

PROMOTING RESILIENT BUILDINGS ACT OF 2025

OCTOBER 3, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRAVES, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 501]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 501) to amend certain laws relating to disaster recovery and relief with respect to the implementation of building codes, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends 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.

This Act may be cited as the “Promoting Resilient Buildings Act of 2025”.

SEC. 2. PREDISASTER HAZARD MITIGATION.

Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) is amended by adding at the end the following:

“(m) LATEST PUBLISHED EDITIONS.—For purposes of subsections (e)(1)(B)(iv) and (g)(10), the term ‘latest published editions’ means, with respect to relevant consensus-based codes, specifications, and standards, the 2 most recently published editions.”.

SEC. 3. HAZARD MITIGATION REVOLVING LOAN FUND PROGRAM.

Section 205(f) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135(f)) is amended—

- (1) by striking paragraph (5); and
- (2) by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

SEC. 4. RESIDENTIAL RETROFIT AND RESILIENCE PILOT PROGRAM.

(a) DEFINITIONS.—In this section:

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

(2) RESIDENTIAL RESILIENT RETROFITS.—The term “residential resilient retrofits”—

(A) means a project that—

(i) is designed to increase the resilience of an existing home or residence using mitigation measures that the Administrator determines reduce damage and impacts from natural disaster hazards and risks that are most likely to occur in the area where the home is located; and

(ii) to the extent applicable, are consistent with the 2 most recently published editions of relevant consensus-based codes, specifications, and standards, including any amendments made by State, local, Tribal, or territorial governments to those codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) for the purpose of protecting the health, safety, and general welfare of users of the buildings against disasters; and

(B) includes—

- (i) elevations of homes and elevations of utilities within and around structures to mitigate damages;
- (ii) floodproofing measures;
- (iii) the construction of tornado safe rooms;
- (iv) seismic retrofits;
- (v) wildfire retrofit and mitigation measures;
- (vi) wind retrofits, including roof replacements, hurricane straps, and tie-downs; and
- (vii) any other measures that meet the requirements of subparagraph (A), as determined by the Administrator.

(b) ESTABLISHMENT.—The Administrator shall carry out a residential resilience pilot program through the program established under section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) to make available assistance to States and local governments for the purpose of providing grants to individuals for residential resilience retrofits.

(c) AMOUNT OF FUNDS.—The Administrator may use not more than 10 percent of the assistance made available to applicants on an annual basis under section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) to provide assistance under this section.

(d) TIMELINE.—The Administrator shall establish the pilot program under this section not later than 1 year after the date of enactment of this Act and the program shall terminate on September 30, 2030.

(e) PRIORITY.—In carrying out the pilot program under this section, the Administrator shall ensure that a State or local government receiving assistance under the program provides grants to individuals that demonstrate financial need.

(f) REPORT.—Not later than 6 years after the date of enactment of this Act, the Administrator shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that includes—

(1) a summary of the grant awards and projects carried out under this section;

(2) a detailed compilation of results achieved by the grant awards and projects carried out under this section, including the number of homes receiving retrofits, the types and average costs of retrofits, and demographic information for participants in the pilot program;

(3) an estimate of avoidance in disaster impacts and Federal disaster payments as a result of the grant investments carried out under this section, and whether that avoidance is different than other mitigation projects funded through section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133); and

(4) any identified implementation challenges and recommendations for improvements to the pilot program.

(g) **APPLICABILITY.**—This section shall only apply to amounts appropriated on or after the date of enactment of this Act.

SEC. 5. RULE OF CONSTRUCTION.

Nothing in this Act or the amendments made by this Act shall be construed to affect any program other than the predisaster hazard mitigation program or the hazard mitigation revolving loan fund program established under section 203 or 205 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133, 5135), respectively.

PURPOSE OF LEGISLATION

The purpose of H.R. 501, as amended, is to amend certain laws relating to disaster recovery and relief with respect to the implementation of building codes, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 501, as amended, makes technical corrections to the *Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)* by clarifying that ‘latest published editions’ includes the latest two published editions of building codes and allows states to have flexibility to address risks specific to their regions. This will ensure that ‘latest published editions’ is consistent with the definition passed in the *Disaster Recovery Reform Act (DRRA) of 2018*, which expired last year. Specifically, it will ensure that the Federal Emergency Management Agency (FEMA) continues to consider the two latest published editions of building codes when providing assistance authorized by section 203 of the *Stafford Act*.

