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111TH CONGRESS
2D SESSION

# H. R. 5559

To revise the National Flood Insurance Program to more fairly treat homeowners who purchase insurance under the program.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2010

Mr. HINCHEY (for himself, Mr. ARCURI, and Mr. MURPHY of New York) introduced the following bill; which was referred to the Committee on Financial Services

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# A BILL

To revise the National Flood Insurance Program to more fairly treat homeowners who purchase insurance under the program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Flood Insurance Fairness Act of 2010''.

**SEC. 2. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.**

(a) IN GENERAL.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

"(i) DELAYED EFFECTIVE DATE OF MANDATORY PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD AREAS.—

"(1) IN GENERAL.—In the case of any area that was not previously designated as an area having special flood hazards and that, pursuant to any issuance, revision, updating, or other change in flood insurance maps that takes effect on or after September 1, 2008, becomes designated as an area having special flood hazards, such designation shall not take effect for purposes of subsection (a), (b), or (e) of this section, or section 202(a) of this Act, until the expiration of the 5-year period beginning upon the date that such maps, as issued, revised, update, or otherwise changed, become effective.

"(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) may be construed to affect the applicability of a designation of any area as an area having special flood hazards for purposes of the availability of flood insurance coverage, criteria for land management and use, notification of flood hazards, eligibility for mitigation assistance, or any other purpose or provision not specifically referred to in paragraph (1).''.

(b) CONFORMING AMENDMENT.—The second sentence of subsection (h) of section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is amended by striking ''Such'' and inserting ''Except for notice regarding a change described in section 102(i)(1) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(i)(1)), such''.

(c) NO REFUNDS.—Nothing in this section or the amendments made by this section may be construed to authorize or require any payment or refund for flood insurance coverage purchased for any property that covered any period during which such coverage is not required for the property pursuant to the applicability of the amendment made by subsection (a).

**SEC. 3. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.**

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by inserting ''or notice'' after ''prescribe by regulation'';

(2) in subsection (c), by inserting ''and subsection (g)'' before the first comma; and

(3) by adding at the end the following new subsection:

''(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES FOR NEWLY MAPPED AREAS.—Notwithstanding any other provision of law relating to chargeable risk premium rates for flood insurance coverage under this title, in the case of any property that is located within any area that was not previously designated as an area having special flood hazards and that, pursuant to any issuance, revision, updating, or other change in flood insurance maps, becomes designated as such an area, during the 5-year period that begins upon the earlier of (A) the expiration of the period referred to in section 102(i)(1) of the Flood Disaster Protection Act of 1973 with respect to such area, or (B) the first date during such period referred to in such section 102(i)(1) with respect to such area that flood insurance coverage under this title is in effect for such property, the chargeable premium rate for flood insurance under this title with respect to such shall be—

''(1) for the first year of such 5-year period, 20 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

"(2) for the second year of such 5-year period, 40 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

"(3) for the third year of such 5-year period, 60 percent of the chargeable risk premium rate otherwise applicable under this title to the property;

"(4) for the fourth year of such 5-year period, 80 percent of the chargeable risk premium rate otherwise applicable under this title to the property; and

"(5) for the fifth year of such 5-year period, 100 percent of the chargeable risk premium rate otherwise applicable under this title to the property.".

## SEC. 4. REIMBURSEMENT OF PROPERTY OWNERS FOR COSTS INCURRED IN REQUESTS TO REMOVE PROPERTY FROM BASE FLOOD ELEVATIONS.

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

"(k) REIMBURSEMENT OF PROPERTY OWNERS FOR COSTS INCURRED IN REQUESTS TO REMOVE PROPERTY FROM BASE FLOOD ELEVATIONS.—If an owner of a real property incurs expense in connection with the services of surveyors, engineers, or similar services, but not including legal services, in effecting any request to the Director to remove the property from inclusion within the base flood elevations established under flood insurance map panels, and the Director grants such request in whole or in part, the Director shall reimburse such individual for such expense. The amount of such reimbursement shall be determined by the Director, based on the ratio of the successful portion of the request as compared to the entire request. The Director shall apply such ratio to the average cost of such services in the community for jobs of a similar size.''.

**SEC. 5. COMMUNITY OUTREACH PLAN FOR UPDATING FLOODPLAIN AREAS AND FLOOD-RISK ZONES.**

The Administrator of the Federal Emergency Management Agency—

(1) shall, not later than the expiration of the 60-day period beginning upon the date of the enactment of this Act, submit to the Congress a community outreach plan for the updating of floodplain areas and flood-risk zones under section 1360(f) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(f)); and

(2) may not revise and update any floodplain area or flood-risk zone under such section 1360(f) of

the National Flood Insurance Act of 1968 until the date on which the Administrator submits such community outreach plan.

**SEC. 6. NOTIFICATION OF ESTABLISHMENT OF FLOOD ELEVATIONS.**

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

"(l) NOTIFICATION TO MEMBERS OF CONGRESS OF MAP MODERNIZATION.—Upon any revision or update of any floodplain area or flood-risk zone pursuant to subsection (f), any decision pursuant to subsection (f)(1) that such revision or update is necessary, any issuance of preliminary maps for such revision or updating, or any other significant action relating to any such revision or update, the Director shall notify the Senators for each State affected, and each Member of the House of Representatives for each congressional district affected, by such revision or update in writing of the action taken.".

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