—

[(i) for which 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or

[(ii) for which at least 2 separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the insured structure.]

* * * * *

CHAPTER IV—APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 1370. (a) As used in this title—

(1) the term “flood” shall have such meaning as may be prescribed in regulations of the Administrator, and may include inundation from rising waters or from the overflow of streams, rivers, or other bodies of water, or from tidal surges, abnormally high tidal water, tidal waves, tsunamis, hurricanes, or other severe storms or deluge;

(2) the terms “United States” (when used in a geographic sense) and “State” includes the several States, the District of Columbia, the territories and possessions, the Commonwealth of Puerto Rico, and the Trust Territory of the Pacific Islands;

(3) the terms “insurance company”, “other insurer” and “insurance agent or broker” include any organization or person that is authorized to engage in the business of insurance under the laws of any State, subject to the reporting requirements of the Securities Exchange Act of 1934 pursuant to section 13(a) or 15(d) of such Act (15 U.S.C. 78m(a) and 78o(d)), or authorized by the Administrator to assume reinsurance on risks insured by the flood insurance program;

(4) the term “insurance adjustment organization” includes any organizations and persons engaged in the business of adjusting loss claims arising under insurance policies issued by any insurance company or other insurer;

(5) the term “person” includes any individual or group of individuals, corporation, partnership, association, or any other

organized group of persons, including State and local governments and agencies thereof;

(6) the term “Administrator” means the Administrator of the Federal Emergency Management Agency;

[(7) the term “repetitive loss structure” means a structure covered by a contract for flood insurance that—

[(A) has incurred flood-related damage on 2 occasions, in which the cost of repair, on the average, equaled or exceeded 25 percent of the value of the structure at the time of each such flood event; and

[(B) at the time of the second incidence of flood-related damage, the contract for flood insurance contains increased cost of compliance coverage.]

(7) *MULTIPLE-LOSS PROPERTY.*—*The term “multiple-loss property” means any property that is a repetitive-loss property, a severe repetitive-loss property, or an extreme repetitive-loss property.*

(8) *REPETITIVE-LOSS PROPERTY.*—*The term “repetitive-loss property” means a structure that has incurred flood-related damage for which 2 or more separate claims payments of any amount in excess of the loss-deductible for damage to the covered structure have been made under flood insurance coverage under this title.*

(9) *SEVERE REPETITIVE-LOSS PROPERTY.*—*The term “severe repetitive-loss property” means a structure that has incurred flood-related damage for which—*

(A) 4 or more separate claims payments have been made under flood insurance coverage under this title, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or

(B) at least 2 separate claims payments have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding the value of the structure.

(10) *EXTREME REPETITIVE-LOSS PROPERTY.*—*The term “extreme repetitive-loss property” means a structure that has incurred flood-related damage for which at least 2 separate claims have been made under flood insurance coverage under this title, with the cumulative amount of such claims payments exceeding 150 percent of the maximum coverage amount available for the structure.*

[(8)] (11) the term “Federal agency lender” means a Federal agency that makes direct loans secured by improved real estate or a mobile home, to the extent such agency acts in such capacity;

[(9)] (12) the term “Federal entity for lending regulation” means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the National Credit Union Administration, and the Farm Credit Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision of the institution;

[(10)] (13) the term “improved real estate” means real estate upon which a building is located;

[(11)] (14) the term “lender” means a regulated lending institution or Federal agency lender;

[(12)] (15) the term “natural and beneficial floodplain functions” means—

(A) the functions associated with the natural or relatively undisturbed floodplain that (i) moderate flooding, retain flood waters, reduce erosion and sedimentation, and mitigate the effect of waves and storm surge from storms, and (ii) reduce flood related damage; and

(B) ancillary beneficial functions, including maintenance of water quality and recharge of ground water, that reduce flood related damage;

[(13)] (16) the term “regulated lending institution” means any bank, savings and loan association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

[(14)] (17) the term “servicer” means the person responsible for receiving any scheduled periodic payments from a borrower pursuant to the terms of a loan, including amounts for taxes, insurance premiums, and other charges with respect to the property securing the loan, and making the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the loan; and

[(15)] (18) the term “substantially damaged structure” means a structure covered by a contract for flood insurance that has incurred damage for which the cost of repair exceeds an amount specified in any regulation promulgated by the Administrator, or by a community ordinance, whichever is lower.

(b) The term “flood” shall also include inundation from mudslides which are proximately caused by accumulations of water on or under the ground; and all of the provisions of this title shall apply with respect to such mudslides in the same manner and to the same extent as with respect to floods described in subsection (a)(1), subject to and in accordance with such regulations, modifying the provisions of this title (including the provisions relating to land management and use) to the extent necessary to insure that they can be effectively so applied, as the Administrator may prescribe to achieve (with respect to such mudslides) the purposes of this title and the objectives of the program.

(c) The term “flood” shall also include the collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels, and all of the provisions of this title shall apply with respect to such collapse or subsidence in the same manner and to the same extent as with respect to floods described in subsection (a)(1), subject to and in accordance with such regulations, modifying the provisions of this title (including the provisions relating to land management and use) to the extent necessary to insure that they can be effectively so applied, as the Administrator may prescribe to achieve (with respect to such collapse

or subsidence) the purposes of this title and the objectives of the program.

* * * * *

FLOOD DISASTER PROTECTION ACT OF 1973

* * * * *

TITLE I—EXPANSION OF NATIONAL FLOOD INSURANCE PROGRAM

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FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS

SEC. 102. (a) After the expiration of sixty days following the date of enactment of this Act, no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes for use in any area that has been identified by the Administrator as an area having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property to which such financial assistance relates is covered by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less: *Provided*, That if the financial assistance provided is in the form of a loan or an insurance or guaranty of a loan, the amount of flood insurance required need not exceed the outstanding principal balance of the loan and need not be required beyond the term of the loan. The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property.

