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IN THE SENATE OF THE UNITED STATES

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Read twice and referred to the Committee on Banking, Housing, and Urban  
Affairs

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## AN ACT

To amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitive flood insurance claim payments have been made.

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 “Flood Insurance Re-  
3 form Act of 2003”.

4 **SEC. 2. CONGRESSIONAL FINDINGS.**

5 The Congress finds that—

6 (1) the national flood insurance program (A)  
7 identifies the flood risk, (B) provides flood risk in-  
8 formation to the public, (C) encourages State and  
9 local governments to make appropriate land use ad-  
10 justments to constrict the development of land which  
11 is exposed to flood damage and minimize damage  
12 caused by flood losses, and (D) makes flood insur-  
13 ance available on a nationwide basis that would oth-  
14 erwise not be available, to accelerate recovery from  
15 floods, mitigate future losses, save lives, and reduce  
16 the personal and national costs of flood disasters;

17 (2) the national flood insurance program in-  
18 sures approximately 4,400,000 policyholders;

19 (3) approximately 48,000 properties currently  
20 insured under the program have experienced, within  
21 a 10-year period, two or more flood losses where  
22 each such loss exceeds the amount \$1,000;

23 (4) approximately 10,000 of these repetitive-  
24 loss properties have experienced either two or three  
25 losses that cumulatively exceed building value or  
26 four or more losses, each exceeding \$1,000;

1           (5) repetitive-loss properties constitute a signifi-  
2           cant drain on the resources of the national flood in-  
3           surance program, costing about \$200,000,000 annu-  
4           ally;

5           (6) repetitive-loss properties comprise approxi-  
6           mately one percent of currently insured properties  
7           but are expected to account for 25 to 30 percent of  
8           claims losses;

9           (7) the vast majority of repetitive-loss prop-  
10          erties were built before local community implementa-  
11          tion of floodplain management standards under the  
12          program and thus are eligible for subsidized flood in-  
13          surance;

14          (8) while some property owners take advantage  
15          of the program allowing subsidized flood insurance  
16          without requiring mitigation action, others are  
17          trapped in a vicious cycle of suffering flooding, then  
18          repairing flood damage, then suffering flooding,  
19          without the means to mitigate losses or move out of  
20          harm's way;

21          (9) mitigation of repetitive-loss properties  
22          through buyouts, elevations, relocations, or flood-  
23          proofing will produce savings for policyholders under  
24          the program and for Federal taxpayers through re-

1       duced flood insurance losses and reduced Federal  
2       disaster assistance;

3           (10) a strategy of making mitigation offers  
4       aimed at high-priority repetitive-loss properties and  
5       shifting more of the burden of recovery costs to  
6       property owners who choose to remain vulnerable to  
7       repetitive flood damage can encourage property own-  
8       ers to take appropriate actions that reduce loss of  
9       life and property damage and benefit the financial  
10      soundness of the program; and

11           (11) the method for addressing repetitive-loss  
12      properties should be flexible enough to take into con-  
13      sideration legitimate circumstances that may prevent  
14      an owner from taking a mitigation action.

15   **SEC. 3. EXTENSION OF PROGRAM AND CONSOLIDATION OF**  
16                           **AUTHORIZATIONS.**

17      The National Flood Insurance Act of 1968 is amend-  
18   ed as follows:

19           (1) **BORROWING AUTHORITY.**—In the first sen-  
20      tence of section 1309(a) (42 U.S.C. 4016(a)), by  
21      striking “through December” and all that follows  
22      through “, and” and inserting the following:  
23      “through the date specified in section 1319, and”.

24           (2) **AUTHORITY FOR CONTRACTS.**—In section  
25      1319 (42 U.S.C. 4026), by striking “after” and all

1 that follows and inserting “after September 30,  
2 2008.”.

3 (3) EMERGENCY IMPLEMENTATION.—In section  
4 1336(a) (42 U.S.C. 4056(a)), by striking “during  
5 the period” and all that follows through “in accord-  
6 ance” and inserting “during the period ending on  
7 the date specified in section 1319, in accordance”.

8 (4) AUTHORIZATION OF APPROPRIATIONS FOR  
9 STUDIES.—In section 1376(c) (42 U.S.C. 4127(c)),  
10 by striking “through” and all that follows and in-  
11 serting the following: “through the date specified in  
12 section 1319, for studies under this title.”.