This legislation strikes language in section 205 of the *Stafford Act* that authorized participating entities to use FEMA’s hazard mitigation revolving loan fund to establish or carry out building code enforcement. H.R. 501, as amended, also establishes a pilot program for states to provide pre-disaster mitigation assistance to individual homeowners to reduce the impact and costs of future disasters.

HEARINGS

For the purposes of rule XIII, clause 3(c)(6)(A) of the 118th Congress, the following hearing was used to develop or consider H.R. 501.

On September 25, 2024, the Subcommittee on Economic Development, Public Buildings and Emergency Management of the Committee on Transportation and Infrastructure held a hearing entitled, “Examining the Role and Effectiveness of Building Codes in Mitigating Against Disasters.” The Subcommittee received testimony from: Mr. Russell J. Strickland, President of the National Emergency Management Association, Mr. Buddy Hughes, First

Vice Chairman of the National Association of Home Builders, Mr. Jordan Krahenbuhl, Executive Director of the Plumbing Heating Cooling Contractors of Nevada, and Ms. Cindy L. Davis, on behalf of the International Code Council.

LEGISLATIVE HISTORY AND CONSIDERATION

H.R. 501 was introduced in the United States House of Representatives on January 16, 2025, by Mr. Edwards of North Carolina and referred to the Committee on Transportation and Infrastructure. Within the Committee on Transportation and Infrastructure, H.R. 501 was referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management. The Subcommittee on Economic Development, Public Buildings, and Emergency Management was discharged from further consideration of H.R. 501 on February 26, 2025.

The Committee considered H.R. 501 on February 26, 2025, and ordered the measure to be reported to the House with a favorable recommendation, with amendment, by voice vote. The following amendments were offered:

An Amendment in the Nature of a Substitute to H.R. 501 offered by Mr. Graves of Missouri, was AGREED TO by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against.

No record votes were requested during consideration of H.R. 501.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the *Congressional Budget Act of 1974* has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of 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 enclosed cost estimate for H.R. 501, as amended, from the Director of the Congressional Budget Office:

H.R. 501, Promoting Resilient Buildings Act of 2025			
As ordered reported by the House Committee on Transportation and Infrastructure on February 26, 2025			
By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	190	300
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply? No	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 501 would authorize the Federal Emergency Management Agency (FEMA) to establish a pilot program and award grants to state and tribal governments designed to mitigate the effects of future disasters on residential properties by reducing damage from flooding, wind, wildfire, and seismic activity. Under the bill, the agency could allocate up to 10 percent of funds set aside each year for the Building Resilient Infrastructure and Communities (BRIC) program for the new grants. The BRIC program is funded through amounts that the agency sets aside within the Disaster Relief Fund. The new grant program would terminate after 2030.

The legislation also would require FEMA to report to the Congress within six years of enactment, summarizing the awards made under the pilot program, including an estimate of the amount of damage avoided under the program.

Over the 2020–2024 period, FEMA set aside an average of about \$500 million annually for the BRIC program, not including amounts related to the coronavirus pandemic or provided by the Infrastructure Investment and Jobs Act. For this estimate, CBO assumes that FEMA will continue to set aside the same amount each year and that the agency would allocate the full 10 percent of that amount allowed under the legislation for new grants. Thus, CBO expects that under H.R. 501, FEMA would allocate \$50 million annually each year over the 2025–2030 period for the pilot program.

On that basis, and using historical spending patterns, CBO estimates that implementing H.R. 501 would cost \$190 million over the 2025–2030 period and an additional \$110 million after 2030.

The costs of the legislation, detailed in Table 1, fall within budget function 450 (community and regional development).

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 501

	By fiscal year, millions of dollars—						
	2025	2026	2027	2028	2029	2030	2025–2030
Estimated Authorization	50	50	50	50	50	50	300

TABLE 1.—ESTIMATED INCREASES IN SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 501—
Continued

	By fiscal year, millions of dollars—						
	2025	2026	2027	2028	2029	2030	2025– 2030
Estimated Outlays	*	13	31	46	50	50	190

* = between zero and \$500,000

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goal and objective of this legislation is to make changes to how FEMA interprets building code definitions to provide clarity within its disaster mitigation programs.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 501, as amended, 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.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act* (Public Law 104–4).

PREEMPTION CLARIFICATION

Section 423 of the *Congressional Budget Act of 1974* requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee finds that H.R. 501, as amended, does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the definition of Section 5(b) of the appendix to Title 5, United States Code, are created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act* (Public Law 104–1).

