

106TH CONGRESS  
1ST SESSION

# H. R. 707

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 1999

Mrs. FOWLER (for herself, Mr. TRAFICANT, Mr. BOEHLERT, and Mr. BORSKI) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

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## A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster 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 Mitigation  
5 and Cost Reduction Act of 1999”.

1 **SEC. 2. AMENDMENTS TO ROBERT T. STAFFORD DISASTER**  
2 **RELIEF AND EMERGENCY ASSISTANCE ACT.**

3 Except as otherwise specifically provided, whenever in  
4 this Act an amendment or repeal is expressed in terms  
5 of an amendment to, or repeal of, a section or other provi-  
6 sion of law, the reference shall be considered to be made  
7 to a section or other provision of the Robert T. Stafford  
8 Disaster Relief and Emergency Assistance Act (42 U.S.C.  
9 5121 et seq.).

10 **TITLE I—PREDISASTER HAZARD**  
11 **MITIGATION**

12 **SEC. 101. FINDINGS AND PURPOSE.**

13 (a) FINDINGS.—Congress finds that—

14 (1) greater emphasis needs to be placed on  
15 identifying and assessing the risks to State and local  
16 communities and implementing adequate measures  
17 to reduce losses from natural disasters and to ensure  
18 that critical facilities and public infrastructure will  
19 continue to function after a disaster;

20 (2) expenditures for post-disaster assistance are  
21 increasing without commensurate reduction in the  
22 likelihood of future losses from such natural disas-  
23 ters;

24 (3) a high priority in the expenditure of Federal  
25 funds under the Robert T. Stafford Disaster Relief

1 and Emergency Assistance Act should be to imple-  
2 ment predisaster activities at the local level; and

3 (4) with a unified effort of economic incentives,  
4 awareness and education, technical assistance, and  
5 demonstrated Federal support, States and local com-  
6 munities will be able to increase their capabilities to  
7 form effective community-based partnerships for  
8 mitigation purposes, implement effective natural dis-  
9 aster mitigation measures that reduce the risk of fu-  
10 ture damage, hardship, and suffering, ensure contin-  
11 ued functioning of critical facilities and public infra-  
12 structure, leverage additional non-Federal resources  
13 into meeting disaster resistance goals, and make  
14 commitments to long-term mitigation efforts in new  
15 and existing structures.

16 (b) PURPOSE.—It is the purpose of this title to estab-  
17 lish a predisaster hazard mitigation program that—

18 (1) reduces the loss of life and property, human  
19 suffering, economic disruption, and disaster assist-  
20 ance costs resulting from natural hazards; and

21 (2) provides a source of predisaster hazard  
22 mitigation funding that will assist States and local  
23 governments in implementing effective mitigation  
24 measures that are designed to ensure the continued

1 functioning of critical facilities and public infrastruc-  
2 ture after a natural disaster.

3 **SEC. 102. STATE MITIGATION PROGRAM.**

4 Section 201(c) (42 U.S.C. 5131(c)) is amended—

5 (1) by striking “and” at the end of paragraph  
6 (1);

7 (2) by striking the period at the end of para-  
8 graph (2) and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(3) set forth, with the ongoing cooperation of  
11 local governments and consistent with section 409, a  
12 comprehensive and detailed State program for miti-  
13 gating against emergencies and major disasters, in-  
14 cluding provisions for prioritizing mitigation meas-  
15 ures.”.

16 **SEC. 103. DISASTER ASSISTANCE PLANS.**

17 Section 201(d) (42 U.S.C. 5131(d)) is amended to  
18 read as follows:

19 “(d) GRANTS FOR DISASTER ASSISTANCE AND HAZ-  
20 ARD IDENTIFICATION.—The President is authorized to  
21 make grants for—

22 “(1) not to exceed 50 percent of the cost of im-  
23 proving, maintaining, and updating State disaster  
24 assistance plans including, consistent with section  
25 409, evaluation of natural hazards and development

1 of the programs and actions required to mitigate  
2 such hazards; and

3 “(2) the development and application of im-  
4 proved floodplain mapping technologies that can be  
5 used by Federal, State, and local governments and  
6 that the President determines will likely result in  
7 substantial savings over current floodplain mapping  
8 methods.”.

9 **SEC. 104. PREDISASTER HAZARD MITIGATION.**

10 Title II (42 U.S.C. 5131–5132) is amended by add-  
11 ing at the end the following:

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

13 “(a) GENERAL AUTHORITY.—The President may es-  
14 tablish a program to provide financial assistance to States  
15 and local governments for the purpose of undertaking  
16 predisaster hazard mitigation activities that are cost effec-  
17 tive and substantially reduce the risk of future damage,  
18 hardship, or suffering from a major disaster.

