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110TH CONGRESS
1ST SESSION

H. R. 921

To authorize the Director of the Federal Emergency Management Agency to make grants to communities to be used for outreach efforts to encourage participation in the national flood insurance program.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2007

Ms. MATSUI (for herself, Mr. FRANK of Massachusetts, Ms. NORTON, Mr. BLUMENAUER, Mrs. TAUSCHER, Mr. GEORGE MILLER of California, and Mr. SHIMKUS) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To authorize the Director of the Federal Emergency Management Agency to make grants to communities to be used for outreach efforts to encourage participation in the national flood insurance program.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Flood Insurance Community Outreach Grant Program Act of 2007''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Following the human suffering and devastation caused by Hurricanes Rita and Katrina, the Federal Government and State and local governments have responded to public concerns about flood safety by increasing resources to improve flood protection measures in communities throughout the United States.

(2) In the year since these disasters, the Federal Government has directed $7,000,000,000 in emergency supplemental spending to restoring and strengthening hurricane protection in Louisiana and the Gulf Coast as well as $1,900,000,000 from the annual budget of the U.S. Army Corps of Engineers for flood control and hurricane protection measures across the Nation.

(3) While improving this infrastructure is essential to a comprehensive approach to flood protection, communities must be encouraged to better assess their flood risk and better inform the public about the importance of maintaining flood insurance protection.

(4) To reduce the flood risk to communities in the United States, the National Flood Insurance Program (NFIP) must be solvent and more effective.

(5) To achieve these goals, the Federal Emergency Management Agency (FEMA), which administers the NFIP, should work with communities to communicate directly with the people who live and work in the Nation's floodplains on issues concerning flood risk and flood protection.

(6) More than 20,000 communities currently participate in the NFIP and nearly all of these communities have properties that are located in special flood hazard areas—areas in which Federal law requires that property owners purchase flood insurance coverage before they can obtain a mortgage loan from a federally regulated lender.

(7) Despite this mandatory purchase requirement, a FEMA-commissioned study by the RAND Corporation found that 20 to 25 percent of property owners in special flood hazard areas who have a mortgage from a federally regulated lender and are required to purchase flood insurance do not carry a policy.

(8) In the next few years, the number of communities that participate in the NFIP will increase, as FEMA's flood map modernization program reassesses the flood risk to communities throughout the Nation.

(9) As the map modernization program brings new communities under the flood insurance mandatory purchase requirement, FEMA should partner with these communities to educate property owners, business owners, and property renters about the nature of the flood risk in their area and the importance of maintaining flood insurance protection.

(10) In addition to improving public awareness of flood risk and flood insurance, many communities that undertake outreach activities can qualify for reduced flood insurance premiums under the NFIP's community rating system program.

(11) Flood risk is not limited to properties that are located in special flood hazard areas, and many properties that are no longer subject to the mandatory purchase requirement remain at risk of flooding, especially in areas that are protected by levees.

(12) FEMA estimates that between 20 and 25 percent of all claims paid by the NFIP are for claims on properties located outside of these special flood hazard areas.

(13) Thus, a property's release from the Federal flood insurance purchase requirement does not mean that the property is no longer subject to risk of flooding.

(14) In communities where properties have been released from this Federal requirement, outreach activities can help to educate the public about the importance of voluntarily maintaining flood insurance coverage, including the potential availability of low-cost preferred risk policies.

(15) Many property owners who own a home or building that is located in an area that is subject to moderate-to-low risk of flooding are unaware that they may qualify for the low-cost, preferred risk flood insurance—a product of the NFIP.

(16) By partnering with local flood control authorities, FEMA can better promote flood safety and flood insurance and, in communities with properties that are no longer subject to the mandatory purchase requirement, retain a higher number of NFIP policies.

(17) Reducing the number of uninsured property owners in communities that are subject to flood risk will reduce the fiscal effects of a flood disaster to both property owners and the Federal Government.

(b) PURPOSE.—It is the purpose of this Act to establish a flood insurance outreach and education grants program that provides resources to communities for educating property owners and renters on flood insurance options while strengthening the national flood insurance program.