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section designates the short title of the Act as the “Promoting Resilient Buildings Act of 2025”.

Section 2. Predisaster hazard mitigation

This section extends a building code definition from the *DRRA of 2018* and amends section 203 of the *Stafford Act* regarding the use of funds for predisaster mitigation. It defines the latest published editions of building codes to mean the two latest published editions of such codes.

Section 3. Hazard mitigation revolving loan fund program

This section strikes paragraph (5) of section 205(f) of the *Stafford Act*.

Section 4. Residential retrofit and resilience pilot program

This section directs FEMA to establish a residential resilience pilot program under Section 203 of the *Stafford Act* and make available assistance to States and local governments for the purpose of providing grants to individuals for residential resilience retrofits.

Section 5. Rule of construction

This section directs that nothing in this Act or the amendments made by this Act shall be construed to affect any program other than the predisaster hazard mitigation program or the hazard mitigation revolving loan fund program established under Section 203 or 205 of the *Stafford Act*.

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 italics, and existing law in which no change is proposed is shown in roman):

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 italics, and existing law in which no change is proposed is shown in roman):

**ROBERT T. STAFFORD DISASTER RELIEF AND
EMERGENCY ASSISTANCE ACT**

* * * * *

**TITLE II—DISASTER PREPAREDNESS
AND MITIGATION ASSISTANCE**

* * * * *

SEC. 203. PREDISASTER HAZARD MITIGATION.

(a) **DEFINITION OF SMALL IMPOVERISHED COMMUNITY.**—In this section, the term “small impoverished community” means a community of 3,000 or fewer individuals that is economically disadvantaged, as determined by the State in which the community is located and based on criteria established by the President.

(b) **ESTABLISHMENT OF PROGRAM.**—The President may establish a program to provide technical and financial assistance to States and local governments to assist in the implementation of predisaster hazard mitigation measures that are cost-effective and are designed to reduce injuries, loss of life, and damage and destruction of property, including damage to critical services and facilities under the jurisdiction of the States or local governments.

(c) **APPROVAL BY PRESIDENT.**—If the President determines that a State or local government has identified natural disaster hazards in areas under its jurisdiction and has demonstrated the ability to form effective public-private natural disaster hazard mitigation partnerships, the President, using amounts in the National Public Infrastructure Predisaster Mitigation Fund established under subsection (i) (referred to in this section as the “Fund”), may provide technical and financial assistance to the State or local government to be used in accordance with subsection (e).

(d) **STATE RECOMMENDATIONS.**—

(1) **IN GENERAL.**—

(A) **RECOMMENDATIONS.**—The Governor of each State may recommend to the President not fewer than five local governments to receive assistance under this section.

(B) **DEADLINE FOR SUBMISSION.**—The recommendations under subparagraph (A) shall be submitted to the President not later than October 1, 2001, and each October 1st thereafter or such later date in the year as the President may establish.

(C) **CRITERIA.**—In making recommendations under subparagraph (A), a Governor shall consider the criteria specified in subsection (g).

(2) **USE.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), in providing assistance to local governments under this section, the President shall select from local govern-

ments recommended by the Governors under this subsection.

(B) EXTRAORDINARY CIRCUMSTANCES.—In providing assistance to local governments under this section, the President may select a local government that has not been recommended by a Governor under this subsection if the President determines that extraordinary circumstances justify the selection and that making the selection will further the purpose of this section.

(3) EFFECT OF FAILURE TO NOMINATE.—If a Governor of a State fails to submit recommendations under this subsection in a timely manner, the President may select, subject to the criteria specified in subsection (g), any local governments of the State to receive assistance under this section.

(e) USES OF TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Technical and financial assistance provided under this section—

(A) shall be used by States and local governments principally to implement predisaster hazard mitigation measures that are cost-effective and are described in proposals approved by the President under this section; and

(B) may be used—

(i) to support effective public-private natural disaster hazard mitigation partnerships;

(ii) to improve the assessment of a community's vulnerability to natural hazards;

(iii) to establish hazard mitigation priorities, and an appropriate hazard mitigation plan, for a community; or

(iv) to establish and carry out enforcement activities and implement the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters.

(2) DISSEMINATION.—A State or local government may use not more than 10 percent of the financial assistance received by the State or local government under this section for a fiscal year to fund activities to disseminate information regarding cost-effective mitigation technologies.

(f) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The President shall award financial assistance under this section on a competitive basis for mitigation activities that are cost effective and in accordance with the criteria in subsection (g).