19 “(b) PURPOSE OF ASSISTANCE.—

20 “(1) IN GENERAL.—Except as provided in para-  
21 graph (2), a State or local government that receives  
22 financial assistance under this section shall use the  
23 assistance for funding activities that are cost effec-  
24 tive and substantially reduce the risk of future dam-  
25 age, hardship, or suffering from a major disaster.

1           “(2) DISSEMINATION.—The State or local gov-  
2           ernment may use not more than 10 percent of finan-  
3           cial assistance it receives under this section in a fis-  
4           cal year for funding activities to disseminate infor-  
5           mation regarding cost effective mitigation tech-  
6           nologies (such as preferred construction practices  
7           and materials), including establishing and maintain-  
8           ing centers for protection against natural disasters  
9           to carry out such dissemination.

10          “(c) ALLOCATION OF FUNDS.—The amount of finan-  
11         cial assistance to be made available to a State, including  
12         amounts made available to local governments of such  
13         State, under this section in a fiscal year shall—

14                 “(1) not be less than the lesser of \$500,000 or  
15                 1.0 percent of the total funds appropriated to carry  
16                 out this section for such fiscal year; but

17                 “(2) not exceed 15 percent of such total funds.

18          “(d) CRITERIA.—Subject to the limitations of sub-  
19         sections (c) and (e), in determining whether to provide as-  
20         sistance to a State or local government under this section  
21         and the amount of such assistance, the President shall  
22         consider the following criteria:

23                 “(1) The clear identification of prioritized cost-  
24                 effective mitigation activities that produce meaning-  
25                 ful and definable outcomes.

1           “(2) If the State has submitted a mitigation  
2 program in cooperation with local governments  
3 under section 201(c), the degree to which the activi-  
4 ties identified in paragraph (1) are consistent with  
5 the State mitigation program.

6           “(3) The extent to which assistance will fund  
7 activities that mitigate hazards evaluated under sec-  
8 tion 409.

9           “(4) The opportunity to fund activities that  
10 maximize net benefits to society.

11           “(5) The ability of the State or local govern-  
12 ment to fund mitigation activities.

13           “(6) The extent to which assistance will fund  
14 mitigation activities in small impoverished commu-  
15 nities.

16           “(7) The level of interest by the private sector  
17 to enter into a partnership to promote mitigation.

18           “(8) Such other criteria as the President estab-  
19 lishes in consultation with State and local govern-  
20 ments.

21           “(e) STATE NOMINATIONS.—

22           “(1) IN GENERAL.—The Governor of each State  
23 may recommend to the President not less than 5  
24 local governments to receive assistance under this  
25 section. The recommendations shall be submitted to

1 the President not later than October 1, 1999, and  
2 each October 1st thereafter or such later date in the  
3 year as the President may establish. In making such  
4 recommendations, the Governors shall consider the  
5 criteria identified in subsection (d).

6 “(2) USE.—

7 “(A) GENERAL RULE.—In providing as-  
8 sistance to local governments under this sec-  
9 tion, the President shall select from local gov-  
10 ernments recommended by the Governors under  
11 this subsection.

12 “(B) WAIVER.—Upon request of a local  
13 government, the President may waive the limi-  
14 tation in subparagraph (A) if the President de-  
15 termines that extraordinary circumstances jus-  
16 tify the waiver and that granting the waiver will  
17 further the purpose of this section.

18 “(3) EFFECT OF FAILURE TO NOMINATE.—If a  
19 Governor of a State fails to submit recommendations  
20 under this subsection in a timely manner, the Presi-  
21 dent may select, subject to the criteria in subsection  
22 (d), any local governments of the State to receive  
23 assistance under this section.

24 “(f) SMALL IMPOVERISHED COMMUNITIES.—For the  
25 purpose of this section, the term ‘small impoverished com-

1 munities' means communities of 3,000 or fewer individuals  
2 that are economically disadvantaged, as determined by the  
3 State in which the community is located and based on cri-  
4 teria established by the President.

5       “(g) FEDERAL SHARE.—Financial assistance pro-  
6 vided under this section may contribute up to 75 percent  
7 of the total cost of mitigation activities approved by the  
8 President; except that the President may contribute up to  
9 90 percent of the total cost of mitigation activities in small  
10 impoverished communities.

11       “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
12 is authorized to be appropriated to carry out this section  
13 \$25,000,000 for fiscal year 1999 and \$80,000,000 for fis-  
14 cal year 2000.

15       “(i) AUTHORIZATION OF SECTION 404 FUNDS.—Ef-  
16 fective October 1, 1999, in addition to amounts appro-  
17 priated under subsection (h), the President may use, to  
18 carry out this section, funds that are appropriated to carry  
19 out section 404 for post-disaster mitigation activities that  
20 have not been obligated within 30 months of the disaster  
21 declaration upon which the funding availability is based.