(b) REQUIREMENT FOR MORTGAGE LOANS.—

(1) REGULATED LENDING INSTITUTIONS.—Each Federal entity for lending regulation (after consultation and coordination with the Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974) shall by regulation direct regulated lending institutions—

(A) not to make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in an amount at least equal to the outstanding principal balance of the loan or the maximum limit of coverage made available under the Act with respect to the particular type of property, whichever is less; and

(B) to accept private flood insurance as satisfaction of the flood insurance coverage requirement under subparagraph (A) if the coverage provided by such private flood insurance meets the requirements for coverage under such subparagraph.

(2) FEDERAL AGENCY LENDERS.—A Federal agency lender may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Administrator as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1)(A). Each Federal agency lender shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under the preceding sentence if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such sentence. Each Federal agency lender shall issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraph (1)(A).

(3) GOVERNMENT-SPONSORED ENTERPRISES FOR HOUSING.—The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall implement procedures reasonably designed to ensure that, for any loan that is—

(A) secured by improved real estate or a mobile home located in an area that has been identified, at the time of the origination of the loan or at any time during the term of the loan, by the Administrator as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, and

(B) purchased by such entity,
the building or mobile home and any personal property securing the loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1)(A). The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall accept private flood insurance as satisfaction of the flood insurance coverage requirement under paragraph (1)(A) if the flood insurance coverage provided by such private flood insurance meets the requirements for coverage under such paragraph and any requirements established by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, respectively, relating to the financial solvency, strength, or claims-paying ability of private insurance companies from which the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation will accept private flood insurance.

(4) APPLICABILITY.—

(A) EXISTING COVERAGE.—Except as provided in subparagraph (B), paragraph (1) shall apply on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994.

(B) NEW COVERAGE.—Paragraphs (2) and (3) shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994. Paragraph (1) shall apply with respect to any loan made, increased, extended, or renewed by any lender supervised by the Farm Credit Administration only after the expiration of the period under this subparagraph.

(C) CONTINUED EFFECT OF REGULATIONS.—Notwithstanding any other provision of this subsection, the regulations to carry out paragraph (1), as in effect immediately before the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994, shall continue to apply until the regulations issued to carry out paragraph (1) as amended by section 522(a) of such Act take effect.

(5) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to supersede or limit the authority of a Federal entity for lending regulation, the Federal Housing Finance Agency, a Federal agency lender, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation to establish requirements relating to the financial solvency, strength, or claims-paying ability of private insurance companies from which the entity or agency will accept private flood insurance.

(6) NOTICE.—

(A) IN GENERAL.—Each lender shall disclose to a borrower that is subject to this subsection that—

(i) flood insurance is available from private insurance companies that issue standard flood insurance policies on behalf of the national flood insurance program or directly from the national flood insurance program;

(ii) flood insurance that provides the same level of coverage as a standard flood insurance policy under the national flood insurance program may be available from a private insurance company that issues policies on behalf of the company; and

(iii) the borrower is encouraged to compare the flood insurance coverage, deductibles, exclusions, conditions and premiums associated with flood insurance policies issued on behalf of the national flood insurance program and policies issued on behalf of private insurance companies and to direct inquiries regarding the availability, cost, and comparisons of flood insurance coverage to an insurance agent.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as affecting or otherwise limiting the authority of a Federal entity for lending regulation to approve any disclosure made by a regulated lending institution for purposes of complying with subparagraph (A).

(7) PRIVATE FLOOD INSURANCE DEFINED.—In this subsection, the term “private flood insurance” means an insurance policy that—

- (A) is issued by an insurance company that is—
- (i) licensed, admitted, or otherwise approved to engage in the business of insurance in the State or jurisdiction in which the insured building is located, by the insurance regulator of that State or jurisdiction; or
 - (ii) in the case of a policy of difference in conditions, multiple peril, all risk, or other blanket coverage insuring nonresidential commercial property, is recognized, or not disapproved, as a surplus lines insurer by the insurance regulator of the State or jurisdiction where the property to be insured is located;
- (B) provides flood insurance coverage which is at least as broad as the coverage provided under a standard flood insurance policy under the national flood insurance program, including when considering deductibles, exclusions, and conditions offered by the insurer;
- (C) includes—
- (i) a requirement for the insurer to give 45 days' written notice of cancellation or non-renewal of flood insurance coverage to—
 - (I) the insured; and
 - (II) the regulated lending institution or Federal agency lender;
 - (ii) information about the availability of flood insurance coverage under the national flood insurance program;
 - (iii) a mortgage interest clause similar to the clause contained in a standard flood insurance policy under the national flood insurance program; and
 - (iv) a provision requiring an insured to file suit not later than 1 year after date of a written denial of all or part of a claim under the policy; and
- (D) contains cancellation provisions that are as restrictive as the provisions contained in a standard flood insurance policy under the national flood insurance program.
- (c) EXCEPTIONS TO PURCHASE REQUIREMENTS.—
- (1) STATE-OWNED PROPERTY.—Notwithstanding the other provisions of this section, flood insurance shall not be required on any State-owned property that is covered under an adequate State policy of self-insurance satisfactory to the Administrator. The Administrator shall publish and periodically revise the list of States to which this subsection applies.
 - (2) SMALL LOANS.—Notwithstanding any other provision of this section, subsections (a) and (b) shall not apply to any loan having—
 - (A) an original outstanding principal balance of **[\$5,000]** \$25,000 or less; and
 - (B) a repayment term of 1 year or less.
 - (3) DETACHED STRUCTURES.—Notwithstanding any other provision of this section, flood insurance shall not be required, in the case of any residential property, for any structure that is a part of such property but is detached from the primary residential structure of such property and does not serve as a residence.
- (d) ESCROW OF FLOOD INSURANCE PAYMENTS.—