(2) MINIMUM AND MAXIMUM AMOUNTS.—In providing financial assistance under this section, the President shall ensure that the amount of financial assistance made available to a State (including amounts made available to local governments of the State) for a fiscal year—

(A) is not less than the lesser of—

- (i) \$575,000; or
- (ii) the amount that is equal to 1 percent of the total funds appropriated to carry out this section for the fiscal year; and

(B) does not exceed the amount that is equal to 15 percent of the total funds appropriated to carry out this section for the fiscal year.

(3) REDISTRIBUTION OF UNOBLIGATED AMOUNTS.—The President may—

(A) withdraw amounts of financial assistance made available to a State (including amounts made available to local governments of a State) under this subsection that remain unobligated by the end of the third fiscal year after the fiscal year for which the amounts were allocated; and

(B) in the fiscal year following a fiscal year in which amounts were withdrawn under subparagraph (A), add the amounts to any other amounts available to be awarded on a competitive basis pursuant to paragraph (1).

(g) CRITERIA FOR ASSISTANCE AWARDS.—In determining whether to provide technical and financial assistance to a State or local government under this section, the President shall provide financial assistance only in States that have received a major disaster declaration in the previous 7 years, or to any Indian tribal government located partially or entirely within the boundaries of such States, and take into account—

- (1) the extent and nature of the hazards to be mitigated;
- (2) the degree of commitment of the State or local government to reduce damages from future natural disasters;
- (3) the degree of commitment by the State or local government to support ongoing non-Federal support for the hazard mitigation measures to be carried out using the technical and financial assistance;
- (4) the extent to which the hazard mitigation measures to be carried out using the technical and financial assistance contribute to the mitigation goals and priorities established by the State;
- (5) the extent to which the technical and financial assistance is consistent with other assistance provided under this Act;
- (6) the extent to which prioritized, cost-effective mitigation activities that produce meaningful and definable outcomes are clearly identified;
- (7) if the State or local government has submitted a mitigation plan under section 322, the extent to which the activities identified under paragraph (6) are consistent with the mitigation plan;
- (8) the opportunity to fund activities that maximize net benefits to society;
- (9) the extent to which assistance will fund mitigation activities in small impoverished communities;
- (10) the extent to which the State, local, Indian tribal, or territorial government has facilitated the adoption and enforcement of the latest published editions of relevant consensus-based codes, specifications, and standards, including amendments made by State, local, Indian tribal, or territorial governments during the adoption process that incorporate the latest

hazard-resistant designs and establish criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters;

(11) the extent to which the assistance will fund activities that increase the level of resiliency; and

(12) such other criteria as the President establishes in consultation with State and local governments.

(h) FEDERAL SHARE.—

(1) IN GENERAL.—Financial assistance provided under this section may contribute up to 75 percent of the total cost of mitigation activities approved by the President.

(2) SMALL IMPOVERISHED COMMUNITIES.—Notwithstanding paragraph (1), the President may contribute up to 90 percent of the total cost of a mitigation activity carried out in a small impoverished community.

(i) NATIONAL PUBLIC INFRASTRUCTURE PREDISASTER MITIGATION ASSISTANCE.—

(1) IN GENERAL.—The President may set aside from the Disaster Relief Fund, with respect to each major disaster, an amount equal to 6 percent of the estimated aggregate amount of the grants to be made pursuant to sections 403, 406, 407, 408, 410, 416, and 428 for the major disaster in order to provide technical and financial assistance under this section and such set aside shall be deemed to be related to activities carried out pursuant to major disasters under this Act.

(2) ESTIMATED AGGREGATE AMOUNT.—Not later than 180 days after each major disaster declaration pursuant to this Act, the estimated aggregate amount of grants for purposes of paragraph (1) shall be determined by the President and such estimated amount need not be reduced, increased, or changed due to variations in estimates.

(3) NO REDUCTION IN AMOUNTS.—The amount set aside pursuant to paragraph (1) shall not reduce the amounts otherwise made available for sections 403, 404, 406, 407, 408, 410, 416, and 428 under this Act.

(j) MULTHAZARD ADVISORY MAPS.—

(1) DEFINITION OF MULTHAZARD ADVISORY MAP.—In this subsection, the term “multihazard advisory map” means a map on which hazard data concerning each type of natural disaster is identified simultaneously for the purpose of showing areas of hazard overlap.