22       “(j) REPORT ON FEDERAL AND STATE ADMINISTRA-  
23 TION.—Not later than 18 months after the date of enact-  
24 ment of the Disaster Mitigation and Cost Reduction Act  
25 of 1999, the President, in consultation with State and

1 local governments, shall transmit to Congress a report  
2 evaluating efforts to implement this section and rec-  
3 ommending a process for transferring greater authority  
4 and responsibility for administering the assistance pro-  
5 gram authorized by this section to capable States.”.

6 **SEC. 105. INTERAGENCY TASK FORCE.**

7 The President shall establish an interagency task  
8 force for the purpose of coordinating the implementation  
9 of the predisaster hazard mitigation program authorized  
10 by section 203 of the Robert T. Stafford Disaster Relief  
11 and Emergency Assistance Act. The Director of the Fed-  
12 eral Emergency Management Agency shall chair such task  
13 force.

14 **SEC. 106. MAXIMUM CONTRIBUTION FOR MITIGATION**  
15 **COSTS.**

16 (a) IN GENERAL.—Section 404(a) (42 U.S.C.  
17 5170c(a)) is amended by striking “15 percent” and insert-  
18 ing “20 percent”.

19 (b) APPLICABILITY.—The amendment made by sub-  
20 section (a) shall apply to major disasters declared under  
21 the Robert T. Stafford Disaster Relief Act and Emergency  
22 Assistance Act after January 1, 1997.

23 **SEC. 107. CONFORMING AMENDMENT.**

24 The heading for title II is amended to read as follows:

1 **“TITLE II—DISASTER PREPARED-**  
2 **NESS AND MITIGATION AS-**  
3 **SISTANCE”.**

4 **TITLE II—STREAMLINING AND**  
5 **COST REDUCTION**

6 **SEC. 201. MANAGEMENT COSTS.**

7 (a) IN GENERAL.—Title III (42 U.S.C. 5141–5164)  
8 is amended by adding at the end the following:

9 **“SEC. 322. MANAGEMENT COSTS.**

10 “(a) IN GENERAL.—Notwithstanding any other pro-  
11 vision of law (including any administrative rule or guid-  
12 ance), the President shall establish by rule management  
13 cost rates for grantees and subgrantees. Such rates shall  
14 be used to determine contributions under this Act for  
15 management costs.

16 “(b) MANAGEMENT COSTS DEFINED.—Management  
17 costs include indirect costs, administrative expenses, asso-  
18 ciated expenses, and any other expenses not directly  
19 chargeable to a specific project under a major disaster,  
20 emergency, or emergency preparedness activity or meas-  
21 ure. Such costs include the necessary costs of requesting,  
22 obtaining, and administering Federal assistance and costs  
23 incurred by a State for preparation of damage survey re-  
24 ports, final inspection reports, project applications, final  
25 audits, and related field inspections by State employees,

1 including overtime pay and per diem and travel expenses  
2 of such employees, but not including pay for regular time  
3 of such employees.

4 “(c) REVIEW.—The President shall review the man-  
5 agement cost rates established under subsection (a) not  
6 later than 3 years after the date of establishment of such  
7 rates and periodically thereafter.”.

8 (b) APPLICABILITY.—Section 322 of the Robert T.  
9 Stafford Disaster Relief and Emergency Assistance Act  
10 (as added by subsection (a) of this section) shall apply  
11 as follows:

12 (1) Subsections (a) and (b) of such section 322  
13 shall apply to major disasters declared under such  
14 Act on or after the date of enactment of this Act.  
15 Until the date on which the President establishes the  
16 management cost rates under such subsection, sec-  
17 tion 406(f) shall be used for establishing such rates.

18 (2) Subsection (c) of such section 322 shall  
19 apply to major disasters declared under such Act on  
20 or after the date on which the President establishes  
21 such rates under subsection (a) of such section 322.

22 **SEC. 202. ASSISTANCE TO REPAIR, RESTORE, RECON-**  
23 **STRUCT, OR REPLACE DAMAGED FACILITIES.**

24 (a) CONTRIBUTIONS.—Section 406(a) (42 U.S.C.  
25 5172(a)) is amended to read as follows:

1 “(a) CONTRIBUTIONS.—

2 “(1) IN GENERAL.—The President may make  
3 contributions—

4 “(A) to a State or local government for the  
5 repair, restoration, reconstruction, or replace-  
6 ment of a public facility which is damaged or  
7 destroyed by a major disaster and for associ-  
8 ated expenses incurred by such government;  
9 and

10 “(B) subject to paragraph (2), to a person  
11 who owns or operates a private nonprofit facil-  
12 ity damaged or destroyed by a major disaster  
13 for the repair, restoration, reconstruction, or re-  
14 placement of such facility and for associated ex-  
15 penses incurred by such person.