(1) REGULATED LENDING INSTITUTIONS.—

(A) FEDERAL ENTITIES RESPONSIBLE FOR LENDING REGULATIONS.—Each Federal entity for lending regulation (after consultation and coordination with the Federal Financial Institutions Examination Council) shall, by regulation, direct that all premiums and fees for flood insurance under the National Flood Insurance Act of 1968, for residential improved real estate or a mobile home, shall be paid to the regulated lending institution or servicer for any loan secured by the residential improved real estate or mobile home, with the same frequency as payments on the loan are made, for the duration of the loan. Except as provided in subparagraph (B), upon receipt of any premiums or fees, the regulated lending institution or servicer shall deposit such premiums and fees in an escrow account on behalf of the borrower. Upon receipt of a notice from the Administrator or the provider of the flood insurance that insurance premiums are due, the premiums deposited in the escrow account shall be paid to the provider of the flood insurance.

(B) LIMITATION.—Except as may be required under applicable State law, a Federal entity for lending regulation may not direct or require a regulated lending institution to deposit premiums or fees for flood insurance under the National Flood Insurance Act of 1968 in an escrow account on behalf of a borrower under subparagraph (A)—

(i) if—

(I) the regulated lending institution has total assets of less than \$1,000,000,000; and

(II) on or before the date of enactment of the Biggert-Waters Flood Insurance Reform Act of 2012, the regulated lending institution—

(aa) in the case of a loan secured by residential improved real estate or a mobile home, was not required under Federal or State law to deposit taxes, insurance premiums, fees, or any other charges in an escrow account for the entire term of the loan; and

(bb) did not have a policy of consistently and uniformly requiring the deposit of taxes, insurance premiums, fees, or any other charges in an escrow account for loans secured by residential improved real estate or a mobile home; or

(ii) in the case of a loan that—

(I) is in a junior or subordinate position to a senior lien secured by the same residential improved real estate or mobile home for which flood insurance is being provided at the time of the origination of the loan;

(II) is secured by residential improved real estate or a mobile home that is part of a condominium, cooperative, or other project development,

if the residential improved real estate or mobile home is covered by a flood insurance policy that—

(aa) meets the requirements that the regulated lending institution is required to enforce under subsection (b)(1);

(bb) is provided by the condominium association, cooperative, homeowners association, or other applicable group; and

(cc) the premium for which is paid by the condominium association, cooperative, homeowners association, or other applicable group as a common expense;

(III) is secured by residential improved real estate or a mobile home that is used as collateral for a business purpose;

(IV) is a home equity line of credit;

(V) is a nonperforming loan; or

(VI) has a term of not longer than 12 months.

(2) FEDERAL AGENCY LENDERS.—Each Federal agency lender shall by regulation require and provide for escrow and payment of any flood insurance premiums and fees relating to residential improved real estate and mobile homes securing loans made by the Federal agency lender under the circumstances and in the manner provided under paragraph (1). Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

(3) APPLICABILITY OF RESPA.—Escrow accounts established pursuant to this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.

(4) DEFINITION.—For purposes of this subsection, the term “residential improved real estate” means improved real estate for which the improvement is a residential building.

(5) APPLICABILITY.—This subsection shall apply only with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994.

(e) PLACEMENT OF FLOOD INSURANCE BY LENDER.—

(1) NOTIFICATION TO BORROWER OF LACK OF COVERAGE.—If, at the time of origination or at any time during the term of a loan secured by improved real estate or by a mobile home located in an area that has been identified by the Administrator (at the time of the origination of the loan or at any time during the term of the loan) as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968, the lender or servicer for the loan determines that the building or mobile home and any personal property securing the loan is not covered by flood insurance or is covered by such insurance in an amount less than the amount required for the property pursuant to paragraph (1), (2), or (3) of subsection (b), the lender or servicer shall notify the borrower under the loan that the borrower should obtain, at the borrower’s expense, an amount of flood insurance for the

building or mobile home and such personal property that is not less than the amount under subsection (b)(1), for the term of the loan.

(2) PURCHASE OF COVERAGE ON BEHALF OF BORROWER.—If the borrower fails to purchase such flood insurance within 45 days after notification under paragraph (1), the lender or servicer for the loan shall purchase the insurance on behalf of the borrower and may charge the borrower for the cost of premiums and fees incurred by the lender or servicer for the loan in purchasing the insurance, including premiums or fees incurred for coverage beginning on the date on which flood insurance coverage lapsed or did not provide a sufficient coverage amount.

(3) TERMINATION OF FORCE-PLACED INSURANCE.—Within 30 days of receipt by the lender or servicer of a confirmation of a borrower's existing flood insurance coverage, the lender or servicer shall—

(A) terminate any insurance purchased by the lender or servicer under paragraph (2); and

(B) refund to the borrower all premiums paid by the borrower for any insurance purchased by the lender or servicer under paragraph (2) during any period during which the borrower's flood insurance coverage and the insurance coverage purchased by the lender or servicer were each in effect, and any related fees charged to the borrower with respect to the insurance purchased by the lender or servicer during such period.

(4) SUFFICIENCY OF DEMONSTRATION.—For purposes of confirming a borrower's existing flood insurance coverage, a lender or servicer for a loan shall accept from the borrower an insurance policy declarations page that includes the existing flood insurance policy number and the identity of, and contact information for, the insurance company or agent.

(5) REVIEW OF DETERMINATION REGARDING REQUIRED PURCHASE.—

(A) IN GENERAL.—The borrower and lender for a loan secured by improved real estate or a mobile home may jointly request the Administrator to review a determination of whether the building or mobile home is located in an area having special flood hazards. Such request shall be supported by technical information relating to the improved real estate or mobile home. Not later than 45 days after the Administrator receives the request, the Administrator shall review the determination and provide to the borrower and the lender with a letter stating whether or not the building or mobile home is in an area having special flood hazards. The determination of the Administrator shall be final.

