

105TH CONGRESS  
2D SESSION

# H. R. 4832

To amend the National Flood Insurance Act of 1968 to reduce losses from repetitive flooding.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 1998

Mr. BENTSEN introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the National Flood Insurance Act of 1968 to reduce losses from repetitive flooding.

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 “Repetitive Flood Loss  
5 Reduction Act of 1998”.

6 **SEC. 2. REPETITIVE FLOOD LOSS REDUCTION.**

7 Chapter III of the National Flood Insurance Act of  
8 1968 is amended by adding after section 1367 (42 U.S.C.  
9 4104d) the following new section:

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1 **“SEC. 1368. REPETITIVE FLOOD LOSS REDUCTION.**

2       “(a) **AUTHORITY.**—The Director shall carry out a  
3 program to mitigate repetitive flood losses to property by  
4 providing financial assistance to States, communities, and  
5 local flood management agencies for planning and carry-  
6 ing out activities designed to reduce expenditures from the  
7 National Flood Insurance Fund for damages to properties  
8 caused by repetitive flooding. Such financial assistance  
9 shall be made available to States, communities, and local  
10 flood management agencies in the form of grants under  
11 this section for carrying out mitigation activities.

12       “(b) **PROVISION OF ASSISTANCE.**—The Director shall  
13 provide assistance under this section to the extent  
14 amounts are available pursuant to appropriation Acts,  
15 subject only to the absence of approvable requests for such  
16 assistance.

17       “(c) **ELIGIBLE MITIGATION ACTIVITIES.**—

18               “(1) **USE OF AMOUNTS.**—Assistance provided  
19 under this section may be used only for mitigation  
20 activities under paragraph (2) that are proposed in  
21 a request for assistance under subsection (d) and  
22 approved by the Director pursuant to subsection (e).

23               “(2) **ELIGIBLE ACTIVITIES.**—Mitigation activi-  
24 ties under this paragraph shall include—

25                       “(A) elevation, relocation (subject to sub-  
26 section (f)), demolition, or floodproofing of

1 structures (including public structures) located  
2 in areas having special flood hazards or other  
3 areas of flood risk;

4 “(B) subject to subsection (f), acquisition  
5 by States and communities of properties (in-  
6 cluding public properties) located in areas hav-  
7 ing special flood hazards or other areas of flood  
8 risk for public use, as the Director determines  
9 is consistent with sound land management and  
10 use in such areas;

11 “(C) minor physical mitigation efforts that  
12 do not duplicate the flood prevention activities  
13 of other Federal agencies, States, communities,  
14 or local flood management agencies and that  
15 lessen the frequency or severity of flooding and  
16 decrease predicted flood damages, which shall  
17 not include major flood control projects such as  
18 dikes, levees, seawalls, groins, and jetties unless  
19 the Director specifically determines in approv-  
20 ing a mitigation project that such projects are  
21 the most cost-effective mitigation activities for  
22 protecting the National Flood Insurance Fund;

23 “(D) purchase of property in accordance  
24 with subsection (h); and

1           “(E) other activities that the Director con-  
2           siders appropriate and specifies in regulations.

3           “(d) REQUEST FOR ASSISTANCE.—To be eligible to  
4 receive financial assistance under this section for mitiga-  
5 tion activities, a State, community, or local flood manage-  
6 ment agency shall submit a request for assistance for miti-  
7 gation activities that contains—

8           “(1) a description of the property or community  
9           that the activities will protect;

10           “(2) a statement of the aggregate amount of  
11 payments made under the flood insurance program  
12 under this title pursuant to insurance claims for  
13 such property or properties in such community;

14           “(3) a description of the mitigation activities  
15 for which the assistance is requested;

16           “(4) information sufficient to demonstrate that  
17 the activities are eligible under subsection (c)(2) for  
18 assistance and meet the requirements under sub-  
19 section (e) for approval; and

20           “(5) any other information the Director may re-  
21 quire.

22           “(e) APPROVAL.—

23           “(1) CRITERIA.—The Director may approve  
24 only requests for mitigation activities that specify  
25 mitigation activities that the Director determines—

1           “(A) have been proposed by the State,  
2           community, or local flood management agency  
3           requesting assistance to reduce repetitive flood  
4           losses pursuant to an evaluation and analysis  
5           (by the State, community, or local flood man-  
6           agement agency) of flood risk and multiple  
7           flood claim properties;

8           “(B) are likely to provide protection  
9           against flood losses to structures covered by  
10          contracts for flood insurance available under  
11          this title;

12          “(C) are cost-beneficial to the National  
13          Flood Insurance Fund;

14          “(D) are technically feasible and cost-effec-  
15          tive; and

16          “(E) are consistent with other criteria that  
17          are established by the Director to carry out the  
18          purposes of this section.

19          “(2) TIME FOR APPROVAL OR REJECTION.—

20          The Director shall approve or reject an application  
21          for assistance under this subsection not later than  
22          30 days after receiving such application.

23          “(f) DISPOSITION OF ACQUIRED PROPERTY.—A miti-  
24          gation activity involving acquisition of property or reloca-  
25          tion of a structure shall be eligible to receive financial as-

1 sistance under this section only if the applicant for the  
2 assistance enters into an agreement with the Director that  
3 provides assurances that any property acquired, accepted,  
4 or from which a structure will be removed in accordance  
5 with the activity will be dedicated and maintained in per-  
6 petuity for a use that is compatible with open space, rec-  
7 reational, or wetlands management practices.