16 “(2) CONDITIONS FOR ASSISTANCE TO PRIVATE  
17 NONPROFIT FACILITIES.—The President may make  
18 contributions to a private nonprofit facility under  
19 paragraph (1)(B) only if the owner or operator of  
20 the facility—

21 “(A) has applied for a disaster loan under  
22 section 7(b) of the Small Business Act (15  
23 U.S.C. 636(b)); and

24 “(B)(i) has been determined to be ineli-  
25 gible for such a loan; or

1           “(ii) has obtained such a loan in the maxi-  
2           mum amount for which the Small Business Ad-  
3           ministration determines the facility is eligible.”.

4           (b) MINIMUM FEDERAL SHARE.—Section 406(b) (42  
5 U.S.C. 5172(b)) is amended to read as follows:

6           “(b) MINIMUM FEDERAL SHARE.—The Federal  
7 share of assistance under this section shall be not less  
8 than 75 percent of the eligible cost of repair, restoration,  
9 reconstruction, or replacement carried out under this sec-  
10 tion.”.

11          (c) LARGE IN-LIEU CONTRIBUTIONS.—Section  
12 406(c) (42 U.S.C. 5172(c)) is amended to read as follows:

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

14           “(1) FOR PUBLIC FACILITIES.—

15           “(A) IN GENERAL.—In any case in which  
16           a State or local government determines that the  
17           public welfare would not be best served by re-  
18           pairing, restoring, reconstructing, or replacing  
19           any public facility owned or controlled by such  
20           State or local government, the State or local  
21           government may elect to receive, in lieu of a  
22           contribution under subsection (a)(1)(A), a con-  
23           tribution of 75 percent of the Federal share of  
24           the Federal estimate of the cost of repairing,

1 restoring, reconstructing, or replacing such fa-  
2 cility and of management expenses.

3 “(B) USE OF FUNDS.—Funds contributed  
4 to a State or local government under this para-  
5 graph may be used to repair, restore, or expand  
6 other selected public facilities, to construct new  
7 facilities, or to fund hazard mitigation measures  
8 which the State or local government determines  
9 to be necessary to meet a need for govern-  
10 mental services and functions in the area af-  
11 fected by the major disaster.

12 “(2) FOR PRIVATE NONPROFIT FACILITIES.—

13 “(A) IN GENERAL.—In any case where a  
14 person who owns or operates a private nonprofit  
15 facility determines that the public welfare would  
16 not be best served by repairing, restoring, re-  
17 constructing, or replacing such facility, such  
18 person may elect to receive, in lieu of a con-  
19 tribution under subsection (a)(1)(B), a con-  
20 tribution of 75 percent of the Federal share of  
21 the Federal estimate of the cost of repairing,  
22 restoring, reconstructing, or replacing such fa-  
23 cility and of management expenses.

24 “(B) USE OF FUNDS.—Funds contributed  
25 to a person under this paragraph may be used

1 to repair, restore, or expand other selected pri-  
2 vate nonprofit facilities owned or operated by  
3 the person, to construct new private nonprofit  
4 facilities to be owned or operated by the person,  
5 or to fund hazard mitigation measures that the  
6 person determines to be necessary to meet a  
7 need for its services and functions in the area  
8 affected by the major disaster.

9 “(3) MODIFICATION OF FEDERAL SHARE.—The  
10 President shall modify the Federal share of the cost  
11 estimate provided in paragraphs (1) and (2) if the  
12 President determines an alternative cost share will  
13 likely reduce the total amount of Federal assistance  
14 provided under this section. The Federal cost share  
15 for purposes of paragraphs (1) and (2) shall not ex-  
16 ceed 90 percent and shall not be less than 50 per-  
17 cent.”.

18 (d) ELIGIBLE COST.—

19 (1) IN GENERAL.—Section 406(e) (42 U.S.C.  
20 5172(e)) is amended to read as follows:

21 “(e) ELIGIBLE COST.—

22 “(1) IN GENERAL.—For the purposes of this  
23 section, the estimate of the cost of repairing, restor-  
24 ing, reconstructing, or replacing a public facility or  
25 private nonprofit facility on the basis of the design

1 of such facility as it existed immediately before the  
2 major disaster and in conformity with current appli-  
3 cable codes, specifications, and standards (including  
4 floodplain management and hazard mitigation cri-  
5 teria required by the President or by the Coastal  
6 Barrier Resources Act (16 U.S.C. 3501 et seq.))  
7 shall be treated as the eligible cost of such repair,  
8 restoration, reconstruction, or replacement. Subject  
9 to paragraph (2), the President shall use the cost es-  
10 timation procedures developed under paragraph (3)  
11 to make the estimate under this paragraph.