13 **SEC. 4. ESTABLISHMENT OF PILOT PROGRAM FOR MITIGA-**  
14 **TION OF SEVERE REPETITIVE LOSS PROP-**  
15 **ERTIES.**

16 (a) IN GENERAL.—The National Flood Insurance  
17 Act of 1968 is amended by inserting after section 1361  
18 (42 U.S.C. 4102) the following new section:

19 “PILOT PROGRAM FOR MITIGATION OF SEVERE  
20 REPETITIVE LOSS PROPERTIES

21 “SEC. 1362. (a) AUTHORITY.—To the extent  
22 amounts are made available for use under this section, the  
23 Director may, subject to the limitations of this section,  
24 provide financial assistance to States and communities for  
25 taking actions with respect to severe repetitive loss prop-  
26 erties (as such term is defined in subsection (b)) to miti-

1 gate flood damage to such properties and losses to the Na-  
2 tional Flood Insurance Fund from such properties.

3 “(b) SEVERE REPETITIVE LOSS PROPERTY.—For  
4 purposes of this section, the term ‘severe repetitive loss  
5 property’ has the following meaning:

6 “(1) SINGLE-FAMILY PROPERTIES.—In the case  
7 of a property consisting of one to four residences,  
8 such term means a property that—

9 “(A) is covered under a contract for flood  
10 insurance made available under this title; and

11 “(B) has incurred flood-related damage—

12 “(i) for which four or more separate  
13 claims payments have been made under  
14 flood insurance coverage under this title  
15 before the date of the enactment of the  
16 Flood Insurance Reform Act of 2003, with  
17 the amount of each such claim exceeding  
18 \$5,000, and with the cumulative amount of  
19 such claims payments exceeding \$20,000;

20 “(ii) for which four or more separate  
21 claims payments have been made under  
22 flood insurance coverage under this title  
23 after the date of the enactment of the  
24 Flood Insurance Reform Act of 2003, with  
25 the amount of each such claim exceeding

1           \$3,000, and with the cumulative amount of  
2           such claims payments exceeding \$15,000;  
3           or

4           “(iii) for which at least two separate  
5           claims payments have been made under  
6           such coverage, with the cumulative amount  
7           of such claims exceeding the value of the  
8           property.

9           “(2) MULTIFAMILY PROPERTIES.—In the case  
10          of a property consisting of five or more residences,  
11          such term shall have such meaning as the Director  
12          shall by regulation provide.

13          “(c) ELIGIBLE ACTIVITIES.—Amounts provided  
14          under this section to a State or community may be used  
15          only for the following activities:

16                 “(1) MITIGATION ACTIVITIES.—To carry out  
17                 mitigation activities that reduce flood damages to se-  
18                 vere repetitive loss properties, including elevation,  
19                 relocation, demolition, and floodproofing of struc-  
20                 tures, and minor physical localized flood control  
21                 projects.

22                 “(2) PURCHASE.—To purchase severe repetitive  
23                 loss properties, subject to subsection (f).

24          “(d) MATCHING REQUIREMENT.—

1           “(1) IN GENERAL.—Except as provided in para-  
2           graph (2), the Director may not provide assistance  
3           under this section to a State or community in an  
4           amount exceeding 3 times the amount that the State  
5           or community certifies, as the Director shall require,  
6           that the State or community will contribute from  
7           non-Federal funds for carrying out the eligible ac-  
8           tivities to be funded with such assistance amounts.

9           “(2) WAIVER.—

10           “(A) AUTHORITY.—Subject to subpara-  
11           graph (B), the Director may waive the limita-  
12           tion under paragraph (1) for any State, and for  
13           the communities located in that State, with re-  
14           spect to a year, if, for such year—

15           “(i) 5 percent or more of the total  
16           number of severe repetitive loss properties  
17           in the United States are located in such  
18           State; and

19           “(ii) the State submits a plan to the  
20           Director specifying how the State intends  
21           to reduce the number of severe repetitive  
22           loss properties and the Director deter-  
23           mines, after consultation with State and  
24           technical experts, that the State has taken

1 actions to reduce the number of such prop-  
2 erties.