(B) EFFECT OF DETERMINATION.—Any person to whom a borrower provides a letter issued by the Administrator pursuant to subparagraph (A), stating that the building or mobile home securing the loan of the borrower is not in an area having special flood hazards, shall have no obligation under this title to require the purchase of flood insurance for such building or mobile home during the period deter-

mined by the Administrator which shall be specified in the letter and shall begin on the date on which such letter is provided.

(C) EFFECT OF FAILURE TO RESPOND.—If a request under subparagraph (A) is made in connection with the origination of a loan and the Administrator fails to provide a letter under subparagraph (A) before the later of (i) the expiration of the 45-day period under such subparagraph, or (ii) the closing of the loan, no person shall have an obligation under this title to require the purchase of flood insurance for the building or mobile home securing the loan until such letter is provided.

(6) APPLICABILITY.—This subsection shall apply to all loans outstanding on or after the date of enactment of the Riegle Community Development and Regulatory Improvement Act of 1994.

(f) CIVIL MONETARY PENALTIES FOR FAILURE TO REQUIRE FLOOD INSURANCE OR NOTIFY.—

(1) CIVIL MONETARY PENALTIES AGAINST REGULATED LENDERS.—Any regulated lending institution that is found to have a pattern or practice of committing violations under paragraph (2) shall be assessed a civil penalty by the appropriate Federal entity for lending regulation in the amount provided under paragraph (5).

(2) LENDER VIOLATIONS.—The violations referred to in paragraph (1) shall include—

(A) making, increasing, extending, or renewing loans in violation of—

(i) the regulations issued pursuant to subsection (b) of this section;

(ii) the escrow requirements under subsection (d) of this section; or

(iii) the notice requirements under section 1364 of the National Flood Insurance Act of 1968; or

(B) failure to provide notice or purchase flood insurance coverage in violation of subsection (e) of this section.

(3) CIVIL MONETARY PENALTIES AGAINST GSE'S.—

(A) IN GENERAL.—If the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation is found by the Director of the Federal Housing Finance Agency to have a pattern or practice of purchasing loans in violation of the procedures established pursuant to subsection (b)(3), the Director of such Office shall assess a civil penalty against such enterprise in the amount provided under paragraph (5) of this subsection.

(B) DEFINITION.—For purposes of this subsection, the term “enterprise” means the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

(4) NOTICE AND HEARING.—A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

(5) AMOUNT.—A civil monetary penalty under this subsection may not exceed \$2,000 for each violation under paragraph (2) or paragraph (3).

(6) LENDER COMPLIANCE.—Notwithstanding any State or local law, for purposes of this subsection, any regulated lending institution that purchases flood insurance or renews a contract for flood insurance on behalf of or as an agent of a borrower of a loan for which flood insurance is required shall be considered to have complied with the regulations issued under subsection (b).

(7) EFFECT OF TRANSFER ON LIABILITY.—Any sale or other transfer of a loan by a regulated lending institution that has committed a violation under paragraph (1), that occurs subsequent to the violation, shall not affect the liability of the transferring lender with respect to any penalty under this subsection. A lender shall not be liable for any violations relating to a loan committed by another regulated lending institution that previously held the loan.

(8) DEPOSIT OF PENALTIES.—Any penalties collected under this subsection shall be paid into the National Flood Mitigation Fund under section 1367 of the National Flood Insurance Act of 1968.

(9) ADDITIONAL PENALTIES.—Any penalty under this subsection shall be in addition to any civil remedy or criminal penalty otherwise available.

(10) STATUTE OF LIMITATIONS.—No penalty may be imposed under this subsection after the expiration of the 4-year period beginning on the date of the occurrence of the violation for which the penalty is authorized under this subsection.

(g) OTHER ACTIONS TO REMEDY PATTERN OF NONCOMPLIANCE.—

(1) AUTHORITY OF FEDERAL ENTITIES FOR LENDING REGULATION.—A Federal entity for lending regulation may require a regulated lending institution to take such remedial actions as are necessary to ensure that the regulated lending institution complies with the requirements of the national flood insurance program if the Federal agency for lending regulation makes a determination under paragraph (2) regarding the regulated lending institution.

(2) DETERMINATION OF VIOLATIONS.—A determination under this paragraph shall be a finding that—

(A) the regulated lending institution has engaged in a pattern and practice of noncompliance in violation of the regulations issued pursuant to subsection (b), (d), or (e) or the notice requirements under section 1364 of the National Flood Insurance Act of 1968; and

(B) the regulated lending institution has not demonstrated measurable improvement in compliance despite the assessment of civil monetary penalties under subsection (f).

(h) FEE FOR DETERMINING LOCATION.—Notwithstanding any other Federal or State law, any person who makes a loan secured by improved real estate or a mobile home or any servicer for such a loan may charge a reasonable fee for the costs of determining whether the building or mobile home securing the loan is located in an area having special flood hazards, but only in accordance with the following requirements:

(1) BORROWER FEE.—The borrower under such a loan may be charged the fee, but only if the determination—

(A) is made pursuant to the making, increasing, extending, or renewing of the loan that is initiated by the borrower;

(B) is made pursuant to a revision or updating under section 1360(f) of the floodplain areas and flood-risk zones or publication of a notice or compendia under subsection (h) or (i) of section 1360 that affects the area in which the improved real estate or mobile home securing the loan is located or that, in the determination of the Administrator, may reasonably be considered to require a determination under this subsection; or

(C) results in the purchase of flood insurance coverage pursuant to the requirement under subsection (e)(2).

