

115TH CONGRESS
2D SESSION

H. R. 5846

IN THE SENATE OF THE UNITED STATES

JULY 17, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To require the Comptroller General of the United States to conduct a study regarding the buyout practices of the Federal Emergency Management Agency, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Promoting Flood Risk
3 Mitigation Act”.

4 **SEC. 2. GAO STUDY REGARDING BUYOUT PRACTICES.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “Administrator” means the Ad-
7 ministrator of the Federal Emergency Management
8 Agency;

9 (2) the term “appropriate committees of Con-
10 gress” means—

11 (A) the Committee on Banking, Housing,
12 and Urban Affairs of the Senate;

13 (B) the Committee on Homeland Security
14 and Governmental Affairs of the Senate;

15 (C) the Committee on Financial Services of
16 the House of Representatives; and

17 (D) the Committee on Transportation and
18 Infrastructure of the House of Representatives;

19 (3) the terms “buyout practice” and “buyout
20 program” mean a practice or program, as applicable,
21 under which the Administrator provides assistance
22 to State and local governments so that those entities
23 may acquire flood-damaged properties committed to
24 open space use in perpetuity in accordance with sec-
25 tion 404(b)(2) of the Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act (42 U.S.C.
2 5170c(b)(2));

3 (4) the term “eligible property owner” means a
4 policyholder under the National Flood Insurance
5 Program with a household income that is not more
6 than 120 percent of the mean household income for
7 the community in which the primary residence of the
8 policyholder is located;

9 (5) the term “National Flood Insurance Pro-
10 gram” means the program established under the Na-
11 tional Flood Insurance Act of 1968 (42 U.S.C. 4001
12 et seq.);

13 (6) the term “repetitive loss structure” has the
14 meaning given the term in section 1370(a) of the
15 National Flood Insurance Act of 1968 (42 U.S.C.
16 4121(a)); and

17 (7) the term “severe repetitive loss structure”
18 has the meaning given the term in section 1366(h)
19 of the National Flood Insurance Act of 1968 (42
20 U.S.C. 4104c(h)).

21 (b) STUDY REQUIRED.—The Comptroller General of
22 the United States shall conduct a study to assess—

23 (1) the efficacy of buyout practices, as in effect
24 on the date on which the study is conducted; and

1 (2) ways to streamline the buyout practices de-
2 scribed in paragraph (1) in order to provide more
3 timely assistance to a larger number of State and
4 local governments.

5 (c) CONSIDERATIONS AND ANALYSIS.—The study
6 conducted under subsection (b) shall consider and analyze
7 the following:

8 (1) To the extent possible, current (as of the
9 date on which the study is conducted) and future
10 trends with respect to repetitive loss structures and
11 severe repetitive loss structures that are insured
12 under the National Flood Insurance Program, in-
13 cluding, with respect to both inland and coastal
14 areas—

15 (A) changes in flood risk, flood frequency,
16 and flood magnitude since the inception of the
17 National Flood Insurance Program; and

18 (B) projections for changes in flood risk,
19 flood frequency, and flood magnitude by 2025,
20 2050, and 2075.

21 (2) To the extent possible, buyout practices (as
22 of the date on which the study is conducted), includ-
23 ing—

1 (A) the availability of funding sources for
2 buyout programs through various grant pro-
3 grams;

4 (B) the total number of properties ac-
5 quired through buyout programs;

6 (C) the average length of time for a State
7 or local government to acquire a flood-damaged
8 property under a buyout program, with that pe-
9 riod beginning on the date on which the State
10 or local government, as applicable, begins par-
11 ticipating in the buyout program;

12 (D) an estimate of the number of flood-
13 damaged properties that could be acquired from
14 willing property owners under buyout programs
15 with the full cooperation of State and local gov-
16 ernments;

17 (E) the socioeconomic status of recipients
18 of buyouts under buyout programs; and

19 (F) examples of successful buyout pro-
20 grams, including best practices employed.

21 (3) Administrative, financial, or temporal con-
22 straints that may impede the timely acquisition of
23 properties under a buyout program, including—

24 (A) a lack of communication or coopera-
25 tion between the Administrator and the State

1 and local governments that purchase properties
2 under a buyout program;

3 (B) pressures to redevelop a property after
4 acquiring a property through a buyout pro-
5 gram; and

6 (C) a lack of adequate funding.

7 (4) Potential options, methods, and strategies
8 to address the constraints identified under para-
9 graph (3), including evaluating the feasibility of—

10 (A) a pilot program under which—

11 (i) an eligible property owner may
12 agree, before a flood event occurs, to have
13 the primary single-family residence of the
14 eligible property owner purchased after the
15 residence has been substantially damaged
16 by a flood;

17 (ii) the Administrator may provide—

18 (I) financial assistance to State
19 and local governments that are willing
20 to participate in the program to pur-
21 chase and acquire the properties of
22 owners that have incurred substantial
23 damage from a flood event; and

1 (II) a premium credit as an in-
2 centive to eligible property owners to
3 agree to participate in the program;

4 (iii) properties that are acquired—

5 (I) shall be maintained as open
6 space in accordance with section
7 404(b)(2) of the Robert T. Stafford
8 Disaster Relief and Emergency Assist-
9 ance Act (42 U.S.C. 5170c(b)(2));
10 and

11 (II) may be used for non-struc-
12 tural mitigation, conservation, and
13 recreational purposes; and

14 (iv) not fewer than 5 and not more
15 than 10 State and local governments shall
16 participate; and

17 (B) the role that nonprofit organizations
18 could play in making buyouts more readily
19 available or more efficient, similar to the role
20 that those organizations play in the acquisition
21 of properties for conservation purposes.

22 (5) The ecological, financial, and flood risk re-
23 duction benefits that buyout practices, as in effect
24 on the date on which the study is conducted, pro-
25 vide, which shall—

(A) take into account the differences between inland and coastal areas; and

(B) include—

(i) examples in which ecosystem restoration and other nature-based approaches have enhanced the reduction of flood risk; and

(ii) recommendations for best practices.

(6) To the extent possible, an assessment of how the Administrator may use buyout programs to reduce future flood disaster recovery costs that are attributable to future projections of flood risk as a result of sea level rise, population changes, subsidence, and other factors.

(7) A cost-benefit analysis of mitigation and buy-out projects and programs, including an assessment of opportunities and challenges for leveraging different Federal resources and funding to maximize the value of Federal investment in disaster mitigation.

(d) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the ap-

1 appropriate committees of Congress and the Adminis-
2 trator a report that sets forth the analysis, conclu-
3 sions, and recommendations resulting from the study
4 conducted under subsection (b).

5 (2) CONTENTS.—The report submitted under
6 paragraph (1) shall detail the feasibility of the Ad-
7 ministrator establishing, and the processes required
8 for the Administrator to establish, an alternative
9 buyout program, such as the pilot program described
10 in subsection (c)(4)(A).

Passed the House of Representatives July 16, 2018.

Attest:

KAREN L. HAAS,

Clerk.