3 “(B) LIMITATION.—In each waiver under  
4 subparagraph (A), the Director may waive the  
5 limitation under paragraph (1) only to the ex-  
6 tent that the State or community involved is re-  
7 quired to contribute, for each severe repetitive  
8 loss property for which grant amounts are pro-  
9 vided, not less than 10 percent of the cost of  
10 the activities for such properties that are to be  
11 funded with grant amounts.

12 “(3) NON-FEDERAL FUNDS.—For purposes of  
13 this subsection, the term ‘non-Federal funds’ in-  
14 cludes State or local agency funds, in-kind contribu-  
15 tions, any salary paid to staff to carry out the eligi-  
16 ble activities of the recipient, the value of the time  
17 and services contributed by volunteers to carry out  
18 such activities (at a rate determined by the Direc-  
19 tor), and the value of any donated material or build-  
20 ing and the value of any lease on a building.

21 “(e) STANDARDS FOR MITIGATION OFFERS.—The  
22 program under this section for providing assistance for eli-  
23 gible activities for severe repetitive loss properties shall be  
24 subject to the following limitations:

1           “(1) PRIORITY.—In determining the properties  
2           for which to provide assistance for eligible activities  
3           under subsection (c), the Director shall provide as-  
4           sistance for properties in the order that will result  
5           in the greatest amount of savings to the National  
6           Flood Insurance Fund in the shortest period of time.

7           “(2) OFFERS.—The Director shall provide as-  
8           sistance in a manner that permits States and com-  
9           munities to make offers to owners of severe repet-  
10          itive loss properties to take eligible activities under  
11          subsection (c) as soon as is practicable.

12          “(3) NOTICE.—Upon making an offer to pro-  
13          vide assistance with respect to a property for any eli-  
14          gible activity under subsection (c), the State or com-  
15          munity shall notify each holder of a recorded inter-  
16          est on the property of such offer and activity.

17          “(f) PURCHASE OFFERS.—A State or community  
18          may take action under subsection (c)(2) to purchase a se-  
19          vere repetitive loss property only if the following require-  
20          ments are met:

21                 “(1) USE OF PROPERTY.—The State or com-  
22                 munity enters into an agreement with the Director  
23                 that provides assurances that the property pur-  
24                 chased will be used in a manner that is consistent  
25                 with the requirements of clauses (i) and (ii) of sec-

1 tion 404(b)(2)(B) of the Robert T. Stafford Disaster  
2 Relief and Emergency Assistance Act (42 U.S.C.  
3 5170e(b)(2)(B)) for properties acquired, accepted, or  
4 from which a structure will be removed pursuant to  
5 a project provided property acquisition and reloca-  
6 tion assistance under such section 404(b).

7 “(2) PURCHASE PRICE.—The amount of pur-  
8 chase offer is not less than the greatest of—

9 “(A) the amount of the original purchase  
10 price of the property, when purchased by the  
11 holder of the current policy of flood insurance  
12 under this title;

13 “(B) the total amount owed, at the time  
14 the offer to purchase is made, under any loan  
15 secured by a recorded interest on the property;

16 “(C) an amount equal to the fair market  
17 value of the property immediately before the  
18 most recent flood event affecting the property;  
19 and

20 “(D) an amount equal to the replacement  
21 value of the property immediately before the  
22 most recent flood event affecting the property,  
23 except that this subparagraph shall apply in the  
24 case only of a property for which the State or  
25 community taking action under subsection

1           (c)(2) determines, and the Director concurs,  
2           that the fair market value referred to in sub-  
3           paragraph (C) of the property is less than the  
4           purchase price of a replacement primary resi-  
5           dence that is of comparable value, functionally  
6           equivalent, and located in the same community  
7           or market area but not in an area having spe-  
8           cial flood hazards.

9           “(g) INCREASED PREMIUMS IN CASES OF REFUSAL  
10 TO MITIGATE.—

11           “(1) IN GENERAL.—In any case in which the  
12           owner of a severe repetitive loss property refuses an  
13           offer to take action under paragraph (1) or (2) of  
14           subsection (c) with respect to such property, the Di-  
15           rector shall—

16                   “(A) notify each holder of a recorded inter-  
17                   est on the property of such refusal; and

18                   “(B) notwithstanding subsections (a)  
19                   through (c) of section 1308, thereafter the  
20                   chargeable premium rate with respect to the  
21                   property shall be the amount equal to 150 per-  
22                   cent of the chargeable rate for the property at  
23                   the time that the offer was made, as adjusted  
24                   by any other premium adjustments otherwise  
25                   applicable to the property and any subsequent

1 increases pursuant to paragraph (2) and sub-  
2 ject to the limitation under paragraph (3).