(2) PURCHASER OR TRANSFEREE FEE.—The purchaser or transferee of such a loan may be charged the fee in the case of sale or transfer of the loan.

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BIGGERT-WATERS FLOOD INSURANCE REFORM ACT OF 2012

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DIVISION F—MISCELLANEOUS

* * * * *

TITLE II—FLOOD INSURANCE

Subtitle A—Flood Insurance Reform and Modernization

* * * * *

SEC. 100215. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a council to be known as the Technical Mapping Advisory Council (in this section referred to as the “Council”).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of—

(A) *the Director of the United States Geological Survey;*

[(A)] (B) the Administrator (or the designee thereof);

[(B)] (C) the Secretary of the Interior (or the designee thereof);

[(C)] (D) the Secretary of Agriculture (or the designee thereof);

[(D)] (E) the Under Secretary of Commerce for Oceans and Atmosphere (or the designee thereof); and

[(E) 16] (F) 17 additional members appointed by the Administrator or the designee of the Administrator, who shall be—

(i) a member of a recognized professional surveying association or organization;

(ii) a member of a recognized professional mapping association or organization;

(iii) a member of a recognized professional engineering association or organization;

(iv) a member of a recognized professional association or organization representing flood hazard determination firms;

(v) a representative of the United States Geological Survey;

(vi) a representative of a recognized professional association or organization representing State geographic information;

(vii) a representative of State national flood insurance coordination offices;

(viii) a representative of the Corps of Engineers;

(ix) a member of a recognized regional flood and storm water management organization;

(x) 2 representatives of different State government agencies that have entered into cooperating technical partnerships with the Administrator and have demonstrated the capability to produce flood insurance rate maps;

(xi) 2 representatives of different local government agencies that have entered into cooperating technical partnerships with the Administrator and have demonstrated the capability to produce flood insurance maps;

(xii) a member of a recognized floodplain management association or organization;

(xiii) a member of a recognized risk management association or organization; **[and]**

(xiv) a State mitigation officer**[.]**; *and*

(xv) *a member of a recognized professional real estate brokerage association.*

(2) **QUALIFICATIONS.**—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps. In appointing members under paragraph (1)(E), the Administrator shall, to the maximum extent practicable, ensure that the membership of the Council has a balance of Federal, State, local, tribal, and private members, and includes geographic diversity, including representation from areas with coastline on the Gulf of Mexico and other States containing areas identified by the Administrator as at high risk for flooding or as areas having special flood hazards.

(c) **DUTIES.**—The Council shall—

(1) recommend to the Administrator how to improve in a cost-effective manner the—

(A) accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps and risk data; and

- (B) performance metrics and milestones required to effectively and efficiently map flood risk areas in the United States;
 - (2) recommend to the Administrator mapping standards and guidelines for—
 - (A) flood insurance rate maps; and
 - (B) data accuracy, data quality, data currency, and data eligibility;
 - (3) recommend to the Administrator how to maintain, on an ongoing basis, flood insurance rate maps and flood risk identification;
 - (4) recommend procedures for delegating mapping activities to State and local mapping partners;
 - (5) recommend to the Administrator and other Federal agencies participating in the Council—
 - (A) methods for improving interagency and intergovernmental coordination on flood mapping and flood risk determination; and
 - (B) a funding strategy to leverage and coordinate budgets and expenditures across Federal agencies; and
 - (6) submit an annual report to the Administrator that contains—
 - (A) a description of the activities of the Council;
 - (B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as required under section 100216; and
 - (C) a summary of recommendations made by the Council to the Administrator.
- (d) FUTURE CONDITIONS RISK ASSESSMENT AND MODELING REPORT.—
- (1) IN GENERAL.—The Council shall consult with scientists and technical experts, other Federal agencies, States, and local communities to—
 - (A) develop recommendations on how to—
 - (i) ensure that flood insurance rate maps incorporate the best available climate science to assess flood risks; and
 - (ii) ensure that the Federal Emergency Management Agency uses the best available methodology to consider the impact of—
 - (I) the rise in the sea level; and
 - (II) future development on flood risk; and
 - (B) not later than 1 year after the date of enactment of this Act, prepare written recommendations in a future conditions risk assessment and modeling report and to submit such recommendations to the Administrator.
 - (2) RESPONSIBILITY OF THE ADMINISTRATOR.—The Administrator, as part of the ongoing program to review and update National Flood Insurance Program rate maps under section 100216, shall incorporate any future risk assessment submitted under paragraph (1)(B) in any such revision or update.
- (e) CHAIRPERSON.—The members of the Council shall elect 1 member to serve as the chairperson of the Council (in this section referred to as the “Chairperson”).

(f) **COORDINATION.**—To ensure that the Council's recommendations are consistent, to the maximum extent practicable, with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to Office of Management and Budget Circular A-16).

(g) **COMPENSATION.**—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(h) **MEETINGS AND ACTIONS.**—

(1) **IN GENERAL.**—The Council shall meet not less frequently than twice each year at the request of the Chairperson or a majority of its members, and may take action by a vote of the majority of the members.

(2) **INITIAL MEETING.**—The Administrator, or a person designated by the Administrator, shall request and coordinate the initial meeting of the Council.

(i) **OFFICERS.**—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(j) **STAFF.**—

(1) **STAFF OF FEMA.**—Upon the request of the Chairperson, the Administrator may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(2) **STAFF OF OTHER FEDERAL AGENCIES.**—Upon request of the Chairperson, any other Federal agency that is a member of the Council may detail, on a nonreimbursable basis, personnel to assist the Council in carrying out its duties.

(k) **POWERS.**—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research, as it considers appropriate.

