

108TH CONGRESS
1ST SESSION

H. R. 253

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2003

Mr. BEREUTER (for himself and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Two Floods and You
5 Are Out of the Taxpayers’ Pocket Act of 2003”.

6 **SEC. 2. FLOOD LOSS REDUCTION FOR REPETITIVE FLOOD**
7 **INSURANCE CLAIM PROPERTIES.**

8 Section 1366 of the National Flood Insurance Act of
9 1968 (42 U.S.C. 4104c) is amended—

1 (1) in subsection (a), by inserting after the first
2 sentence the following new sentence: “In awarding
3 grants under this section for mitigation activities,
4 the Director shall give priority to properties for
5 which repetitive flood insurance claim payments have
6 been made.”;

7 (2) in the last sentence of subsection (c), by in-
8 serting before the period the following: “, and shall
9 address properties in the area for which repetitive
10 flood insurance claim payments have been made”;
11 and

12 (3) in subsection (f), by striking paragraph (3)
13 and inserting the following new paragraph:

14 “(3) WAIVER.—The Director may waive the
15 dollar amount limitations under paragraphs (1) and
16 (2) for any State or community—

17 “(A) for any 5-year period when a major
18 disaster or emergency declared by the President
19 (pursuant to the Robert T. Stafford Disaster
20 Relief and Emergency Assistance Act (42
21 U.S.C. 5121 et seq.)) as a result of flood condi-
22 tions is in effect with respect to areas in the
23 State or community; or

24 “(B) whenever the Director determines
25 that the State or community has properties for

1 which repetitive flood insurance claim payments
2 have been made and that waiver of the cost lim-
3 itations is cost-effective and in the best inter-
4 ests of the National Flood Insurance Fund.”.

5 **SEC. 3. NATIONAL FLOOD MITIGATION FUND.**

6 (a) CREDITS.—Section 1367(b) of the National Flood
7 Insurance Act of 1968 (42 U.S.C. 4104d(b)) is amend-
8 ed—

9 (1) by striking paragraph (1) and inserting the
10 following new paragraph:

11 “(1) amounts from the National Flood Insur-
12 ance Fund, in amounts not exceeding \$70,000,000
13 in each of fiscal years 2004, 2005, 2006, and 2007,
14 of which all amounts made available under this
15 paragraph in excess of \$20,000,000 in each such fis-
16 cal year shall be used only under section 1366 for
17 mitigation activities for properties for which repet-
18 itive flood insurance claim payments have been
19 made, such sums to remain available until ex-
20 pended;”;

21 (2) in paragraph (2), by striking “and” at the
22 end;

23 (3) in paragraph (3), by striking the period at
24 the end and inserting “; and”; and

1 (4) by adding at the end the following new
2 paragraph:

3 “(4) any amounts which may be appropriated
4 for the Fund, which are authorized to be appro-
5 priated in amounts not exceeding \$50,000,000 in
6 each of fiscal years 2004, 2005, 2006, and 2007,
7 which amounts shall be used only under section
8 1366 for mitigation activities that will address prop-
9 erties for which repetitive flood insurance claim pay-
10 ments have been made, such sums to remain avail-
11 able until expended.”.

12 **SEC. 4. CONSOLIDATION OF AUTHORIZATIONS.**

13 (a) IN GENERAL.—The National Flood Insurance
14 Act of 1968 is amended as follows:

15 (1) BORROWING AUTHORITY.—In the first sen-
16 tence of section 1309(a) (42 U.S.C. 4016(a)), by
17 striking “through September” and all that follows
18 through “, and” and inserting the following:
19 “through the date specified in section 1319, and”.

20 (2) AUTHORITY FOR CONTRACTS.—In section
21 1319 (42 U.S.C. 4026), by striking “after” and all
22 that follows and inserting “after September 30,
23 2007.”.

24 (3) EMERGENCY IMPLEMENTATION.—In section
25 1336(a) (42 U.S.C. 4056(a)), by striking “during

1 the period” and all that follows through “in accord-
2 ance” and inserting “during the period ending on
3 the date specified in section 1319, in accordance”.

4 (4) AUTHORIZATION OF APPROPRIATIONS FOR
5 STUDIES.—In section 1376(e) (42 U.S.C. 4127(c)),
6 by striking “through” and all that follows and in-
7 serting the following: “through the date specified in
8 section 1319.”.

9 **SEC. 5. CHARGEABLE PREMIUM RATES.**

10 (a) ACTUARIAL RATE PROPERTIES.—Section 1308 of
11 the National Flood Insurance Act of 1968 (42 U.S.C.
12 4015) is amended by striking subsection (c) and inserting
13 the following new subsection:

14 “(c) ACTUARIAL RATE PROPERTIES.—Subject only
15 to the limitation provided under paragraph (1), the
16 chargeable rate shall not be less than the applicable esti-
17 mated risk premium rate for such area (or subdivision
18 thereof) under section 1307(a)(1) with respect to the fol-
19 lowing properties:

20 “(1) POST-FIRM PROPERTIES.—Any property
21 the construction or substantial improvement of
22 which the Director determines has been started after
23 December 31, 1974, or started after the effective
24 date of the initial rate map published by the Direc-
25 tor under paragraph (2) of section 1360 for the area

1 in which such property is located, whichever is later,
2 except that the chargeable rate for properties under
3 this paragraph shall be subject to the limitation
4 under subsection (e).