12 “(2) MODIFICATION OF ELIGIBLE COST.—In  
13 the event the actual cost of repairing, restoring, re-  
14 constructing, or replacing a facility under this sec-  
15 tion is more than 120 percent or less than 80 per-  
16 cent of the cost estimated under paragraph (1), the  
17 President may determine that the eligible cost be the  
18 actual cost of such repair, restoration, reconstruc-  
19 tion, or replacement. The government or person re-  
20 ceiving assistance under this section shall reimburse  
21 the President for the portion of such assistance that  
22 exceeds the eligible cost of such repair, restoration,  
23 reconstruction, or replacement.

24 “(3) USE OF SURPLUS FUNDS.—In the event  
25 the actual cost of repairing, restoring, reconstruct-

1 ing, or replacing a facility under this section is less  
2 than 100 percent but not less than 80 percent of the  
3 cost estimated under paragraph (1), the government  
4 or person receiving assistance under this section  
5 shall use any surplus funds to perform activities that  
6 are cost-effective and reduce the risk of future dam-  
7 age, hardship, or suffering from a major disaster.

8 “(4) EXPERT PANEL.—Not later than 18  
9 months after the date of enactment of the Disaster  
10 Mitigation and Cost Reduction Act of 1999, the  
11 President, acting through the Director of the Fed-  
12 eral Emergency Management Agency, shall establish  
13 an expert panel, including representatives from the  
14 construction industry, to develop procedures for esti-  
15 mating the cost of repairing, restoring, reconstruct-  
16 ing, or replacing a facility consistent with industry  
17 practices.

18 “(5) SPECIAL RULE.—In any case in which the  
19 facility being repaired, restored, reconstructed, or re-  
20 placed under this section was under construction on  
21 the date of the major disaster, the cost of repairing,  
22 restoring, reconstructing, or replacing such facility  
23 shall include, for purposes of this section, only those  
24 costs which, under the contract for such construc-

1 tion, are the owner’s responsibility and not the con-  
2 tractor’s responsibility.”.

3 (2) EFFECTIVE DATE.—The amendment made  
4 by paragraph (1) shall take effect on the date of en-  
5 actment of this Act; except that paragraph (1) of  
6 section 406(e) of the Robert T. Stafford Disaster  
7 Relief and Emergency Assistance Act (as amended  
8 by paragraph (1) of this subsection) shall take effect  
9 on the date that the procedures developed under  
10 paragraph (3) of such section take effect.

11 (e) ASSOCIATED EXPENSES.—

12 (1) IN GENERAL.—Section 406 (42 U.S.C.  
13 4172) is amended by striking subsection (f).

14 (2) OTHER ELIGIBLE COSTS.—Section 406(e)  
15 (42 U.S.C. 5172(f)), as amended by subsection (d)  
16 of this section, is amended by adding at the end the  
17 following:

18 “(5) OTHER ELIGIBLE COSTS.—For purposes of  
19 this section, other eligible costs include the following:

20 “(A) COSTS OF NATIONAL GUARD.—The  
21 cost of mobilizing and employing the National  
22 Guard for performance of eligible work.

23 “(B) COSTS OF PRISON LABOR.—The costs  
24 of using prison labor to perform eligible work,  
25 including wages actually paid, transportation to

1 a worksite, and extraordinary costs of guards,  
2 food, and lodging.

3 “(C) OTHER LABOR COSTS.—Base and  
4 overtime wages for an applicant’s employees  
5 and extra hires performing eligible work plus  
6 fringe benefits on such wages to the extent that  
7 such benefits were being paid before the disas-  
8 ter.”.

9 (3) EFFECTIVE DATE.—Paragraphs (1) and (2)  
10 shall take effect on the date on which the President  
11 establishes management cost rates under section  
12 322(a) of the Robert T. Stafford Disaster Relief and  
13 Emergency Assistance Act (as added by section  
14 201(a) of this Act). The amendment made by para-  
15 graph (1) shall only apply to disasters declared by  
16 the President under such Act after the date on  
17 which the President establishes such cost rates.

18 **SEC. 203. FEDERAL ASSISTANCE TO INDIVIDUALS AND**  
19 **HOUSEHOLDS.**

20 (a) IN GENERAL.—Section 408 (42 U.S.C. 5174) is  
21 amended to read as follows:

22 **“SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND**  
23 **HOUSEHOLDS.**

24 “(a) GENERAL AUTHORITY.—Subject to the require-  
25 ments of this section, the President, in consultation with

1 the Governor of the affected State, may provide financial  
2 assistance, and, if necessary, direct services, to disaster  
3 victims who as a direct result of a major disaster have  
4 necessary expenses and serious needs where such victims  
5 are unable to meet such expenses or needs through other  
6 means.