SEC. 3. FLOOD INSURANCE OUTREACH GRANTS.

Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

"SEC. 1325. GRANTS FOR OUTREACH TO PROPERTY OWNERS AND RENTERS.

''(a) IN GENERAL.—The Director may, to the extent amounts are made available pursuant to subsection (h), make grants to local governmental agencies responsible for floodplain management activities (including such agencies of Indians tribes, as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)) in communities that participate in the national flood insurance program under this title, for use by such agencies to carry out outreach activities to encourage and facilitate the purchase of flood insurance protection under this Act by owners and renters of properties in such communities and to promote educational activities that increase awareness of flood risk reduction.

''(b) OUTREACH ACTIVITIES.—Amounts from a grant under this section shall be used only for activities designed to—

"(1) identify owners and renters of properties in communities that participate in the national flood insurance program, including owners of residential and commercial properties;

"(2) notify such owners and renters when their properties become included in, or when they are excluded from, an area having special flood hazards and the effect of such inclusion or exclusion on the applicability of the mandatory flood insurance purchase requirement under section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to such properties;

"(3) educate such owners and renters regarding the flood risk and reduction of this risk in their community, including the continued flood risks to areas that are no longer subject to the flood insurance mandatory purchase requirement;

"(4) educate such owners and renters regarding the benefits and costs of maintaining or acquiring flood insurance, including, where applicable, lower-cost preferred risk policies under this title for such properties and the contents of such properties; and

"(5) encouraging such owners and renters to maintain or acquire such coverage.

"(c) COST SHARING REQUIREMENT.—

"(1) IN GENERAL.—In any fiscal year, the Director may not provide a grant under this section to a local governmental agency in an amount exceeding 3 times the amount that the agency certifies, as the Director shall require, that the agency will contribute from non-Federal funds to be used with grant amounts only for carrying out activities described in subsection (b).

"(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local government agency amounts, in-kind contributions, any salary paid to staff to carry out the eligible activities of the grant recipient, the value of the time and services contributed by volunteers to carry out such services (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

"(d) ADMINISTRATIVE COST LIMITATION.—Notwithstanding subsection (b), the Director may use not more than 5 percent of amounts made available under subsection (g) to cover salaries, expenses, and other administrative costs incurred by the Director in making grants and provide assistance under this section.

"(e) APPLICATION AND SELECTION.—

"(1) IN GENERAL.—The Director shall provide for local governmental agencies described in subsection (a) to submit applications for grants under this section and for competitive selection, based on criteria established by the Director, of agencies submitting such applications to receive such grants.

"(2) SELECTION CONSIDERATIONS.—In selecting applications of local government agencies to receive grants under paragraph (1), the Director shall consider—

"(A) the existence of a cooperative technical partner agreement between the local governmental agency and the Federal Emergency Management Agency;

"(B) the history of flood losses in the relevant area that have occurred to properties, both inside and outside the special flood hazards zones, which are not covered by flood insurance coverage;

"(C) the estimated percentage of high-risk properties located in the relevant area that are not covered by flood insurance;

"(D) demonstrated success of the local governmental agency in generating voluntary purchase of flood insurance; and

"(E) demonstrated technical capacity of the local governmental agency for outreach to individual property owners.

"(f) DIRECT OUTREACH BY FEMA.—In each fiscal year that amounts for grants are made available pursuant to subsection (g), the Director may use not more than 50 percent of such amounts to carry out, and to enter into contracts with other entities to carry out, activities described in subsection (b) in areas that the Director determines have the most immediate need for such activities.

"(g) REPORTING.—Each local government agency that receives a grant under this section, and each entity that receives amounts pursuant to subsection (f), shall submit a report to the Director, not later than 12 months after such amounts are first received, which shall include such information as the Director considers appropriate to describe the activities conducted using such amounts and the effect of such activities on the retention or acquisition of flood insurance coverage.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for grants under this section $50,000,000 for each of fiscal years 2008 through 2012.".

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