

105TH CONGRESS
1ST SESSION

H. R. 2446

To amend The Robert T. Stafford Disaster Relief and Emergency Assistance Act to reduce the costs of disaster relief and emergency assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 1997

Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. BOEHLERT, and Mr. BORSKI) (all by request) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To amend The Robert T. Stafford Disaster Relief and Emergency Assistance Act to reduce the costs of disaster relief and emergency assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Streamlining
5 and Costs Reduction Act of 1997”.

6 **SEC. 2. DEFINITIONS.**

7 (a) Section 102 of The Robert T. Stafford Disaster
8 Relief and Emergency Assistance Act (42 U.S.C. 5122)

1 is amended by striking paragraphs (8) and (9) and insert-
2 ing new paragraphs (8) and (9) as follows:

3 “(8)(A) ‘Public facility’ means the following fa-
4 cilities owned by a State or local government:

5 “(i) Any sewage treatment and collection,
6 water supply and distribution, or airport facil-
7 ity.

8 “(ii) Any non-Federal-aid street, road, or
9 highway.

10 “(iii) Any other public building, structure,
11 or system that is essential to life, health, edu-
12 cation, or safety.

13 “(iv) Parks other than those defined in
14 subparagraph (B)(v) of this paragraph.

15 “(B) The term ‘public facility’ does not include
16 the following facilities owned by a State or local gov-
17 ernment:

18 “(i) Flood control, navigation, irriga-
19 tion, reclamation, or watershed develop-
20 ment, structure, or systems.

21 “(ii) Electric utilities.

22 “(iii) Building contents.

23 “(iv) Cultural objects.

24 “(v) Trees and other natural features
25 that are located within parks and rec-

1 recreational areas, as well as on the grounds
2 of other publicly owned property.

3 “(vi) Parks, recreational areas, mari-
4 nas, golf courses, stadiums, arenas, or
5 other similar facilities, which generate any
6 portion of their operational revenue
7 through user fees, rents, admission
8 charges, or similar fees.

9 “(vii) Beaches.

10 “(9) ‘Private nonprofit facility’ means private
11 nonprofit educational, emergency, medical,
12 rehabilitational, utilities other than electric utilities,
13 and custodial care facilities. The term ‘private non-
14 profit facility’ does not include the following facili-
15 ties owned by a private nonprofit entity:

16 “(A) Building contents.

17 “(B) Cultural objects.

18 “(C) Trees and other natural features that
19 are located within parks and recreational areas,
20 as well as on the grounds of other private non-
21 profit property.

22 “(D) Beaches.”.

23 (b) Such section 102 is further amended by adding
24 the following definitions at the end of the section:

1 “(10) ‘Director’ means the Director of the Fed-
2 eral Emergency Management Agency.

3 “(11) ‘Hazard mitigation’ or ‘mitigation’ means
4 programs and actions to reduce the risk or impact
5 of hazards in order to reduce loss of life and injury,
6 damage, or destruction of property from a disaster.

7 “(12) ‘Incentives’ means measures to induce ac-
8 tion by State and local governments, individuals, and
9 other private interests to minimize or reduce the loss
10 of life and property from disasters, including in-
11 creased or reduced disaster assistance cost sharing,
12 and such other measures as the President or Direc-
13 tor may establish by regulation.”.

14 **SEC. 3. PREDISASTER HAZARD MITIGATION.**

15 Title II of The Robert T. Stafford Disaster Relief and
16 Emergency Assistance Act (42 U.S.C. 5131 et seq.) is
17 amended by inserting at the end a new section 203 as
18 follows:

19 **“SEC. 203. PREDISASTER HAZARD MITIGATION.**

20 “(a) The Director is authorized to establish a
21 predisaster mitigation program to assist State and local
22 governments to reduce injuries and loss of life, and to re-
23 duce damage or destruction of property from disasters be-
24 fore disasters occur; and is authorized to use incentives,
25 disincentives, and other mitigation measures to reduce the

1 cost of disasters to Federal, State, and local governments,
2 particularly damages to public facilities, and to the private
3 sector.

4 “(b) The Director is authorized to make predisaster
5 mitigation grants of not less than 75 percent of the cost
6 of hazard mitigation measures to States and local govern-
7 ment and to eligible private nonprofit organizations to
8 carry out the purposes of this section. The predisaster
9 mitigation program established by this section shall not
10 duplicate or replace assistance available to States and
11 local governments and eligible nonprofit organizations
12 under authorities and programs administered by other
13 Federal departments or agencies.