(2) DEVELOPMENT OF MAPS.—In consultation with States, local governments, and appropriate Federal agencies, the President shall develop multihazard advisory maps for areas, in not fewer than five States, that are subject to commonly recurring natural hazards (including flooding, hurricanes and severe winds, and seismic events).

(3) USE OF TECHNOLOGY.—In developing multihazard advisory maps under this subsection, the President shall use, to the maximum extent practicable, the most cost-effective and efficient technology available.

(4) USE OF MAPS.—

(A) **ADVISORY NATURE.**—The multihazard advisory maps shall be considered to be advisory and shall not require the development of any new policy by, or impose any new policy on, any government or private entity.

(B) **AVAILABILITY OF MAPS.**—The multihazard advisory maps shall be made available to the appropriate State and local governments for the purposes of—

- (i) informing the general public about the risks of natural hazards in the areas described in paragraph (2);
- (ii) supporting the activities described in subsection (e); and
- (iii) other public uses.

(k) **REPORT ON FEDERAL AND STATE ADMINISTRATION.**—Not later than 18 months after the date of the enactment of this section, the President, in consultation with State and local governments, shall submit to Congress a report evaluating efforts to implement this section and recommending a process for transferring greater authority and responsibility for administering the assistance program established under this section to capable States.

(l) **PROHIBITION ON EARMARKS.**—

(1) **DEFINITION.**—In this subsection, the term “congressionally directed spending” means a statutory provision or report language included primarily at the request of a Senator or a Member, Delegate or Resident Commissioner of the House of Representatives providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality, or Congressional district, other than through a statutory or administrative formula-driven or competitive award process.

(2) **PROHIBITION.**—None of the funds appropriated or otherwise made available to carry out this section may be used for congressionally directed spending.

(3) **CERTIFICATION TO CONGRESS.**—The Administrator of the Federal Emergency Management Agency shall submit to Congress a certification regarding whether all financial assistance under this section was awarded in accordance with this section.

(m) **LATEST PUBLISHED EDITIONS.**—*For purposes of subsections (e)(1)(B)(iv) and (g)(10), the term “latest published editions” means, with respect to relevant consensus-based codes, specifications, and standards, the 2 most recently published editions.*

* * * * *

SEC. 205. GRANTS TO ENTITIES FOR ESTABLISHMENT OF HAZARD MITIGATION REVOLVING LOAN FUNDS.

(a) **GENERAL AUTHORITY.**—

(1) **IN GENERAL.**—The Administrator may enter into agreements with eligible entities to make capitalization grants to such entities for the establishment of hazard mitigation revolving loan funds (referred to in this section as “entity loan funds”) for providing funding assistance to local governments to carry out eligible projects under this section to reduce dis-

aster risks for homeowners, businesses, nonprofit organizations, and communities in order to decrease—

- (A) the loss of life and property;
- (B) the cost of insurance; and
- (C) Federal disaster payments.

(2) AGREEMENTS.—Any agreement entered into under this section shall require the participating entity to—

- (A) comply with the requirements of this section; and
- (B) use accounting, audit, and fiscal procedures conforming to generally accepted accounting standards.

(b) APPLICATION.—

(1) IN GENERAL.—To be eligible to receive a capitalization grant under this section, an eligible entity shall submit to the Administrator an application that includes the following:

(A) Project proposals comprised of local government hazard mitigation projects, on the condition that the entity provides public notice not less than 6 weeks prior to the submission of an application.

(B) An assessment of recurring major disaster vulnerabilities impacting the entity that demonstrates a risk to life and property.

(C) A description of how the hazard mitigation plan of the entity has or has not taken the vulnerabilities described in subparagraph (B) into account.

(D) A description about how the projects described in subparagraph (A) could conform with the hazard mitigation plan of the entity and of the unit of local government.

(E) A proposal of the systematic and regional approach to achieve resilience in a vulnerable area, including impacts to river basins, river corridors, watersheds, estuaries, bays, coastal regions, micro-basins, micro-watersheds, ecosystems, and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland-urban interface.

(2) TECHNICAL ASSISTANCE.—The Administrator shall provide technical assistance to eligible entities for applications under this section.

(c) ENTITY LOAN FUND.—

(1) ESTABLISHMENT OF FUND.—An entity that receives a capitalization grant under this section shall establish an entity loan fund that complies with the requirements of this subsection.

(2) FUND MANAGEMENT.—Except as provided in paragraph (3), entity loan funds shall—

(A) be administered by the agency responsible for emergency management; and

(B) include only—

(i) funds provided by a capitalization grant under this section;

(ii) repayments of loans under this section to the entity loan fund; and

(iii) interest earned on amounts in the entity loan fund.