(l) **REPORT TO CONGRESS.**—The Administrator, on an annual basis, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Office of Management and Budget on the—

(1) recommendations made by the Council;

(2) actions taken by the Federal Emergency Management Agency to address such recommendations to improve flood insurance rate maps and flood risk data; and

(3) any recommendations made by the Council that have been deferred or not acted upon, together with an explanatory statement.

SEC. 100216. NATIONAL FLOOD MAPPING PROGRAM.

(a) **REVIEWING, UPDATING, AND MAINTAINING MAPS.**—The Administrator, in coordination with the Technical Mapping Advisory Council established under section 100215, shall establish an ongoing program under which the Administrator shall review, update, and maintain National Flood Insurance Program rate maps in accordance with this section.

(b) **MAPPING.**—

(1) **IN GENERAL.**—In carrying out the program established under subsection (a), the Administrator shall—

(A) identify, review, update, maintain, and publish National Flood Insurance Program rate maps with respect to—

(i) all populated areas and areas of possible population growth located within the 100-year floodplain;

(ii) all populated areas and areas of possible population growth located within the 500-year floodplain;

(iii) areas of residual risk, including areas that are protected by levees, dams, and other flood control structures;

(iv) areas that could be inundated as a result of the failure of a levee, dam, or other flood control structure;

(v) areas that are protected by non-structural flood mitigation features; **[and]**

(vi) all areas of the United States; and

[(vi)] *(vii) the level of protection provided by flood control structures and by non-structural flood mitigation features;*

(B) *as soon as practicable—*

(i) modernize the flood mapping inventory for communities for which the National Flood Insurance Program rate maps have not been modernized; and

(ii) in coordination with communities, utilize the digital display environment established under subsection (f)(1)(A) to produce, store, and disseminate any flood hazard data, models, and maps generated under clause (i) while ensuring that the flood mapping inventory described in that clause may be printed in order to carry out—

(I) floodplain management programs under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.); and

(II) other purposes of the National Flood Insurance Program;

[(B)] **(C)** *establish or update flood-risk zone data in all such areas, and make estimates with respect to the rates of probable flood caused loss for the various flood risk zones for each such area; **[and]***

[(C)] **(D)** *use, in identifying, reviewing, updating, maintaining, or publishing any National Flood Insurance Program rate map required under this section or under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.), the most accurate topography **[and]** elevation data available~~[],~~ and including the most current and most appropriate remote sensing or other geospatial mapping technology;*

(E) *when appropriate, partner with other Federal agencies, States, communities, and private entities in order to meet the objectives of the program; and*

(F) *when appropriate, consult and coordinate with the Secretary of Defense, the Director of the United States Geological Survey, and the Administrator of the National Oceanic and Atmospheric Administration to obtain the most up-to-date maps and other information of those agencies, including information relating to topography, water flow, watershed characteristics, and any other issues that are relevant to identifying, reviewing, updating, maintaining, and publishing National Flood Insurance Program rate maps.*

(2) MAPPING ELEMENTS.—Each map updated under this section shall—

(A) assess the accuracy of current ground elevation data used for hydrologic and hydraulic modeling of flooding sources and mapping of the flood hazard and wherever necessary acquire new ground elevation data utilizing the most up-to-date geospatial technologies in accordance with guidelines and specifications of the Federal Emergency Management Agency; and

(B) develop National Flood Insurance Program flood data on a watershed basis—

(i) to provide the most technically effective and efficient studies and hydrologic and hydraulic modeling; and

(ii) to eliminate, to the maximum extent possible, discrepancies in base flood elevations between adjacent political subdivisions.

(3) OTHER INCLUSIONS.—In updating maps under this section, the Administrator shall include—

(A) any relevant information on coastal inundation from—

(i) an applicable inundation map of the Corps of Engineers; and

(ii) data of the National Oceanic and Atmospheric Administration relating to storm surge modeling;

(B) any relevant information of the United States Geological Survey on stream flows, watershed characteristics, and topography that is useful in the identification of flood hazard areas, as determined by the Administrator;

(C) any relevant information on land subsidence, coastal erosion areas, changing lake levels, and other flood-related hazards;

(D) any relevant information or data of the National Oceanic and Atmospheric Administration and the United States Geological Survey relating to the best available science regarding future changes in sea levels, precipitation, and intensity of hurricanes; **[and]**

(E) any other relevant information as may be recommended by the Technical Mapping Advisory Committee**【.】**; and

(F) *cadastral features, including, for each cadastral feature—*

(i) the associated parcel identification data for such cadastral feature; and

(ii) to the maximum extent practicable, using public and private sector address data, the address of such cadastral feature.

(c) STANDARDS.—In updating and maintaining maps under this section, the Administrator shall—

(1) establish standards to—

(A) ensure that maps are adequate for—

(i) flood risk determinations; and

(ii) use by State and local governments in managing development to reduce the risk of flooding; and

(B) facilitate identification and use of consistent methods of data collection and analysis by the Administrator, in conjunction with State and local governments, in developing maps for communities with similar flood risks, as determined by the Administrator; and

(2) publish maps in a format that is—

(A) digital geospatial data compliant;

(B) compliant with the open publishing and data exchange standards established by the Open Geospatial Consortium; **[and]**

(C) aligned with official data defined by the National Geodetic Survey~~...~~; *and*

(D) *spatially accurate in accordance with the common protocols for geospatial data under section 757 of the Geospatial Data Act of 2018 (43 U.S.C. 2806).*

(d) COMMUNICATION AND OUTREACH.—

(1) IN GENERAL.—The Administrator shall—

(A) before commencement of any mapping or map updating process, notify each community affected of the model or models that the Administrator plans to use in such process and provide an explanation of why such model or models are appropriate;

(B) provide each community affected a *maximum* 30-day period beginning upon notification under subparagraph (A) to consult with the Administrator regarding the appropriateness, with respect to such community, of the mapping model or models to be used; provided that consultation by a community pursuant to this subparagraph shall not waive or otherwise affect any right of the community to appeal any flood hazard determinations;