14 “(c) The Director shall establish by rules and regula-
15 tions the standards, incentives, and criteria applicable to
16 grants made under the authority of this section, includ-
17 ing—

18 “(1) incentives for measures that reduce the
19 risk of injuries and loss of life and reduce damages
20 and destruction of property from disasters and that
21 exceed the minimum standards and criteria estab-
22 lished by the Director under this section;

23 “(2) incentives for establishing disaster assist-
24 ance programs, trust funds, or other measures that
25 enhance the ability of individuals, property owners,

1 and States and local governments to finance, reim-
2 burse, or compensate for losses suffered from disas-
3 ters;

4 “(3) procedures for the identification and eval-
5 uation of natural hazards that threaten the State or
6 community;

7 “(4) measures to reduce injuries and loss of life
8 and to reduce damages and destruction of property
9 from disasters:

10 “(5) adoption and enforcement of laws, con-
11 struction codes and other codes, communitywide
12 land use and other ordinances and bylaws, and regu-
13 lations to minimize or mitigate the effects of disas-
14 ters; and

15 “(6) such other mitigation measures as the
16 President or the Director may adopt by regulation.

17 “(d) To carry out the predisaster mitigation program
18 authorized in subsection (a), the Director shall establish
19 a National Predisaster Mitigation Fund (Fund) which
20 shall be an account separate from any other accounts or
21 funds and shall be available, without fiscal year limitation,
22 for grants and other incentives to States and local govern-
23 ments and to nonprofit organizations to implement mitiga-
24 tion measures under standards and criteria established by
25 the Director.

1 “(e) There are authorized to be appropriated to the
2 Fund established pursuant to subsection (d) of this section
3 such sums as may be necessary to implement this section.

4 “(f) The Director shall take into account the follow-
5 ing when establishing priorities for predisaster mitigation
6 grant applications:

7 “(1) The level and repetitive nature of the risks
8 to be mitigated.

9 “(2) Demonstrated State or local government
10 commitment to reduce damages from future disas-
11 ters.

12 “(3) Official commitment by the State or local
13 government that non-Federal financial commitments
14 are available for the mitigation measures to be un-
15 dertaken.

16 “(4) Certification that mitigation projects in-
17 volving public facilities will meet or exceed the miti-
18 gation criteria and standards established by the Di-
19 rector under this section.

20 “(5) Assurances that the mitigation projects
21 are not then the subject matter of litigation before
22 any Federal, State, or local court or administrative
23 agency.

1 “(6) Assurances that the mitigation projects
2 will be completed expeditiously, in a time period mu-
3 tually agreed by the Director and the applicant.

4 “(g) The Director shall review periodically the stand-
5 ards, criteria, and incentives established for mitigation
6 under this title, shall evaluate performance results of those
7 standards, criteria, and incentives, and shall make appro-
8 priate changes, as necessary, to enhance the effectiveness
9 of predisaster and postdisaster mitigation measures.”.

10 **SEC. 4. MANAGEMENT EXPENSES.**

11 The Robert T. Stafford Disaster Relief and Emer-
12 gency Assistance Act (42 U.S.C. 5121 et seq.) is amended
13 by adding a new section 322 at the end of title III as
14 follows:

15 **“SEC. 322. MANAGEMENT EXPENSES.**

16 “Notwithstanding the provisions of any other law or
17 administrative rule or guidance, for purposes of this title,
18 the President shall establish management cost rates for
19 grantees and subgrantees by rule. The President shall re-
20 view the management cost rates every 3 years. All pay-
21 ments for management costs shall be in lieu of any indi-
22 rect costs, administrative expenses, or any other expenses
23 not directly chargeable to a specific project under a major
24 disaster (title IV), emergency (title V), or an emergency
25 preparedness activity or measure (titles II and VI).”.

1 **SEC. 5. HAZARD MITIGATION.**

2 Section 404 of The Robert T. Stafford Disaster Re-
3 lief and Emergency Assistance Act (42 U.S.C. 5170c) is
4 amended as follows:

5 (1) In subsection (a), insert “(1) FEDERAL
6 CONTRIBUTION.—” after “IN GENERAL.—”.

7 (2) In the first sentence of subsection (a),
8 strike “up to” after “contribute” and insert “not
9 less than”.

10 (3) Insert a new subsection (a)(2) as follows:

11 “(2) INCENTIVES.—The President may provide by
12 regulation incentives for Federal shares of assistance up
13 to 90 percent for mitigation measures under this section
14 for applicants that, at a minimum, have implemented the
15 standards, incentives, and criteria established by the Di-
16 rector under section 203(c) in advance of major disasters
17 declared by the President under this Act.”.