(3) ADMINISTRATION.—A participating entity may combine the financial administration of the entity loan fund of such en-

tity with the financial administration of any other revolving fund established by such entity if the Administrator determines that—

(A) the capitalization grant, entity share, repayments of loans, and interest earned on amounts in the entity loan fund are accounted for separately from other amounts in the revolving fund; and

(B) the authority to establish assistance priorities and carry out oversight activities remains in the control of the entity agency responsible for emergency management.

(4) ENTITY SHARE OF FUNDS.—

(A) IN GENERAL.—On or before the date on which a participating entity receives a capitalization grant under this section, the entity shall deposit into the entity loan fund of such entity, an amount equal to not less than 10 percent of the amount of the capitalization grant.

(B) REDUCED GRANT.—If, with respect to a capitalization grant under this section, a participating entity deposits in the entity loan fund of the entity an amount that is less than 10 percent of the total amount of the capitalization grant that the participating entity would otherwise receive, the Administrator shall reduce the amount of the capitalization grant received by the entity to the amount that is 10 times the amount so deposited.

(d) APPORTIONMENT.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the Administrator shall apportion funds made available to carry out this section to entities that have entered into an agreement under subsection (a)(2) in amounts as determined by the Administrator.

(2) RESERVATION OF FUNDS.—The Administrator shall reserve not more than 2.5 percent of the amount made available to carry out this section for the Federal Emergency Management Agency for—

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

(B) providing technical assistance to participating entities under subsection (b)(2).

(3) PRIORITY.—In the apportionment of capitalization grants under this subsection, the Administrator shall give priority to entity applications under subsection (b) that—

(A) propose projects increasing resilience and reducing risk of harm to natural and built infrastructure;

(B) involve a partnership between two or more eligible entities to carry out a project or similar projects;

(C) take into account regional impacts of hazards on river basins, river corridors, micro-watersheds, macro-watersheds, estuaries, lakes, bays, and coastal regions and areas at risk of earthquakes, tsunamis, droughts, severe storms, and wildfires, including the wildland-urban interface; or

(D) propose projects for the resilience of major economic sectors or critical national infrastructure, including ports, global commodity supply chain assets (located within an entity or within the jurisdiction of local governments and

Tribal governments), power and water production and distribution centers, and bridges and waterways essential to interstate commerce.

(e) ENVIRONMENTAL REVIEW OF REVOLVING LOAN FUND PROJECTS.—The Administrator may delegate to a participating entity all of the responsibilities for environmental review, decision making, and action pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and other applicable Federal environmental laws including the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and the National Historic Preservation Act of 1966 (54 U.S.C. 300101 et seq.) that would apply to the Administrator were the Administrator to undertake projects under this section as Federal projects so long as the participating entity carries out such responsibilities in the same manner and subject to the same requirements as if the Administrator carried out such responsibilities.

(f) USE OF FUNDS.—

(1) TYPES OF ASSISTANCE.—Amounts deposited in an entity loan fund, including loan repayments and interest earned on such amounts, may be used—

(A) to make loans, on the condition that—

(i) such loans are made at an interest rate of not more than 1 percent;

(ii) annual principal and interest payments will commence not later than 1 year after completion of any project and all loans made under this subparagraph will be fully amortized—

(I) not later than 20 years after the date on which the project is completed; or

(II) for projects in a low-income geographic area, not later than 30 years after the date on which the project is completed and not longer than the expected design life of the project;

(iii) the loan recipient of a loan under this subparagraph establishes a dedicated source of revenue for repayment of the loan;

(iv) the loan recipient of a loan under this subparagraph has a hazard mitigation plan that has been approved by the Administrator; and

(v) the entity loan fund will be credited with all payments of principal and interest on all loans made under this subparagraph;

(B) for mitigation efforts, in addition to mitigation planning under section 322 not to exceed 10 percent of the capitalization grants made to the participating entity in a fiscal year;

(C) for the reasonable costs of administering the fund and conducting activities under this section, except that such amounts shall not exceed \$100,000 per year, 2 percent of the capitalization grants made to the participating entity in a fiscal year, or 1 percent of the value of the entity loan fund, whichever amount is greatest, plus the amount of any fees collected by the entity for such purpose regardless of the source; and

(D) to earn interest on the entity loan fund.