(C) upon completion of the first Independent Data Submission, transmit a copy of such Submission to the affected community, provide the affected community a *maximum* 30-day period during which the community may provide data to Administrator that can be used to supplement or modify the existing data, and incorporate any data that is consistent with prevailing engineering principles;

(D) work with States, local communities, and property owners to identify areas and features described in subsection (b)(1)(A)(v);

(E) work to enhance communication and outreach to States, local communities, and property owners about the effects—

(i) of any potential changes to National Flood Insurance Program rate maps that may result from the mapping program required under this section; and

(ii) that any such changes may have on flood insurance purchase requirements;

(F) engage with local communities to enhance communication and outreach to the residents of such communities, including tenants (with regard to contents insurance), on the matters described under subparagraph (E); and

(G) not less than 30 days before issuance of any preliminary map, notify the Senators for each State affected and

each Member of the House of Representatives for each congressional district affected by the preliminary map in writing of—

- (i) the estimated schedule for—
 - (I) community meetings regarding the preliminary map;
 - (II) publication of notices regarding the preliminary map in local newspapers; and
 - (III) the commencement of the appeals process regarding the map; and

- (ii) the estimated number of homes and businesses that will be affected by changes contained in the preliminary map, including how many structures will be that were not previously located in an area having special flood hazards will be located within such an area under the preliminary map; and

(H) upon the issuance of any proposed map and any notice of an opportunity to make an appeal relating to the proposed map, notify the Senators for each State affected each Member of the House of Representatives for each congressional district affected by the proposed map of any action taken by the Administrator with respect to the proposed map or an appeal relating to the proposed map.

(2) REQUIRED ACTIVITIES.—The communication and outreach activities required under paragraph (1) shall include—

(A) notifying property owners when their properties become included in, or when they are excluded from, an area covered by the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a);

(B) educating property owners regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

(C) educating property owners regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) for such properties and the contents of such properties;

(D) educating property owners about flood map revisions and the process available to such owners to appeal proposed changes in flood elevations through their community, including by notifying local radio and television stations; and

(E) encouraging property owners to maintain or acquire flood insurance coverage.

(3) *FUTURE FLOOD RISK.*—*The Administrator shall, in consultation with the Technical Mapping Council established under section 100215, provide financial and technical assistance to communities to incorporate future flood hazard conditions as an informational layer on their Flood Insurance Rate Maps.*

(e) **COMMUNITY REMAPPING REQUEST.**—Upon the adoption by the Administrator of any recommendation by the Technical Mapping Advisory Council for reviewing, updating, or maintaining National Flood Insurance Program rate maps in accordance with this section, a community that believes that its flood insurance rates in effect prior to adoption would be affected by the adoption of such recommendation may submit a request for an update of its rate maps, which may be considered at the Administrator’s sole discretion. The Administrator shall establish a protocol for the evaluation of such community map update requests.

(f) **DIGITAL DISPLAY ENVIRONMENT AND BUILDING-SPECIFIC FLOOD HAZARD AND RISK INFORMATION.**—

(1) **ESTABLISHMENT.**—

(A) **IN GENERAL.**—*Not later than 5 years after the date of enactment of the National Flood Insurance Program Reauthorization Act of 2019, the Administrator, in consultation with the Technical Mapping Advisory Council, shall establish, as part of a national structure inventory, a dynamic, database-derived digital display environment for flood hazard and risk data, models, maps, and assessments.*

(B) **CONSULTATION WITH STATES AND COMMUNITIES.**—*In designing and constructing the digital display environment under subparagraph (A), the Administrator shall—*

(i) *leverage and partner with States and communities that have successfully implemented the same approach; and*

(ii) *consider adopting the techniques and technologies used by the States and communities described in clause (i) and applying those techniques and technologies nationwide.*

(2) **DIGITAL DISPLAY SYSTEM.**—

(A) **IN GENERAL.**—*In carrying out paragraph (1), the Administrator, in consultation with the Technical Mapping Advisory Council, shall establish a national digital display system that shall—*

(i) *be prompted through dynamic querying of a spatial, relational flood hazard and risk database;*

(ii) *as permissible under law, be made available to the public;*

(iii) *to the extent feasible, and where sufficient data is available, provide information, with respect to individual structures, regarding—*

(I) *flood hazard and risk assessment determinations;*

(II) *flood insurance; and*

(III) *flood risk mitigation efforts;*

(iv) *be constructed in a manner that facilitates coordination with digital display systems that—*

(I) *have been developed by State and community partners; and*

(II) *the Administrator finds are acceptable;*

(v) *include the capability to print physical copies of maps; and*

(vi) *where feasible, allow for the maintenance and storage of elevation certificates.*

(B) *PRIVACY REQUIREMENTS.*—The Administrator may not disseminate the database described in subparagraph (A)(i), including any data used to create that database, to the public or to a private company in a manner that violates section 552a of title 5, United States Code, or any regulation implementing that section.

(g) *STREAM FLOW NETWORKS.*—

(1) *IN GENERAL.*—The Administrator shall coordinate with the United States Geological Survey for the sharing of data from stream flow networks critical to the National Flood Insurance Program, flood risk mapping, and flood risk assessments, to ensure that—

(A) the stream gage stations in such stream flow networks are operational and use modern hardware;

(B) such stream flow networks are sufficiently densified by adding new stream gage stations in high-risk areas;

(C) inactive critical stream gage stations in such stream flow networks are reactivated; and

(D) the speed of the geospatial real-time data feeds from such stream gage stations is increased.

(2) *DEFINITIONS.*—In this subsection:

(A) *STREAM FLOW NETWORK.*—The term “stream flow network” means a network of stream flow gages maintained under the direction of the United States Geological Survey and its partners that is used to measure or record the flow of water down a stream or river, or through an entire watershed system, and transmit such information using a geospatial real-time data feed.