18 **SEC. 6. FEDERAL COST SHARE**

19 The Robert T. Stafford Disaster Relief and Emer-
20 gency Assistance Act (42 U.S.C. 5121 et seq.) is amended
21 as follows:

22 (1) In section 201(d) (42 U.S.C. 5131(d))
23 strike “50 per centum” and insert “75 percent”.

24 (2) In section 407(d) (42 U.S.C. 5173(d))
25 strike “shall not be less than” and insert “shall not
26 exceed”.

1 (3) In section 611(f)(2) (42 U.S.C. 5196(f)(2))
2 strike “one-half” and insert “three-quarters”.

3 (4) In section 611(j) (42 U.S.C. 5196(j)) strike
4 the text of paragraph (3) in its entirety and insert
5 “The Director may contribute up to 75 percent of
6 the cost of organizational equipment.”.

7 (5) In section 611(j) (42 U.S.C. 5196(j)) strike
8 the first sentence of paragraph (5) and insert “The
9 Director may contribute up to 75 percent of the eli-
10 gible costs for projects under this section.”.

11 (6) In section 613(a) (42 U.S.C. 5196b(a))
12 strike “one-half” and insert “three-quarters”.

13 (7) In section 614 (42 U.S.C. 5196c) strike all
14 after “matches” and insert “provides 25 percent of
15 the cost of such facilities.”.

16 **SEC. 7. REPAIR, RESTORATION, AND REPLACEMENT OF**
17 **DAMAGED FACILITIES.**

18 Section 406 of The Robert T. Stafford Disaster Re-
19 lief and Emergency Assistance Act (42 U.S.C. 5172) is
20 amended as follows:

21 (1) Paragraph (2) of subsection (a) is amended
22 to read as follows:

23 “(2) to a person who owns or operates a private
24 nonprofit facility damaged or destroyed by a major
25 disaster for the repair, restoration, reconstruction,

1 or replacement of such facility and for management
2 expenses incurred by such person: *Provided*, That no
3 contributions shall be made unless the owner or op-
4 erator of the facility has applied first for a Small
5 Business Administration disaster loan (15 U.S.C.
6 636(b)) and (A) has been determined to be ineligible
7 for such a loan, or (B) has obtained a loan in the
8 maximum amount for which the Small Business Ad-
9 ministration determines it is eligible.”.

10 (2) Subsection (b) is repealed and a new sub-
11 section (b) is inserted as follows:

12 “(b) COST SHARING.—

13 “(1) GENERAL RULE.—The President is au-
14 thorized to provide assistance under this section of
15 not less than 75 percent of the net eligible costs of
16 repair, restoration, reconstruction, or replacement
17 activities which are carried out under this section.
18 The President is authorized to provide assistance
19 under this section up to 90 percent of the net eligi-
20 ble costs of repair, restoration, reconstruction, or re-
21 placement activities that are carried out in the after-
22 math of major disasters which cause catastrophic
23 losses.

24 “(2) INCREASED FEDERAL COST SHARE.—The
25 President may provide assistance under this section

1 up to 90 percent of the net eligible costs of repair,
2 restoration, reconstruction, or replacement activities
3 that are carried out under this section for those
4 State or local governments that have implemented
5 hazard mitigation measures in advance of major dis-
6 asters declared by the President under this Act and
7 that, at a minimum, have implemented the stand-
8 ards, incentives, and criteria established by the Di-
9 rector under section 203(c) in advance of major dis-
10 asters declared by the President under this Act.

11 “(3) DECREASED FEDERAL COST SHARE.—The
12 President may reduce assistance under this section
13 to amounts less than 75 percent, but not less than
14 50 percent, of the net eligible costs of repair, res-
15 toration, reconstruction, or replacement activities
16 that are carried out under this section for those
17 State and local governments that are unable or un-
18 willing to take appropriate steps promptly and effi-
19 ciently to complete the processing of claims for as-
20 sistance under this section.”.

21 (3) Subsection (c) is repealed and a new sub-
22 section (c) is inserted as follows:

23 “(c) LARGE IN-LIEU CONTRIBUTIONS.—

24 “(1) FOR PUBLIC FACILITIES.—(A) In any case
25 where a State or local government determines that

1 the public welfare would not be served best by re-
2 pairing, restoring, reconstructing, or replacing any
3 public facility owned or controlled by such State or
4 local government, it may elect to receive, in lieu of
5 a contribution under subsection (a)(1), a contribu-
6 tion of 75 percent of the Federal share of the Fed-
7 eral estimate of the cost of repairing, restoring, re-
8 constructing, or replacing such facility and of man-
9 agement expenses.