7 “(b) HOUSING ASSISTANCE.—

8 “(1) ELIGIBILITY.—The President may provide  
9 financial or other assistance under this section to in-  
10 dividuals and families to respond to the disaster-re-  
11 lated housing needs of those who are displaced from  
12 their predisaster primary residences or whose  
13 predisaster primary residences are rendered un-  
14 inhabitable as a result of damage caused by a major  
15 disaster.

16 “(2) DETERMINATION OF APPROPRIATE TYPES  
17 OF ASSISTANCE.—The President shall determine ap-  
18 propriate types of housing assistance to be provided  
19 to disaster victims under this section based upon  
20 considerations of cost effectiveness, convenience to  
21 disaster victims, and such other factors as the Presi-  
22 dent may consider appropriate. One or more types 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 needs of disaster victims in the  
2       particular disaster situation.

3       “(c) TYPES OF HOUSING ASSISTANCE.—

4             “(1) TEMPORARY HOUSING.—

5                     “(A) FINANCIAL ASSISTANCE.—

6                             “(i) IN GENERAL.—The President  
7                             may provide financial assistance under this  
8                             section to individuals or households to rent  
9                             alternate housing accommodations, existing  
10                            rental units, manufactured housing, rec-  
11                            reational vehicles, or other readily fab-  
12                            ricated dwellings.

13                           “(ii) AMOUNT.—The amount of as-  
14                           sistance under clause (i) shall be based on  
15                           the fair market rent for the accommoda-  
16                           tion being furnished plus the cost of any  
17                           transportation, utility hookups, or unit in-  
18                           stallation not being directly provided by  
19                           the President.

20                     “(B) DIRECT ASSISTANCE.—

21                             “(i) IN GENERAL.—The President  
22                             may also directly provide under this section  
23                             housing units, acquired by purchase or  
24                             lease, to individuals or households who, be-  
25                             cause of a lack of available housing re-

1 sources, would be unable to make use of  
2 the assistance provided under subpara-  
3 graph (A).

4 “(ii) PERIOD OF ASSISTANCE.—The  
5 President may not provide direct assist-  
6 ance under clause (i) with respect to a  
7 major disaster after the expiration of the  
8 18-month period beginning on the date of  
9 the declaration of the major disaster by the  
10 President, except that the President may  
11 extend such period if the President deter-  
12 mines that due to extraordinary cir-  
13 cumstances an extension would be in the  
14 public interest.

15 “(iii) COLLECTION OF RENTAL  
16 CHARGES.—After the expiration of the 18-  
17 month period referred to in clause (ii), the  
18 President may charge fair market rent for  
19 the accommodation being provided.

20 “(2) REPAIRS.—The President may provide fi-  
21 nancial assistance for the repair of owner-occupied  
22 private residences, utilities, and residential infra-  
23 structure (such as private access routes) damaged by  
24 a major disaster to a habitable or functioning condi-  
25 tion. A recipient of assistance provided under this

1 paragraph need not show that the assistance can be  
2 met through other means, except insurance proceeds,  
3 if the assistance is used for emergency repairs to  
4 make a private residence habitable and does not ex-  
5 ceed \$5,000 (based on fiscal year 1998 constant dol-  
6 lars).

7 “(3) REPLACEMENT.—The President may pro-  
8 vide financial assistance for the replacement of  
9 owner-occupied private residences damaged by a  
10 major disaster. Assistance provided under this para-  
11 graph shall not exceed \$10,000 (based on fiscal year  
12 1998 constant dollars). The President may not waive  
13 any provision of Federal law requiring the purchase  
14 of flood insurance as a condition for the receipt of  
15 Federal disaster assistance with respect to assist-  
16 ance provided under this paragraph.

17 “(4) PERMANENT HOUSING CONSTRUCTION.—  
18 The President may provide financial assistance or  
19 direct assistance under this section to individuals or  
20 households to construct permanent housing in insu-  
21 lar areas outside the continental United States and  
22 other remote locations in cases in which—

23 “(A) no alternative housing resources are  
24 available; and

1           “(B) the types of temporary housing as-  
2           sistance described in paragraph (1) are unavail-  
3           able, infeasible, or not cost effective.

4           “(d) TERMS AND CONDITIONS RELATING TO HOUS-  
5           ING ASSISTANCE.—

6           “(1) SITES.—Any readily fabricated dwelling  
7           provided under this section shall, whenever possible,  
8           be located on a site complete with utilities, and shall  
9           be provided by the State or local government, by the  
10          owner of the site, or by the occupant who was dis-  
11          placed by the major disaster. Readily fabricated  
12          dwellings may be located on sites provided by the  
13          President if the President determines that such sites  
14          would be more economical or accessible.