3 “(2) INCREASED PREMIUMS UPON SUBSEQUENT  
4 FLOOD DAMAGE.—Notwithstanding subsections (a)  
5 through (c) of section 1308, if the owner of a severe  
6 repetitive loss property does not accept an offer to  
7 take action under paragraph (1) or (2) of subsection  
8 (c) with respect to such property and a claim pay-  
9 ment exceeding \$1,500 is made under flood insur-  
10 ance coverage under this title for damage to the  
11 property caused by a flood event occurring after  
12 such offer is made, thereafter the chargeable pre-  
13 mium rate with respect to the property shall be the  
14 amount equal to 150 percent of the chargeable rate  
15 for the property at the time of such flood event, as  
16 adjusted by any other premium adjustments other-  
17 wise applicable to the property and any subsequent  
18 increases pursuant to this paragraph and subject to  
19 the limitation under paragraph (3).

20 “(3) LIMITATION ON INCREASED PREMIUMS.—  
21 In no case may the chargeable premium rate for a  
22 severe repetitive loss property be increased pursuant  
23 to this subsection to an amount exceeding the appli-  
24 cable estimated risk premium rate for the area (or  
25 subdivision thereof) under section 1307(a)(1).

1           “(4) TREATMENT OF DEDUCTIBLES.—Any in-  
2           crease in chargeable premium rates required under  
3           this subsection for a severe repetitive loss property  
4           may be carried out, to the extent appropriate, as de-  
5           termined by the Director, by adjusting any deduct-  
6           ible charged in connection with flood insurance cov-  
7           erage under this title for the property.

8           “(5) NOTICE OF CONTINUED OFFER.—Upon  
9           each renewal or modification of any flood insurance  
10          coverage under this title for a severe repetitive loss  
11          property, the Director shall notify the owner that  
12          the offer made pursuant to subsection (c) is still  
13          open.

14          “(6) APPEALS.—

15                 “(A) IN GENERAL.—Any owner of a severe  
16                 repetitive loss property may appeal a deter-  
17                 mination of the Director to take action under  
18                 paragraph (1)(B) or (2) with respect to such  
19                 property, based only upon the following  
20                 grounds:

21                         “(i) As a result of such action, the  
22                         owner of the property will not be able to  
23                         purchase a replacement primary residence  
24                         of comparable value and that is function-  
25                         ally equivalent.

1           “(ii) As a result of such action, the  
2           preservation or maintenance of any pre-  
3           historic or historic district, site, building,  
4           structure, or object included in, or eligible  
5           for inclusion in, the National Register of  
6           historic places will be interfered with, im-  
7           paired, or disrupted.

8           “(iii) The flooding that resulted in the  
9           flood insurance claims described in sub-  
10          section (b)(2) for the property resulted  
11          from significant actions by a third party in  
12          violation of Federal, State, or local law, or-  
13          dinance, or regulation.

14          “(iv) In purchasing the property, the  
15          owner relied upon flood insurance rate  
16          maps of the Federal Emergency Manage-  
17          ment Agency that were current at the time  
18          and did not indicate that the property was  
19          located in an area having special flood haz-  
20          ards.

21          “(B) PROCEDURE.—An appeal under this  
22          paragraph of a determination of the Director  
23          shall be made by filing, with the Director, a re-  
24          quest for an appeal within 90 days after receiv-  
25          ing notice of such determination. Upon receiv-

1           ing the request, the Director shall select, from  
2           a list of independent third parties compiled by  
3           the Director for such purpose, a party to hear  
4           such appeal. Within 90 days after filing of the  
5           request for the appeal, such third party shall  
6           review the determination of the Director and  
7           shall set aside such determination if the third  
8           party determines that the grounds under sub-  
9           paragraph (A) exist. During the pendency of an  
10          appeal under this paragraph, the Director shall  
11          stay the applicability of the rates established  
12          pursuant to paragraph (1)(B) or (2), as appli-  
13          cable.

