

105TH CONGRESS  
1ST SESSION

# S. 1007

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.

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## IN THE SENATE OF THE UNITED STATES

JULY 10, 1997

Mr. CHAFEE (by request) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## 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, as amended, 42

1 U.S.C. 5122, is amended by striking paragraphs (8) and  
2 (9) and inserting new paragraphs (8) and (9) as follows:

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

5 “(a)(1) Any sewage treatment and collec-  
6 tion, water supply and distribution, or airport  
7 facility;

8 “(2) Any non-Federal-aid street, road, or  
9 highway;

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

13 “(4) Parks other than those defined in  
14 paragraph (b)(5) of this section.

15 “(b) The term ‘public facility’ does not in-  
16 clude the following facilities owned by a State  
17 or local government:

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

21 “(2) Electric utilities;

22 “(3) Building contents;

23 “(4) Cultural objects;

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

1                   reational areas, as well as on the grounds  
2                   of other publicly-owned property;

3                   “(6) 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; and

9                   “(7) Beaches.

10                  “(9)(a) ‘Private nonprofit facility’ means pri-  
11                  vate nonprofit educational, emergency, medical,  
12                  rehabilitational, utilities other than electric utilities,  
13                  and custodial care facilities.

14                  “(b) The term ‘private nonprofit facility’ does  
15                  not include the following facilities owned by a pri-  
16                  vate nonprofit entity:

17                         “(1) Building contents;

18                         “(2) Cultural objects;

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

23                         “(4) Beaches.”

24                  (b) Section 102 is amended further by adding the fol-  
25                  lowing 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’ mean  
 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. PRE-DISASTER HAZARD MITIGATION.**

15 Title II of the Robert T. Stafford Disaster Relief and  
 16 Emergency Assistance Act, as amended, 42 U.S.C. 5121  
 17 et seq., is amended by inserting new section 203 as fol-  
 18 lows:

19 **“§ 203. Pre-disaster hazard mitigation**

20 “(a) The Director is authorized to establish a pre-  
 21 disaster mitigation program to assist State and local gov-  
 22 ernments to reduce injuries and loss of life, and to reduce  
 23 damage or destruction of property from disasters before  
 24 disasters occur; and is authorized to use incentives, dis-  
 25 incentives, 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 pre-disaster  
5 mitigation grants of not less than 75 percent of the cost  
6 of hazard mitigation measures to States and local govern-  
7 ments and to eligible private nonprofit organizations to  
8 carry out the purposes of this section. The pre-disaster  
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, including:

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

22 “(2) incentives for establishing disaster assist-  
23 ance programs, trust funds, or other measures that  
24 enhance the ability of individuals, property owners,  
25 and States and local governments to finance, reim-

1       burse, or compensate for losses suffered from disas-  
2       ters;

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

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

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

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

16      “(d) To carry out the pre-disaster mitigation pro-  
17      gram authorized in subsection (a), the Director shall es-  
18      tablish a National Pre-Disaster Mitigation Fund (Fund)  
19      which shall be an account separate from any other ac-  
20      counts or funds and shall be available, without fiscal year  
21      limitation, for grants and other incentives to States and  
22      local governments and to nonprofit organizations to imple-  
23      ment mitigation measures under standards and criteria es-  
24      tablished by the Director.

1       “(e) There are authorized to be appropriated to the  
2 Fund established by subsection (d) of this section such  
3 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 pre-disaster 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 in this section;

20           “(5) assurances that the mitigation projects are  
21 not then the subject matter of litigation before any  
22 Federal, State or local court or administrative agen-  
23 cy; and

1           “(6) assurances that the mitigation projects will  
2           be completed expeditiously, in a time period mutu-  
3           ally 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 chapter, shall evaluate performance results of  
7           those standards, criteria, and incentives, and shall make  
8           appropriate changes, as necessary, to enhance the effec-  
9           tiveness of pre-disaster and post-disaster mitigation meas-  
10          ures.”