15          “(2) DISPOSAL OF UNITS.—

16                 “(A) SALE TO OCCUPANTS.—

17                         “(i) IN GENERAL.—Notwithstanding  
18                         any other provision of law, a temporary  
19                         housing unit purchased under this section  
20                         by the President for the purposes of hous-  
21                         ing disaster victims may be sold directly to  
22                         the individual or household who is occupy-  
23                         ing the unit if the individual or household  
24                         needs permanent housing.

1           “(ii) SALES PRICE.—Sales of tem-  
2           porary housing units under clause (i) shall  
3           be accomplished at prices that are fair and  
4           equitable.

5           “(iii) DEPOSIT OF PROCEEDS.—Not-  
6           withstanding any other provision of law,  
7           the proceeds of a sale under clause (i) shall  
8           be deposited into the appropriate Disaster  
9           Relief Fund account.

10          “(iv) USE OF GSA SERVICES.—The  
11          President may use the services of the Gen-  
12          eral Services Administration to accomplish  
13          a sale under clause (i).

14          “(B) OTHER METHODS OF DISPOSAL.—

15               “(i) SALE.—If not disposed of under  
16               subparagraph (A), a temporary housing  
17               unit purchased by the President for the  
18               purposes of housing disaster victims may  
19               be resold.

20               “(ii) DISPOSAL TO GOVERNMENTS  
21               AND VOLUNTARY ORGANIZATIONS.—A tem-  
22               porary housing unit described in clause (i)  
23               may also be sold, transferred, donated, or  
24               otherwise made available directly to a  
25               State or other governmental entity or to a

1           voluntary organization for the sole purpose  
2           of providing temporary housing to disaster  
3           victims in major disasters and emergencies  
4           if, as a condition of such sale, transfer, or  
5           donation, the State, other governmental  
6           agency, or voluntary organization agrees to  
7           comply with the nondiscrimination provi-  
8           sions of section 308 and to obtain and  
9           maintain hazard and flood insurance on  
10          the housing unit.

11          “(e) FINANCIAL ASSISTANCE TO ADDRESS OTHER  
12 NEEDS.—

13           “(1) MEDICAL, DENTAL, AND FUNERAL EX-  
14 PENSES.—The President, in consultation with the  
15 Governor of the affected State, may provide financial  
16 assistance under this section to an individual or  
17 household adversely affected by a major disaster to  
18 meet disaster-related medical, dental, and funeral  
19 expenses.

20           “(2) PERSONAL PROPERTY, TRANSPORTATION,  
21 AND OTHER EXPENSES.—The President, in con-  
22 sultation with the Governor of the affected State,  
23 may provide financial assistance under this section  
24 to an individual or household described in paragraph  
25 (1) to address personal property, transportation, and

1 other necessary expenses or serious needs resulting  
2 from the major disaster.

3 “(f) STATE ROLE.—The President shall provide for  
4 the substantial and ongoing involvement of the affected  
5 State in administering the assistance under this section.

6 “(g) MAXIMUM AMOUNT OF ASSISTANCE.—No indi-  
7 vidual or household shall receive financial assistance great-  
8 er than \$25,000 under this section with respect to a single  
9 major disaster. Such limit shall be adjusted annually to  
10 reflect changes in the Consumer Price Index for all Urban  
11 Consumers published by the Department of Labor.

12 “(h) ISSUANCE OF REGULATIONS.—The President  
13 shall issue rules and regulations to carry out the program,  
14 including criteria, standards, and procedures for determin-  
15 ing eligibility for assistance.”.

16 (b) CONFORMING AMENDMENT.—Section 502(a)(6)  
17 (42 U.S.C. 5192(a)(6)) is amended by striking “tem-  
18 porary housing”.

19 (c) ELIMINATION OF INDIVIDUAL AND FAMILY  
20 GRANT PROGRAMS.—Title IV (42 U.S.C. 5170–5189a) is  
21 amended by striking section 411 (42 U.S.C. 5178).

22 (d) EFFECTIVE DATE.—The amendments made by  
23 this section shall take effect on the 545th day following  
24 the date of enactment of this Act.

1 **SEC. 204. REPEALS.**

2 (a) COMMUNITY DISASTER LOANS.—Section 417 (42  
3 U.S.C. 5184) is repealed.

4 (b) SIMPLIFIED PROCEDURE.—Section 422 (42  
5 U.S.C. 5189) is repealed.

6 **SEC. 205. STATE ADMINISTRATION OF HAZARD MITIGATION**  
7 **PROGRAM.**

8 Section 404 (42 U.S.C. 5170c) is amended by adding  
9 at the end the following:

10 “(c) PROGRAM ADMINISTRATION BY STATES.—

11 “(1) IN GENERAL.—A State desiring to admin-  
12 ister the hazard mitigation assistance program es-  
13 tablished by this section with respect to hazard miti-  
14 gation assistance in the State may submit to the  
15 President an application for the delegation of such  
16 authority.