14               “(C) EFFECT OF FINAL DETERMINA-  
15          TION.—In an appeal under this paragraph—

16                       “(i) if a final determination is made  
17                       that the grounds under subparagraph (A)  
18                       exist, the third party hearing such appeal  
19                       shall make a determination of how much to  
20                       reduce the chargeable risk premium rate  
21                       for flood insurance coverage for the prop-  
22                       erty involved in the appeal from the  
23                       amount required under paragraph (1)(B)  
24                       or (2) and the Director shall promptly re-

1           duce the chargeable risk premium rate for  
2           such property by such amount; and

3           “(ii) if a final determination is made  
4           that the grounds under subparagraph (A)  
5           do not exist, the Director shall promptly  
6           increase the chargeable risk premium rate  
7           for such property to the amount estab-  
8           lished pursuant to paragraph (1)(B) or  
9           (2), as applicable, and shall collect from  
10          the property owner the amount necessary  
11          to cover the stay of the applicability of  
12          such increased rates during the pendency  
13          of the appeal.

14          “(D) COSTS.—If the third party hearing  
15          an appeal under this paragraph is compensated  
16          for such service, the costs of such compensation  
17          shall be borne—

18                 “(i) by the owner of the property re-  
19                 questing the appeal, if the final determina-  
20                 tion in the appeal is that the grounds  
21                 under subparagraph (A) do not exist; and

22                 “(ii) by the National Flood Insurance  
23                 Fund, if such final determination is that  
24                 the grounds under subparagraph (A) do  
25                 exist.

1           “(E) REPORT.—Not later than 6 months  
2           after the date of the enactment of the Flood In-  
3           surance Reform Act of 2003, the Director shall  
4           submit a report to the House of Representatives  
5           and the Senate describing the rules, procedures,  
6           and administration for appeals under this para-  
7           graph.

8           “(h) DISCRETIONARY ACTIONS IN CASES OF FRAUD-  
9           ULENT CLAIMS.—If the Director determines that a fraud-  
10          ulent claim was made under flood insurance coverage  
11          under this title for a severe repetitive loss property, the  
12          Director may—

13               “(1) cancel the policy and deny the provision to  
14               such policyholder of any new flood insurance cov-  
15               erage under this title for the property; or

16               “(2) refuse to renew the policy with such policy-  
17               holder upon expiration and deny the provision of any  
18               new flood insurance coverage under this title to such  
19               policyholder for the property.

20          “(i) FUNDING.—Pursuant to section 1310(a)(8), the  
21          Director may use amounts from the National Flood Insur-  
22          ance Fund to provide assistance under this section in each  
23          of fiscal years 2004, 2005, 2006, 2007, and 2008, except  
24          that the amount so used in each such fiscal year may not  
25          exceed \$40,000,000 and shall remain available until ex-

1 pended. Notwithstanding any other provision of this title,  
2 amounts made available pursuant to this subsection shall  
3 not be subject to offsetting collections through premium  
4 rates for flood insurance coverage under this title.

5 “(j) TERMINATION.—The Director may not provide  
6 assistance under this section to any State or community  
7 after September 30, 2008.”.

8 (b) AVAILABILITY OF NATIONAL FLOOD INSURANCE  
9 FUND AMOUNTS.—Section 1310(a) of the National Flood  
10 Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

11 (1) in paragraph (7), by striking “and” at the  
12 end; and

13 (2) by striking paragraph (8) and inserting the  
14 following new paragraph:

15 “(8) for financial assistance under section 1362  
16 to States and communities for taking actions under  
17 such section with respect to severe repetitive loss  
18 properties, but only to the extent provided in section  
19 1362(i); and”.

20 **SEC. 5. AMENDMENTS TO EXISTING FLOOD MITIGATION AS-**  
21 **SISTANCE PROGRAM.**

22 (a) STANDARD FOR APPROVAL OF MITIGATION  
23 PLANS.—Section 1366(e)(3) of the National Flood Insur-  
24 ance Act of 1968 (42 U.S.C. 4104(e)) is amended by add-  
25 ing at the end the following new sentence: “The Director

1 may approve only mitigation plans that give priority for  
2 funding to such properties, or to such subsets of prop-  
3 erties, as are in the best interest of the National Flood  
4 Insurance Fund.”.