10 “(B) Funds contributed under this subsection
11 may be used to repair, restore, or expand other eligi-
12 ble public facilities, to construct eligible new facili-
13 ties, or to fund hazard mitigation measures which
14 the State or local government determines to be nec-
15 essary to meet a need for governmental services and
16 functions in the area affected by the major disaster.

17 “(2) FOR PRIVATE NONPROFIT FACILITIES.—

18 (A) In any case where a person who owns or oper-
19 ates a private nonprofit facility determines that the
20 public welfare would not be best served by repairing,
21 restoring, reconstructing, or replacing such facility,
22 such person may elect to receive, in lieu of a con-
23 tribution under subsection (a)(2), a contribution of
24 75 percent of the Federal share of the Federal esti-
25 mate of the cost of repairing, restoring, reconstruct-

1 ing, or replacing such facility and of management
2 expenses.

3 “(B) Funds contributed under this subsection
4 may be used to repair, restore, or expand other eligi-
5 ble private nonprofit facilities owned or operated by
6 the applicant, to construct eligible new private non-
7 profit facilities to be owned or operated by the appli-
8 cant, or to fund hazard mitigation measures that
9 such private nonprofit organization determines to be
10 necessary to meet a need for its services and func-
11 tions in the area affected by the major disaster.”.

12 (4) Subsection (e) of section 406 is amended to
13 read as follows:

14 “(e)(1) For the purposes of this section, the estimate
15 of the cost of repairing, restoring, reconstructing, or re-
16 placing a public facility or private nonprofit facility on the
17 basis of the design of such facility as it existed imme-
18 diately before the major disaster and in conformity with
19 the applicable codes, specifications, and standards in effect
20 at the time of the major disaster declaration (including
21 floodplain management and hazard mitigation criteria re-
22 quired by the President or by the Coastal Barrier Re-
23 sources Act (16 U.S.C. 3501 et seq.) shall be treated as
24 the net eligible cost of such repair, restoration, reconstruc-
25 tion, or replacement.

1 “(2) Within 18 months of the date of the enactment
2 of this section, the President shall, through the Director
3 of the Federal Emergency Management Agency, convene
4 an expert panel, including representation from the con-
5 struction industry, and shall develop cost estimating pro-
6 cedures consistent with industry practices.”.

7 (5) Subsection (f) of section 406 is repealed.

8 **SEC. 8. FEDERAL FINANCIAL ASSISTANCE.**

9 (a) Section 408 of The Robert T. Stafford Disaster
10 Relief and Emergency Assistance Act (42 U.S.C. 5174)
11 is amended to read as follows:

12 **“SEC. 408. FEDERAL FINANCIAL ASSISTANCE.**

13 “(a) IN GENERAL.—The President may provide fi-
14 nancial assistance and, if necessary, direct services, to dis-
15 aster victims who, as a direct result of a major disaster,
16 have necessary expenses and serious needs for housing,
17 personal property, medical and dental or funeral expenses,
18 transportation costs, and other needs. The President shall
19 administer the program authorized by this section, and
20 shall promulgate rules and regulations to carry out its pro-
21 visions (which shall include criteria, standards, and proce-
22 dures for determining eligibility for assistance). No indi-
23 vidual or household shall receive financial assistance great-
24 er than \$25,000 under this section with respect to a single
25 major disaster. Such limit shall be adjusted annually to

1 reflect changes in the Consumer Price Index for all Urban
2 Consumers published by the Department of Labor. The
3 types of assistance that may be provided under this section
4 are as follows:

5 “(1) The President may provide financial or
6 other assistance to individuals or families to respond
7 to disaster-related housing needs of those who are
8 displaced from their predisaster primary residences,
9 or whose predisaster residences are rendered un-
10 inhabitable as a result of damage caused by a major
11 disaster. Individuals and households who have no
12 predisaster residence shall not be provided housing
13 assistance under this section. The most appropriate
14 forms of housing assistance to be provided to disas-
15 ter victims shall be determined in the President’s
16 discretion based upon considerations of cost-effec-
17 tiveness, convenience to disaster victims, and such
18 other factors as the President may deem appro-
19 priate. One or more forms of housing assistance may
20 be made available, based on the suitability and avail-
21 ability of the types of assistance to meet the disaster
22 victims’ verified needs in the particular disaster situ-
23 ation.