(B) *STREAM GAGE STATION.*—The term “stream gage station” means a device installed at the edge of a river or stream that measures or records the flow of water down the stream and additional information such as water height, water chemistry, and water temperature.

(3) *RULE OF CONSTRUCTION.*—The purpose of this subsection is to require cooperation between the Federal Emergency Management Agency and United States Geological Survey and nothing in this subsection may be construed to require or obligate funding expenditures.

(h) *AVAILABILITY OF DATA TO PUBLIC.*—The Administrator shall make available to the public on the website of the Federal Emergency Management Agency a national geospatial data repository that—

(1) provides access to the raw data used to include the cadastral features and parcel identification data in National Flood Insurance Program rate maps;

(2) to the extent that such data is available, allows users to view, query, and obtain such data at multiple levels of detail, including down to the property level;

(3) allows users to view flood risks, flood insurance zones, and flood elevations;

(4) provides access to flood mapping and related information such as—

(A) hydrologic and hydraulic models used in determining flood risk;

- (B) structure footprints where available as part of a national structure inventory;
 - (C) flood depth grids;
 - (D) flood risk reports;
 - (E) flood risk assessments (Hazard analyses);
 - (F) hazard mitigation plans; and
 - (G) other flood risk products at the discretion of the Administrator; and
- (5) maintains and disseminates such data in a consistent manner.
- (i) **ENSURING CURRENT DATA.**—Not less frequently than once every 5 years, the Administrator shall verify that each National Flood Insurance Program rate map contains data that is current and credible.
- (j) **QUALIFICATIONS-BASED SELECTION CONTRACTING.**—
- (1) **IN GENERAL.**—With respect to a contract awarded by the Administrator under this Act, or by an entity receiving a grant under this Act, for program management, architectural and engineering services, or surveying and mapping, such a contract shall be awarded to a contractor selected in accordance with the procedures described in section 1103 of title 40, United States Code (or an applicable equivalent State qualifications-based statute). The Administrator, or entity, as the case may be, shall require such contractor, as a condition of such contract, to award any subcontract for program management, architectural and engineering services, or surveying and mapping in accordance with the procedures described in the previous sentence, or the applicable equivalent State statute.
- (2) **RELATIONSHIP TO STATE LAW.**—Nothing in this subsection shall supersede any applicable State licensing law governing professional licensure.
- (3) **DEFINITIONS.**—In this subsection:
- (A) **ARCHITECTURAL AND ENGINEERING SERVICES.**—The term “architectural and engineering services” has the meaning given that term in section 1102 of title 40, United States Code.
- (B) **SURVEYING AND MAPPING.**—The term “surveying and mapping” includes geospatial activities associated with measuring, locating, and preparing maps, charts, or other graphical or digital presentations depicting natural and man-made physical features, phenomena, and legal boundaries of the earth, including the following:
- (i) Topographic Engineering Surveying, including acquisition of topographic oriented surveying and mapping data for design, construction, master planning, operations, as-built conditions, precise structure stability studies using conventional and electronic instrumentation, photogrammetric, LiDAR, remote sensing, inertial, satellite, and other manned and unmanned survey methods as applicable.
 - (ii) Hydrographic Engineering Surveying, including acquisition of hydrographic oriented surveying and mapping data for design, construction, dredging, master planning, operations, and as-built conditions using conventional and electronic instrumentation, and pho-

togrammetric, remote sensing, inertial, satellite, side scan sonar, subbottom profiling, and other surveying methods, as applicable.

(iii) Land Surveying, including property and boundary surveys, monumentation, marking and posting, and preparation of tract descriptions, using conventional, electronic instrumentation, photogrammetric, inertial, satellite, and other survey methods, as applicable.

(iv) Geodetic Surveying, including first, second, and third order horizontal and vertical control surveys, geodetic astronomy, gravity and magnetic surveys using conventional, electronic instrumentation, photogrammetric, inertial, satellite, and other survey methods, as applicable.

(v) Cartographic Surveying, including acquisition of topographic and hydrographic oriented surveying and mapping data for construction of maps, charts, and similar products for planning, flood analysis, and general use purposes using conventional and electronic instrumentation, photogrammetric, inertial, satellite, mobile, terrestrial, and other survey methods, as applicable.

(vi) Mapping, charting, and related geospatial database development, including the design, compilation, digitizing, attributing, scribing, drafting, printing and dissemination of printed or digital map, chart, and related geospatial database products associated with planning, engineering, operations, and related real estate activities using photogrammetric, geographic information systems, and other manual and computer assisted methods, as applicable.

(k) DEFINITIONS.—In this section:

(1) CADASTRAL FEATURE.—The term “cadastral feature” means the geographic elements and features—

(A) that are independent of elevation, such as roads, structure footprints, and rivers and lakes;

(B) which are represented on maps to show the true location and size of the elements in relationship to each other, as they are seen from the air; and

(C) that are mapped from LiDAR or aerial photography by employing basic photogrammetry.

(2) PARCEL IDENTIFICATION DATA.—The term “parcel identification data” means the information associated with a parcel of land, including the geographic location, unique parcel identifier, boundaries, structures contained within the parcel, zoning classification, and owner.

(l) ANNUAL REPORT.—The Administrator, in coordination with the Technical Mapping Advisory Council established under section 100215 of this Act, shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate an annual report regarding progress achieved in the mapping program under this section, including the digital display and structure-specific information required under subsection (f), which shall include rec-

ommendations to reduce the cost and improve the implementation of that subsection.

[(f)] (m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section **[\$400,000,000 for each of fiscal years 2013 through 2017]** *\$500,000,000 for each of fiscal years 2019 through 2023.*

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