5 (b) PRIORITY FOR MITIGATION ASSISTANCE.—Sec-  
6 tion 1366(e) of the National Flood Insurance Act of 1968  
7 (42 U.S.C. 4104e) is amended by striking paragraph (4)  
8 and inserting the following new paragraph:

9 “(4) PRIORITY FOR MITIGATION ASSISTANCE.—  
10 In providing grants under this subsection for mitiga-  
11 tion activities, the Director shall give first priority  
12 for funding to such properties, or to such subsets of  
13 such properties as the Director may establish, that  
14 the Director determines are in the best interests of  
15 the National Flood Insurance Fund and for which  
16 matching amounts under subsection (f) are avail-  
17 able.”.

18 (c) COORDINATION WITH STATES AND COMMU-  
19 NITIES.—Section 1366 of the National Flood Insurance  
20 Act of 1968 (42 U.S.C. 4104e) is amended by adding at  
21 the end the following new subsection:

22 “(m) COORDINATION WITH STATES AND COMMU-  
23 NITIES.—The Director shall, in consultation and coordina-  
24 tion with States and communities take such actions as are  
25 appropriate to encourage and improve participation in the

1 national flood insurance program of owners of properties,  
2 including owners of properties that are not located in  
3 areas having special flood hazards but are located within  
4 the 100-year floodplain.”.

5 (d) FUNDING.—Section 1367(b) of the National  
6 Flood Insurance Act of 1968 (42 U.S.C. 4104d(b)) is  
7 amended by striking paragraph (1) and inserting the fol-  
8 lowing new paragraph:

9 “(1) in each fiscal year, amounts from the Na-  
10 tional Flood Insurance Fund not exceeding  
11 \$40,000,000;”.

12 **SEC. 6. FEMA AUTHORITY TO FUND MITIGATION ACTIVI-**  
13 **TIES FOR INDIVIDUAL REPETITIVE CLAIMS**  
14 **PROPERTIES.**

15 (a) IN GENERAL.—Chapter I of the National Flood  
16 Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-  
17 ed by adding at the end the following new section:

18 “GRANTS FOR REPETITIVE INSURANCE CLAIMS  
19 PROPERTIES

20 “SEC. 1323. (a) IN GENERAL.—General.—The Di-  
21 rector may provide funding for mitigation actions that re-  
22 duce flood damages to individual properties for which one  
23 or more claim payments for losses have been made under  
24 flood insurance coverage under this title, but only if the  
25 Director determines that—

1           “(1) such activities are in the best interest of  
2           the National Flood Insurance Fund; and

3           “(2) such activities can not be funded under the  
4           program under section 1366 because—

5                   “(A) the requirements of section 1366(g)  
6                   are not being met by the State or community  
7                   in which the property is located; or

8                   “(B) the State or community does not  
9                   have the capacity to manage such activities.

10          “(b) PRIORITY FOR WORST-CASE PROPERTIES.—In  
11          determining the properties for which funding is to be pro-  
12          vided under this section, the Director shall consult with  
13          the States in which such properties are located and pro-  
14          vide assistance for properties in the order that will result  
15          in the greatest amount of savings to the National Flood  
16          Insurance Fund in the shortest period of time.”.

17          (b) AVAILABILITY OF NATIONAL FLOOD INSURANCE  
18          FUND AMOUNTS.—Section 1310(a) of the National Flood  
19          Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended  
20          by adding at the end the following new paragraph:

21                   “(9) for funding, not to exceed \$10,000,000 in  
22                   any fiscal year, for mitigation actions under section  
23                   1323, except that, notwithstanding any other provi-  
24                   sion of this title, amounts made available pursuant  
25                   to this paragraph shall not be subject to offsetting

1 collections through premium rates for flood insur-  
2 ance coverage under this title.”.