11   **SEC. 4. MANAGEMENT EXPENSES.**

12          The Robert T. Stafford Disaster Relief and Emer-  
13          gency Assistance Act, as amended, 42 U.S.C. 5121 et seq.,  
14          is amended by adding a new section 322, as follows:

15          “SEC. 322. MANAGEMENT EXPENSES.—Notwith-  
16          standing the provisions of any other law or administrative  
17          rule or guidance, for purposes of this chapter, the Presi-  
18          dent shall establish management cost rates for grantees  
19          and subgrantees by rule. The President shall review the  
20          management cost rates every three years. All payments  
21          for management costs shall be in lieu of any indirect costs,  
22          administrative expenses, or any other expense not directly  
23          chargeable to a specific project under a major disaster  
24          (subchapter IV), emergency (subchapter V), or an emer-



1 agency preparedness activity or measure (subchapters II  
2 and VI).”

3 **SEC. 5. HAZARD MITIGATION.**

4 Section 404 of the Robert T. Stafford Disaster Relief  
5 and Emergency Assistance Act, as amended, 42 U.S.C.  
6 5170c, is amended as follows—

7 (a) In subsection (a), insert “(1)” between  
8 “(a)” and “IN GENERAL.”;

9 (b) In the first sentence of subsection (a),  
10 strike “up to” after “contribute”, and insert “not  
11 less than”;

12 (c) Insert new subsection (a)(2) as follows:

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

20 **SEC. 6. FEDERAL COST SHARE.**

21 The Robert T. Stafford Disaster Relief and Emer-  
22 gency Assistance Act, as amended, 42 U.S.C. 5121 et seq.,  
23 is amended as follows:

24 (a) in section 201(d), 42 U.S.C. 5131(d), strike  
25 “50 percent”, and insert “75 percent”;

1 (b) in section 407(d), 42 U.S.C. 5173(d), strike  
 2 “shall not be less than”, and insert “shall not ex-  
 3 ceed”;

4 (c) in section 611(f)(2), 42 U.S.C. 5196(f)(2),  
 5 strike “one-half”, and insert “three-quarters”;

6 (d) in section 611(j)(3), 42 U.S.C. 5196(j)(3),  
 7 strike paragraph (3) in its entirety and insert “The  
 8 Director may contribute up to 75 percent of the cost  
 9 of organizational equipment.”;

10 (e) in section 611(j)(5), 42 U.S.C. 5196(j)(5),  
 11 strike the first sentence of paragraph (5), and insert  
 12 “The Director may contribute up to 75 percent of  
 13 the eligible costs for projects under this section.”;

14 (f) in section 613(a), 42 U.S.C. 5196b(a),  
 15 strike “one-half”, and insert “three-quarters”; and

16 (g) in section 614, 42 U.S.C. 5196c, strike all  
 17 after “matches”, and insert “provides 25 percent of  
 18 the cost of such facilities.”.

19 **SEC. 7. REPAIR, RESTORATION, AND REPLACEMENT OF**  
 20 **DAMAGED FACILITIES.**

21 Section 406 of the Robert T. Stafford Disaster Relief  
 22 and Emergency Assistance Act, as amended, 42 U.S.C.  
 23 5172, is amended as follows—

24 (a) Paragraph (2) of subsection (a) is amended  
 25 to read as follows:

1           “(2) to a person who owns or operates a private  
2       nonprofit facility damaged or destroyed by a major  
3       disaster for the repair, restoration, reconstruction,  
4       or replacement of such facility and for management  
5       expenses incurred by such person, *Provided*, That no  
6       contributions shall be made unless the owner or op-  
7       erator of the facility, has applied first for a Small  
8       Business Administration disaster loan (15 U.S.C.  
9       636(b)) and (A) has been determined to be ineligible  
10      for such a loan, or (B) has obtained a loan in the  
11      maximum amount that the Small Business Adminis-  
12      tration determines it is eligible.”

13           (b) Subsection (b) is repealed, and new sub-  
14      section (b) is inserted as follows:

15      “(b) COST SHARING.—(1) GENERAL RULE.—The  
16      President is authorized to provide assistance under this  
17      section of not less than 75 percent of the net eligible costs  
18      of repair, restoration, reconstruction, or replacement ac-  
19      tivities which are carried out under this section. The  
20      President is authorized to provide assistance under this  
21      section up to 90 percent of the net eligible costs of repair,  
22      restoration, reconstruction, or replacement activities that  
23      are carried out in the aftermath of major disasters which  
24      cause catastrophic losses.