(2) PROHIBITION ON DETERMINATION THAT LOAN IS A DUPLICATION.—In carrying out this section, the Administrator may not determine that a loan is a duplication of assistance or programs under this Act.

(3) PROJECTS AND ACTIVITIES ELIGIBLE FOR ASSISTANCE.—Except as provided in this subsection, a participating entity may use funds in the entity loan fund to provide financial assistance for projects or activities that mitigate the impacts of natural hazards including—

(A) drought and prolonged episodes of intense heat;

(B) severe storms, including hurricanes, tornados, wind storms, cyclones, and severe winter storms;

(C) wildfires;

(D) earthquakes;

(E) flooding, including the construction, repair, or replacement of a non-Federal levee or other flood control structure, provided that the Administrator, in consultation with the Army Corps of Engineers (if appropriate), requires an eligible entity to determine that such levee or structure is designed, constructed, and maintained in accordance with sound engineering practices and standards equivalent to the purpose for which such levee or structure is intended;

(F) shoreline erosion;

(G) high water levels; and

(H) storm surges.

(4) ZONING AND LAND USE PLANNING CHANGES.—A participating entity may use not more than 10 percent of a capitalization grant under this section to enable units of local government to implement zoning and land use planning changes focused on—

(A) the development and improvement of zoning and land use codes that incentivize and encourage low-impact development, resilient wildland-urban interface land management and development, natural infrastructure, green stormwater management, conservation areas adjacent to floodplains, implementation of watershed or greenway master plans, and reconnection of floodplains;

(B) the study and creation of agricultural risk compensation districts where there is a desire to remove or set-back levees protecting highly developed agricultural land to mitigate for flooding, allowing agricultural producers to receive compensation for assuming greater flood risk that would alleviate flood exposure to population centers and areas with critical national infrastructure;

(C) the study and creation of land use incentives that reward developers for greater reliance on low impact development stormwater best management practices, exchange density increases for increased open space and improvement of neighborhood catch basins to mitigate urban flooding, reward developers for including and augmenting natural infrastructure adjacent to and around building projects without reliance on increased sprawl, and reward developers for addressing wildfire ignition; and

(D) the study and creation of an erosion response plan that accommodates river, lake, forest, plains, and ocean shoreline retreating or bluff stabilization due to increased flooding and disaster impacts.

[(5) ESTABLISHING AND CARRYING OUT BUILDING CODE ENFORCEMENT.—A participating entity may use capitalization grants under this section to enable units of local government to establish and carry out the latest published editions of relevant building codes, specifications, and standards for the purpose of protecting the health, safety, and general welfare of the building's users against disasters and natural hazards.]

[(6)] (5) ADMINISTRATIVE AND TECHNICAL COSTS.—For each fiscal year, a participating entity may use the amount described in paragraph (1)(C) to—

(A) pay the reasonable costs of administering the programs under this section, including the cost of establishing an entity loan fund; and

(B) provide technical assistance to recipients of financial assistance from the entity loan fund, on the condition that such technical assistance does not exceed 5 percent of the capitalization grant made to such entity.

[(7)] (6) LIMITATION FOR SINGLE PROJECTS.—A participating entity may not provide an amount equal to or more than \$5,000,000 to a single hazard mitigation project.

[(8)] (7) REQUIREMENTS.—For fiscal year 2022 and each fiscal year thereafter, the requirements of subchapter IV of chapter 31 of title 40, United States Code, shall apply to the construction of projects carried out in whole or in part with assistance made available by an entity loan fund authorized by this section.

(g) INTENDED USE PLANS.—

(1) IN GENERAL.—After providing for public comment and review, and consultation with appropriate government agencies of the State or Indian tribal government, Federal agencies, and interest groups, each participating entity shall annually prepare and submit to the Administrator a plan identifying the intended uses of the entity loan fund.

(2) CONTENTS OF PLAN.—An entity intended use plan prepared under paragraph (1) shall include—

(A) the integration of entity planning efforts, including entity hazard mitigation plans and other programs and initiatives relating to mitigation of major disasters carried out by such entity;

(B) an explanation of the mitigation and resiliency benefits the entity intends to achieve by—

(i) reducing future damage and loss associated with hazards;

(ii) reducing the number of severe repetitive loss structures and repetitive loss structures in the entity;

(iii) decreasing the number of insurance claims in the entity from injuries resulting from major disasters or other natural hazards; and

(iv) increasing the rating under the community rating system under section 1315(b) of the National Flood

Insurance Act of 1968 (42 U.S.C. 4022(b)) for communities in the entity;

(C) information on the availability of, and application process for, financial assistance from the entity loan fund of such entity;

(D) the criteria and methods established for the distribution of funds;

(E) the amount of financial assistance that the entity anticipates apportioning;

(F) the expected terms of the assistance provided from the entity loan fund; and

(G) a description of the financial status of the entity loan fund, including short-term and long-term goals for the fund.