3 **SEC. 7. ACTUARIAL RATE PROPERTIES.**

4 (a) IN GENERAL.—Section 1308 of the National  
5 Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended  
6 by striking subsection (c) and inserting the following new  
7 subsection:

8 “(c) ACTUARIAL RATE PROPERTIES.—Subject only  
9 to the limitations provided under paragraphs (1) and (2),  
10 the chargeable rate shall not be less than the applicable  
11 estimated risk premium rate for such area (or subdivision  
12 thereof) under section 1307(a)(1) with respect to the fol-  
13 lowing properties:

14 “(1) POST-FIRM PROPERTIES.—Any property  
15 the construction or substantial improvement of  
16 which the Director determines has been started after  
17 December 31, 1974, or started after the effective  
18 date of the initial rate map published by the Direc-  
19 tor under paragraph (2) of section 1360 for the area  
20 in which such property is located, whichever is later,  
21 except that the chargeable rate for properties under  
22 this paragraph shall be subject to the limitation  
23 under subsection (e).

24 “(2) CERTAIN LEASED COASTAL AND RIVER  
25 PROPERTIES.—Any property leased from the Federal

1 Government (including residential and nonresidential  
2 properties) that the Director determines is located  
3 on the river-facing side of any dike, levee, or other  
4 riverine flood control structure, or seaward of any  
5 seawall or other coastal flood control structure.”.

6 (b) INAPPLICABILITY OF ANNUAL LIMITATIONS ON  
7 PREMIUM INCREASES.—Section 1308(e) of the National  
8 Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is  
9 amended by striking “Notwithstanding” and inserting  
10 “Except with respect to properties described under para-  
11 graph (2) or (3) of subsection (c) and notwithstanding”.

12 **SEC. 8. ELECTRONIC DATABASE OF REPETITIVE LOSS**  
13 **PROPERTIES.**

14 Section 1364 of the National Flood Insurance Act of  
15 1968 (42 U.S.C. 4104a) is amended by adding at the end  
16 the following new subsection:

17 “(d) ELECTRONIC DATABASE OF REPETITIVE  
18 CLAIMS PROPERTIES.—The Director may, if the Director  
19 determines such action is feasible, establish and maintain  
20 a database identifying by location and address all repet-  
21 itive loss structures (as such term is defined in section  
22 1370) and severe repetitive loss properties (as such term  
23 is defined in section 1362(b)). If established, the Director  
24 shall make the database available to the public in a format  
25 that may be searched electronically. Such a database shall

1 not include any information regarding ownership of prop-  
2 erties.”.

3 **SEC. 9. REPLACEMENT OF MOBILE HOMES ON ORIGINAL**  
4 **SITES.**

5 Section 1315 of the National Flood Insurance Act of  
6 1968 (42 U.S.C. 4022) is amended by adding at the end  
7 the following new subsection:

8 “(c) **REPLACEMENT OF MOBILE HOMES ON ORIGI-**  
9 **NAL SITES.—**

10 “(1) **COMMUNITY PARTICIPATION.—**The place-  
11 ment of any mobile home on any site shall not affect  
12 the eligibility of any community to participate in the  
13 flood insurance program under this title and the  
14 Flood Disaster Protection Act of 1973 (notwith-  
15 standing that such placement may fail to comply  
16 with any elevation or flood damage mitigation re-  
17 quirements), if—

18 “(A) such mobile home was previously lo-  
19 cated on such site;

20 “(B) such mobile home was relocated from  
21 such site because of flooding that threatened or  
22 affected such site; and

23 “(C) such replacement is conducted not  
24 later than the expiration of the 180-day period  
25 that begins upon the subsidence (in the area of

1           such site) of the body of water that flooded to  
2           a level considered lower than flood levels.

3           “(2) DEFINITION.—For purposes of this sub-  
4           section, the term ‘mobile home’ has the meaning  
5           given such term in the law of the State in which the  
6           mobile home is located.”.

7   **SEC. 10. REITERATION OF FEMA RESPONSIBILITY TO MAP**  
8                           **MUDSLIDES.**

9           As directed in section 1360(b) of the National Flood  
10          Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director  
11          of the Federal Emergency Management Agency is again  
12          directed to accelerate the identification of risk zones with-  
13          in flood-prone and mudslide-prone areas, as provided by  
14          subsection (a)(2) of such section 1360, in order to make  
15          known the degree of hazard within each such zone at the  
16          earliest possible date.

          Passed the House of Representatives November 20,  
2003.

Attest:

JEFF TRANDAHL,

*Clerk.*