1       “(2) INCREASED FEDERAL COST SHARE.—The  
 2 President may provide assistance under this section up to  
 3 90% of the net eligible costs of repair, restoration, recon-  
 4 struction, or replacement activities that are carried out  
 5 under this section for those State or local governments  
 6 that have implemented hazard mitigation measures in ad-  
 7 vance of major disasters declared by the President under  
 8 this Act and that, at minimum, have implemented the  
 9 standards, incentives and criteria established by the Direc-  
 10 tor under section 203(c) in advance of major disasters de-  
 11 clared by the President under this Act.”

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

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

23       “(c) LARGE IN-LIEU CONTRIBUTIONS.—

24               “(1)(A) FOR PUBLIC FACILITIES.—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)(A) FOR PRIVATE NONPROFIT FACILI-  
18 TIES.—In any case where a person who owns or op-  
19 erates a private nonprofit facility determines that  
20 the public welfare would not be best served by re-  
21 pairing, restoring, reconstructing, or replacing such  
22 facility, such person may elect to receive, in lieu of  
23 a contribution under subsection (a)(2), a contribu-  
24 tion of 75 percent of the Federal share of the Fed-  
25 eral estimate of the cost of repairing, restoring, re-

1 constructing, or replacing such facility and of man-  
2 agement 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 (d) 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, reconstruction, 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 enactment of this section,  
2 the President shall, through the Director of the Federal  
3 Emergency Management Agency, convene an expert panel,  
4 including representation from the construction industry,  
5 and shall develop cost-estimating procedures consistent  
6 with industry practices.”.

7 (e) REPEAL.—Subsection (f) of section 406 is  
8 repealed.

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

10 (a) Sections 408 and 411 of the Robert T. Stafford  
11 Disaster Relief and Emergency Assistance Act, as amend-  
12 ed, 42 U.S.C. 5174, are here repealed.

13 (b) New section 408 is added as follows—

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

15 “The President may provide financial assistance and,  
16 if necessary, direct services, to disaster victims who, as  
17 a direct result of a major disaster, have necessary ex-  
18 penses and serious needs for housing, personal property,  
19 medical and dental or funeral expenses, transportation  
20 costs, and other needs. The President shall administer the  
21 program authorized by this section, and shall promulgate  
22 rules and regulations to carry out its provisions (which  
23 shall include criteria, standards, and procedures for deter-  
24 mining eligibility for assistance).

1        “No individual or household shall receive financial as-  
2        sistance greater than \$25,000 under this section with re-  
3        spect to a single major disaster. Such limit shall be ad-  
4        justed annually to reflect changes in the Consumer Price  
5        Index for all Urban Consumers published by the Depart-  
6        ment of Labor. The types of assistance that may be pro-  
7        vided under this section are as follows—

8                “(a) HOUSING NEEDS.—The President may  
9        provide financial or other assistance to individuals or  
10       families to respond to disaster-related housing needs  
11       of those who are displaced from their pre-disaster  
12       primary residences, or whose pre-disaster residences  
13       are rendered uninhabitable as a result of damage  
14       caused by a major disaster. Individuals and house-  
15       holds who have no pre-disaster residence shall not  
16       be provided housing assistance under this section.  
17       The most appropriate forms of housing assistance  
18       to be provided to disaster victims shall be deter-  
19       mined in the President’s discretion based upon con-  
20       siderations of cost effectiveness, convenience to dis-  
21       aster victims, and such other factors as the Presi-  
22       dent may deem appropriate. One or more forms of  
23       housing assistance may be made available, based on  
24       the suitability and availability of the types of assist-



1       ance to meet the disaster victims' verified needs in  
2       the particular disaster situation.

3               “(1) Housing assistance may be provided  
4       to individuals or households to rent alternate  
5       housing accommodations or existing rental  
6       units, manufactured housing, recreational vehi-  
7       cles, or other readily fabricated dwellings. The  
8       President may also directly provide such hous-  
9       ing units, acquired by purchase or lease, to in-  
10      dividuals or households who, because of lack of  
11      available housing resources, would be unable to  
12      make use of the assistance provided under this  
13      section. Direct assistance shall continue for no  
14      longer than 18 months after the President's  
15      major disaster declaration, unless the President  
16      determines that it would be in the public inter-  
17      est to extend this period due to extraordinary  
18      circumstances. After 18 months the President  
19      may charge fair market rent for the accommo-  
20      dation being provided. The amount of grant as-  
21      sistance shall be based on the fair market rent  
22      for the accommodation being furnished plus the  
23      cost of any transportation, utility hook-ups, or  
24      unit installation not being directly provided by  
25      the President.