8       “(g) LIMITATION ON AMOUNT OF ASSISTANCE.—Ex-  
9 cept as provided in subsection (h), the Director may not  
10 provide financial assistance under this section in an  
11 amount exceeding 75 percent of the total cost of the miti-  
12 gation activities to be financed using such assistance. The  
13 Director shall may not provide financial assistance under  
14 this section for any mitigation activities unless the State,  
15 community, or local flood management agency that re-  
16 ceives the assistance certifies, as the Director shall re-  
17 quire, that at least 25 percent of the total cost of such  
18 activities will be provided from non-Federal sources.

19       “(h) PURCHASE OF REPETITIVE SUBSTANTIAL LOSS  
20 PROPERTIES.—

21               “(1) OFFER TO PURCHASE.—Upon determining  
22 that an insured property is a repetitive substantial  
23 loss property, the Director shall offer to purchase  
24 the property at a price equal to the fair market  
25 value of the property (including structures) at the

1 time of the offer. Any such offer shall explicitly state  
2 that the offer is contingent upon the availability of  
3 amounts under subsections (k) and (l) for such pur-  
4 chase. Any such offer shall be held open, and shall  
5 not be revocable, during the period that the property  
6 in covered by flood insurance coverage under this  
7 title.

8 “(2) ACCEPTANCE OF OFFER.—If an owner of  
9 a repetitive substantial loss property accepts an offer  
10 to purchase the property made under paragraph (1),  
11 the Director shall purchase the property, if amounts  
12 are available pursuant to subsections (k) and (l). If  
13 any local flood management agency exists that has  
14 jurisdiction with respect to the area in which the  
15 property is located, the Director may request that  
16 the State or local flood management agency, if any,  
17 coordinate and carry out the purchase for the Direc-  
18 tor under the terms of the offer.

19 “(3) INCREASED PREMIUMS FOR REFUSAL OF  
20 OFFER.—Notwithstanding section 1308, if the owner  
21 of a repetitive substantial loss property does not ac-  
22 cept an offer made by the Director pursuant to  
23 paragraph (1) during the period after the offer is  
24 made having such duration as the Director shall es-  
25 tablish, thereafter the chargeable premium rate with

1 respect to the property shall be an amount equal to  
2 150 percent of the chargeable rate for the property  
3 at the time that the offer was made (as adjusted by  
4 any other premium adjustments otherwise applicable  
5 to the property), except as provided in paragraph  
6 (5), and the deductible in connection with insurance  
7 provided under this title shall increase by \$5,000  
8 more than the deductible on such insurance at the  
9 time that such offer was made.

10 “(4) NOTICE OF CONTINUED OFFER.—Upon  
11 each renewal or modification of any flood insurance  
12 coverage under this title for a repetitive substantial  
13 loss property, the Director shall notify the owner  
14 that the offer made pursuant to paragraph (1) is  
15 still open.

16 “(5) INCREASED PREMIUMS UPON SUBSEQUENT  
17 FLOOD DAMAGE.—Notwithstanding section 1308, if  
18 the owner of a repetitive substantial loss property  
19 does not accept an offer made by the Director pur-  
20 suant to paragraph (1) and subsequently a flood  
21 event causes substantial damage to the property  
22 after such event, the chargeable premium rate with  
23 respect to the property shall be an amount equal to  
24 150 percent of the chargeable rate for the property  
25 at the time of the event, as adjusted by any other

1 premium adjustments otherwise applicable to the  
2 property and any subsequent increases pursuant to  
3 this paragraph, and the deductible in connection  
4 with insurance provided under this title shall in-  
5 crease by \$5,000 more than the deductible on such  
6 insurance at the time of the event.

7 “(6) PRIORITY.—The Director, in consultation  
8 with regional flood plain administrators, shall de-  
9 velop and periodically update a list of repetitive flood  
10 loss property (including structures) which have sus-  
11 tained multiple flood losses in excess of 125 percent  
12 of the value of the property (or structures). Such  
13 property shall be given priority for offers under  
14 paragraph (1).

15 “(7) DEPOSIT OF REVENUES.—All amounts col-  
16 lected from payment of deductible and premium in-  
17 creases pursuant to this subsection shall be depos-  
18 ited into the Repetitive Flood Mitigation Loss Re-  
19 duction Fund created by subsection (k).

20 “(i) OVERSIGHT OF MITIGATION ACTIVITIES.—The  
21 Director shall conduct oversight of recipients of financial  
22 assistance under this section to ensure that the assistance  
23 is used in compliance with approved mitigation activities  
24 and that matching funds certified under subsection (g) are  
25 used in accordance with such certification.

1       “(j) RECAPTURE.—If the Director determines that a  
2 State, community, or local flood management agency that  
3 has received mitigation assistance under this section has  
4 not carried out the mitigation activities as set forth in the  
5 mitigation activity, the Director shall recapture such  
6 amounts and deposit the amounts in the Repetitive Flood  
7 Mitigation Loss Reduction Fund created by subsection  
8 (k).

9       “(k) REPETITIVE FLOOD MITIGATION LOSS REDUC-  
10 TION FUND.—There is hereby created within the Treasury  
11 a fund which shall be known as the “Repetitive Flood  
12 Mitigation Loss Reduction Fund”. Amounts deposited  
13 into the Repetitive Flood Mitigation Loss Reduction Fund  
14 shall be available to the Director to carry out this section  
15 to the extent provided by appropriation Acts.

16       “(l) FUNDING.—There is authorized to be appro-  
17 priated to the Director \$100,000,000 for fiscal year 2000  
18 to carry out this section, and such amounts shall remain  
19 available until expended.”.

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