17 “(2) CRITERIA.—The President, in consultation  
18 with States and local governments, shall establish  
19 criteria for the approval of applications submitted  
20 under paragraph (1). The criteria shall include, at a  
21 minimum, the following:

22 “(A) The demonstrated ability of the State  
23 to manage the grant program under this sec-  
24 tion.

25 “(B) Submission of the plan required  
26 under section 201(c).

1           “(C) A demonstrated commitment to miti-  
2           gation activities.

3           “(3) APPROVAL.—The President shall approve  
4           an application submitted under paragraph (1) that  
5           meets the criteria established under paragraph (2).

6           “(4) WITHDRAWAL OF APPROVAL.—If, after  
7           approving an application of a State submitted under  
8           paragraph (1), the President determines that the  
9           State is not administering the hazard mitigation as-  
10          sistance program established by this section in a  
11          manner satisfactory to the President, the President  
12          shall withdraw such approval.

13          “(5) AUDITS.—The President shall provide for  
14          periodic audits of the hazard mitigation assistance  
15          programs administered by States under this sub-  
16          section.”.

17 **SEC. 206. STATE ADMINISTRATION OF DAMAGED FACILI-**  
18 **TIES PROGRAM.**

19          (a) PILOT PROGRAM.—In cooperation with States  
20          and local governments and in coordination with efforts to  
21          streamline the delivery of disaster relief assistance, the  
22          President shall conduct a pilot program for the purpose  
23          of determining the desirability of State administration of  
24          parts of the assistance program established by section 406

1 of the Robert T. Stafford Disaster Relief and Emergency  
2 Assistance Act (42 U.S.C. 5172).

3 (b) STATE PARTICIPATION.—

4 (1) CRITERIA.—The President may establish  
5 criteria in order to ensure the appropriate implemen-  
6 tation of the pilot program under subsection (a).

7 (2) MINIMUM NUMBER OF STATES.—The Presi-  
8 dent shall conduct the pilot program under sub-  
9 section (a) in at least 2 States.

10 (c) REPORT.—Not later than 3 years after the date  
11 of enactment of this Act, the President shall transmit to  
12 Congress a report describing the results of the pilot pro-  
13 gram conducted under subsection (a), including identify-  
14 ing any administrative or financial benefits. Such report  
15 shall also include recommendations on the conditions, if  
16 any, under which States should be allowed the option to  
17 administer parts of the assistance program under section  
18 406 of the Robert T. Stafford Disaster Relief and Emer-  
19 gency Assistance Act (42 U.S.C. 5172).

20 **SEC. 207. STUDY REGARDING COST REDUCTION.**

21 Not later than 3 years after the date of enactment  
22 of this Act, the Comptroller General of the United States  
23 shall conduct a study to estimate the reduction in Federal  
24 disaster assistance that has resulted and is likely to result  
25 from the enactment of this Act.

1 **SEC. 208. REPORT ON ASSISTANCE TO AGRICULTURAL**  
2 **COMMUNITIES.**

3 Not later than 180 days after the date of enactment  
4 of this Act, the Director of the Federal Emergency Man-  
5 agement Agency shall prepare and transmit to Congress  
6 a report on methods and procedures that the Director rec-  
7 ommends to accelerate the provision of Federal disaster  
8 assistance under the Robert T. Stafford Disaster Relief  
9 and Emergency Assistance Act (42 U.S.C. 5121 et seq.)  
10 to agricultural communities.

11 **SEC. 209. STUDY REGARDING INSURANCE FOR PUBLIC IN-**  
12 **FRASTRUCTURE.**

13 The Comptroller General of the United States shall  
14 conduct a study to determine the current and future ex-  
15 pected availability of disaster insurance for public infra-  
16 structure eligible for assistance under section 406 of the  
17 Robert T. Stafford Disaster Relief and Emergency Assist-  
18 ance Act (42 U.S.C. 5170).

19 **TITLE III—MISCELLANEOUS**

20 **SEC. 301. TECHNICAL CORRECTION OF SHORT TITLE.**

21 The first section (42 U.S.C. 5121 note) is amended  
22 to read as follows:

23 **“SECTION 1. SHORT TITLE.**

24 **“This Act may be cited as the ‘Robert T. Stafford**  
25 **Disaster Relief and Emergency Assistance Act’.”**

1 **SEC. 302. DEFINITION OF STATE.**

2 Section 102 (42 U.S.C. 5122) is amended in each of  
3 paragraphs (3) and (4) by striking “the Northern” and  
4 all that follows through “Pacific Islands” and inserting  
5 “and the Commonwealth of the Northern Mariana Is-  
6 lands”.

7 **SEC. 303. FIRE SUPPRESSION GRANTS.**

8 Section 420 (42 U.S.C. 5187) is amended by insert-  
9 ing “and local government” after “State”.

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