(h) AUDITS, REPORTS, PUBLICATIONS, AND OVERSIGHT.—

(1) BIENNIAL ENTITY AUDIT AND REPORT.—Beginning not later than the last day of the second fiscal year after the receipt of payments under this section, and biennially thereafter, any participating entity shall—

(A) conduct an audit of the entity loan fund established under subsection (c); and

(B) provide to the Administrator a report including—

(i) the result of any such audit; and

(ii) a review of the effectiveness of the entity loan fund of the entity with respect to meeting the goals and intended benefits described in the intended use plan submitted by the entity under subsection (g).

(2) PUBLICATION.—A participating entity shall publish and periodically update information about all projects receiving funding from the entity loan fund of such entity, including—

(A) the location of the project;

(B) the type and amount of assistance provided from the entity loan fund;

(C) the expected funding schedule; and

(D) the anticipated date of completion of the project.

(3) OVERSIGHT.—

(A) IN GENERAL.—The Administrator shall, at least every 4 years, conduct reviews and audits as may be determined necessary or appropriate by the Administrator to carry out the objectives of this section and determine the effectiveness of the fund in reducing natural hazard risk.

(B) GAO REQUIREMENTS.—A participating entity shall conduct audits under paragraph (1) in accordance with the auditing procedures of the Government Accountability Office, including generally accepted government auditing standards.

(C) RECOMMENDATIONS BY ADMINISTRATOR.—The Administrator may at any time make recommendations for or require specific changes to an entity loan fund in order to improve the effectiveness of the fund.

(i) REGULATIONS OR GUIDANCE.—The Administrator shall issue such regulations or guidance as are necessary to—

(1) ensure that each participating entity uses funds as efficiently as possible;

(2) reduce waste, fraud, and abuse to the maximum extent possible; and

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

(j) **WAIVER AUTHORITY.**—Until such time as the Administrator issues final regulations to implement this section, the Administrator may—

(1) waive notice and comment rulemaking, if the Administrator determines the waiver is necessary to expeditiously implement this section; and

(2) provide capitalization grants under this section as a pilot program.

(k) **LIABILITY PROTECTIONS.**—The Agency shall not be liable for any claim based on the exercise or performance of, or the failure to exercise or perform, a discretionary function or duty by the Agency, or an employee of the Agency in carrying out this section.

(l) **GAO REPORT.**—Not later than 1 year after the date on which the first entity loan fund is established under subsection (c), the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that examines—

(1) the appropriateness of regulations and guidance issued by the Administrator for the program, including any oversight of the program;

(2) a description of the number of the entity loan funds established, the projects funded from such entity loan funds, and the extent to which projects funded by the loan funds adhere to any applicable hazard mitigation plans;

(3) the effectiveness of the entity loan funds to lower disaster related costs; and

(4) recommendations for improving the administration of entity loan funds.

(m) **DEFINITIONS.**—In this section, the following definitions apply:

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

(2) **AGENCY.**—The term “Agency” means the Federal Emergency Management Agency.

(3) **ELIGIBLE ENTITY.**—The term “eligible entity” means a State or an Indian tribal government that has received a major disaster declaration pursuant to section 401.

(4) **HAZARD MITIGATION PLAN.**—The term “hazard mitigation plan” means a mitigation plan submitted under section 322.

(5) **LOW-INCOME GEOGRAPHIC AREA.**—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) **PARTICIPATING ENTITY.**—The term “participating entity” means an eligible entity that has entered into an agreement under this section.

(7) REPETITIVE LOSS STRUCTURE.—The term “repetitive loss structure” has the meaning given the term in section 1370 of the National Flood Insurance Act of 1968 (42 U.S.C. 4121).

(8) SEVERE REPETITIVE LOSS STRUCTURE.—The term “severe repetitive loss structure” has the meaning given the term in section 1366(h) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(h)).

(9) WILDLAND-URBAN INTERFACE.—The term “wildland-urban interface” has the meaning given the term in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).

(n) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$100,000,000 for each of fiscal years 2022 through 2023 to carry out this section.

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