24 “(2) Housing assistance may be provided to in-
25 dividuals or households to rent alternate housing ac-

1 commodations or existing rental units, manufactured
2 housing, recreational vehicles, or other readily fab-
3 ricated dwellings. The President may also directly
4 provide such housing units, acquired by purchase or
5 lease, to individuals or households who, because of
6 lack of available housing resources, would be unable
7 to make use of the assistance provided under this
8 section. Direct assistance shall continue for no
9 longer than 18 months after the President’s major
10 disaster declaration, unless the President determines
11 that it would be in the public interest to extend this
12 period due to extraordinary circumstances. After 18
13 months the President may charge fair market rent
14 for the accommodation being provided. The amount
15 of grant assistance shall be based on the fair market
16 rent for the accommodation being furnished plus the
17 cost of any transportation, utility hookups, or unit
18 installation not being directly provided by the Presi-
19 dent.

20 “(3) Housing assistance may be provided to re-
21 pair owner-occupied private residences, utilities, and
22 residential infrastructure (such as private access
23 routes) damaged by a major disaster to habitable
24 condition where such assistance cannot be provided
25 by voluntary agency assistance, insurance proceeds,

1 or through disaster loan benefits from the Small
2 Business Administration.

3 “(b) CERTAIN PERMANENT HOUSING CONSTRUC-
4 TION.—The President may provide financial assistance or
5 direct assistance to individuals or households to construct
6 permanent housing in remote locations (primarily insular
7 areas outside the continental United States) in cases
8 where no alternative housing resources are available;
9 where the types of temporary housing assistance enumer-
10 ated above are unavailable, infeasible, or not cost-effective;
11 and where such needs cannot be met by voluntary agency
12 assistance, insurance proceeds, or disaster loan benefits
13 from the Small Business Administration.

14 “(c) SITES.—Any readily fabricated dwelling pro-
15 vided under this section shall, whenever possible, be lo-
16 cated on a site complete with utilities, and is provided by
17 the disaster victim, or the State or local government, by
18 the owner of the site, or by the occupant who was dis-
19 placed by the major disaster. Readily fabricated dwellings
20 may be located on sites provided by the President if the
21 President determines that such sites would be more eco-
22 nomical or accessible.

23 “(d) DISPOSITION OF UNITS.—Notwithstanding any
24 other provision of law, housing units purchased by the

1 President for the purposes of housing disaster victims may
2 be disposed of as follows:

3 “(1) Sold directly to individuals or households
4 who are occupants of temporary housing units if
5 such individuals and households need permanent
6 housing. Such sales shall be accomplished at prices
7 that are fair and equitable, as determined by the
8 President. Notwithstanding any other provision of
9 law, the proceeds of sale shall be deposited into the
10 appropriate Disaster Relief Fund account. The
11 President may use the services of the General Serv-
12 ices Administration to accomplish the sale.

13 “(2) If not disposed of under paragraph (1) of
14 this subsection, temporary housing units may be re-
15 sold in the private market. Temporary housing units
16 may also be sold, transferred, donated, or otherwise
17 made available directly to States, other govern-
18 mental entities, and voluntary organizations for the
19 sole purpose of providing temporary housing to dis-
20 aster victims in major disasters and emergencies:
21 *Provided*, That as a condition of such sale, transfer,
22 or donation to States, other governmental agencies,
23 or voluntary organizations, a covenant to comply
24 with the nondiscrimination provisions of section 308
25 is agreed to. The State, other governmental agency,

1 or voluntary organization must also agree to obtain
2 and maintain hazard and flood insurance on the
3 transferred housing unit.

4 “(e) OTHER NEEDS.—The President is authorized to
5 provide financial assistance to individuals or households
6 adversely affected by a major disaster to meet disaster-
7 related medical, dental, and funeral expenses, where such
8 individuals or households are unable to meet such needs
9 through insurance proceeds or voluntary agency assist-
10 ance. Financial assistance may also be authorized to ad-
11 dress personal property needs, transportation expenses,
12 and other necessary expenses or serious needs resulting
13 from the major disaster where such expenses and needs
14 cannot be met through insurance proceeds, voluntary
15 agency assistance, or through loan assistance from the
16 Small Business Administration.”.

17 (b) Section 411 of such Act (42 U.S.C. 5178) is re-
18 pealed.

19 (c) Section 502(a)(6) of The Robert T. Stafford Dis-
20 aster Relief and Emergency Assistance Act (42 U.S.C.
21 5192(a)(6)) is amended by deleting “temporary housing”.

22 **SEC. 9. REPEAL.**

23 Section 417 of The Robert T. Stafford Disaster Re-
24 lief and Emergency Assistance Act (42 U.S.C. 5184) is
25 repealed.

1 **SEC. 10. REPEAL.**

2 Section 422 of The Robert T. Stafford Disaster Re-
3 lief and Emergency Assistance Act (42 U.S.C. 5189) is
4 repealed.