1           “(2) Housing assistance may be provided  
2           to repair owner-occupied private residences,  
3           utilities, and residential infrastructure (such as  
4           private access routes) damaged by a major dis-  
5           aster to habitable condition where such assist-  
6           ance cannot be provided by voluntary agency  
7           assistance, insurance proceeds, or through dis-  
8           aster loan benefits from the Small Business Ad-  
9           ministration.

10          “(b) CERTAIN PERMANENT HOUSING CON-  
11          STRUCTION.—The President may provide financial  
12          assistance or direct assistance to individuals or  
13          households to construct permanent housing in re-  
14          mote locations (primarily insular areas outside the  
15          continental United States) in cases where no alter-  
16          native housing resources are available; where the  
17          types of temporary housing assistance enumerated  
18          above are unavailable, infeasible, or not cost-effec-  
19          tive; and where such needs cannot be met by vol-  
20          untary agency assistance, insurance proceeds, or dis-  
21          aster loan benefits from the Small Business Admin-  
22          istration.

23          “(c) SITES.—Any readily fabricated dwelling  
24          provided under this section shall whenever possible  
25          be located on a site complete with utilities, and is

1 provided by the disaster victim, or the State or local  
2 government, by the owner of the site, or by the occu-  
3 pant who was displaced by the major disaster. Read-  
4 ily fabricated dwellings may be located on sites pro-  
5 vided by the President if the President determines  
6 that such sites would be more economical or acces-  
7 sible.

8 “(d) DISPOSITION OF UNITS.—Notwithstanding  
9 any other provision of law, housing units purchased  
10 by the President for the purposes of housing disaster  
11 victims may be:

12 “(1) Sold directly to individuals or house-  
13 holds who are occupants of temporary housing  
14 units if such individuals and households need  
15 permanent housing. Such sales shall be accom-  
16 plished at prices that are fair and equitable, as  
17 determined by the President. Notwithstanding  
18 any other provision of law, the proceeds of sale  
19 shall be deposited into the appropriate Disaster  
20 Relief Fund account. The President may use  
21 the services of the General Services Administra-  
22 tion to accomplish the sale.

23 “(2) If not disposed of under paragraph  
24 (d)(1) of this section, temporary housing units  
25 may be resold in the private market. Temporary

1           housing units may also be sold, transferred, do-  
2           nated, or otherwise made available directly to  
3           States, other governmental entities, and vol-  
4           untary organizations for the sole purpose of  
5           providing temporary housing to disaster victims  
6           in major disasters and emergencies: *Provided*,  
7           That as a condition of such sale, transfer or do-  
8           nation to States, other governmental agencies,  
9           or voluntary organizations a covenant to comply  
10          with the nondiscrimination provisions of section  
11          308 is agreed to. The State, other governmental  
12          agency, or voluntary organization must also  
13          agree to obtain and maintain hazard and flood  
14          insurance on the transferred housing unit.

15          “(e) OTHER NEEDS.—The President is author-  
16          ized to provide financial assistance to individuals or  
17          households adversely affected by a major disaster to  
18          meet disaster-related medical, dental, and funeral  
19          expenses, where such individuals or households are  
20          unable to meet such needs through insurance pro-  
21          ceeds or voluntary agency assistance. Financial as-  
22          sistance may also be authorized to address personal  
23          property needs, transportation expenses, and other  
24          necessary expenses or serious needs resulting from  
25          the major disaster where such expenses and needs

1 cannot be met through insurance proceeds, voluntary  
2 agency assistance, or through loan assistance from  
3 the Small Business Administration.”

4 (c) Section 502(a)(6) of the Robert T. Stafford Dis-  
5 aster Relief and Emergency Assistance Act, 42 U.S.C.  
6 502(a)(6), is amended by deleting “temporary housing”.

7 **SEC. 9. REPEAL.**

8 Section 417 of the Robert T. Stafford Disaster Relief  
9 and Emergency Assistance Act, as amended, 42 U.S.C.  
10 5184, is repealed.

11 **SEC. 10. REPEAL.**

12 Section 422 of the Robert T. Stafford Disaster Relief  
13 and Emergency Assistance Act, as amended, 42 U.S.C.  
14 5189, is repealed.

○