5 “(2) REPETITIVE INSURANCE CLAIMS PROP-
6 ERTIES.—Any property for which the Director deter-
7 mines that repetitive flood insurance claim payments
8 have been made and the owner of which has refused
9 a buyout, elevation, or other flood mitigation meas-
10 ure funded in whole or in part by the Federal Emer-
11 gency Management Agency.

12 “(3) CERTAIN LEASED COASTAL AND RIVER
13 PROPERTIES.—Any property leased from the Federal
14 Government (including residential and nonresidential
15 properties) that the Director determines is located
16 on the river-facing side of any dike, levee, or other
17 riverine flood control structure, or seaward of any
18 seawall or other coastal flood control structure.”.

19 (b) APPLICABILITY OF ANNUAL LIMITATION ON PRE-
20 MIUM INCREASES.—Section 1308(e) of the National Flood
21 Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended
22 by striking “Notwithstanding” and inserting “Except with
23 respect to properties described under paragraph (2) or (3)
24 of subsection (c) and notwithstanding”.

1 **SEC. 6. REMOVING REPETITIVE INSURANCE CLAIMS PROP-**
2 **ERTIES FROM FEDERAL DISASTER ASSIST-**
3 **ANCE RESPONSIBILITY.**

4 (a) IN GENERAL.—Section 582 of the National Flood
5 Insurance Reform Act of 1994 (42 U.S.C. 5154a) is
6 amended—

7 (1) by redesignating subsections (d) and (e) as
8 subsections (e) and (f), respectively; and

9 (2) by inserting after subsection (c) the fol-
10 lowing new subsection:

11 “(d) UNMITIGATED REPETITIVE INSURANCE CLAIMS
12 PROPERTIES.—Notwithstanding any other provision of
13 law, no Federal disaster relief assistance made available
14 in a flood disaster area may be used to make a payment
15 (including any loan assistance payment) for repair, re-
16 placement, or restoration for damage to any property in
17 the area for which—

18 “(1) repetitive flood insurance claim payments
19 have been made; and

20 “(2) in accordance with such requirements as
21 the Director may establish, mitigation assistance
22 under section 1366 of this Act or section 404 of the
23 Robert T. Stafford Disaster Relief and Emergency
24 Assistance Act (42 U.S.C. 5170c) has been offered
25 to the owner of the property, before or after the oc-

1 currence of the flood loss events, which was refused
2 by the owner.”.

3 (b) EFFECTIVE DATE.—Notwithstanding subsection
4 (f) of section 582 of the National Flood Insurance Reform
5 Act of 1994 (as so redesignated by paragraph (1)(A) of
6 this subsection), the amendment made by paragraph (1)
7 shall apply to disasters declared after the date of the en-
8 actment of this Act.

9 **SEC. 7. MITIGATION GRANTS FOR REPETITIVE INSURANCE**

10 **CLAIMS PROPERTIES.**

11 (a) IN GENERAL.—Chapter I of the National Flood
12 Insurance Act of 1968 is amended by adding after section
13 1322 (42 U.S.C. 4029) the following new section:

14 “GRANTS FOR REPETITIVE INSURANCE CLAIMS
15 PROPERTIES

16 “SEC. 1323. The Director may provide funding for
17 mitigation actions that reduce flood damages to repetitive
18 insurance claims properties, but only if the Director deter-
19 mines that—

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

22 “(2) the owner of such property has refused a
23 buyout, elevation, or other flood mitigation measure
24 funded in whole or in part by the Federal Emer-
25 gency Management Agency; and

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

3 “(A) the State or community in which the
4 property is located can not comply with the re-
5 quirements of section 1366(g); or

6 “(B) the State or community does not
7 have the capacity to manage such activities.”.

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;

13 (2) in paragraph (8), by striking the period at
14 the end and inserting “; and”; and

15 (3) by adding at the end the following new
16 paragraph:

17 “(9) for funding for mitigation actions under
18 section 1323.”.

19 **SEC. 8. USE RESTRICTIONS ON ACQUIRED PROPERTY.**

20 Section 1366(e)(5)(C) of the National Flood Insur-
21 ance Act of 1968 (42 U.S.C. 4104c(e)(5)(C)) is amended
22 by striking “for public use, as the Director determines is
23 consistent with sound land management and use in such
24 area” and inserting the following: “except that the Direc-
25 tor may not provide amounts under this section for use

1 for acquisition of properties unless the State or community
2 agrees, to the satisfaction of the Director, that the instru-
3 ment for acquisition of the property will convey to the
4 United States a future interest in all right, title, and inter-
5 est in and to all property acquired with the amounts under
6 this section that is contingent upon the condition that the
7 property acquired ceases to be dedicated and maintained
8 for use that is compatible with open space, recreational,
9 or wetlands management practices.”.

10 **SEC. 9. DEFINITIONS OF REPETITIVE FLOOD INSURANCE**

11 **CLAIM PAYMENTS AND REPETITIVE INSUR-**
12 **ANCE CLAIMS PROPERTIES.**

13 Section 1370(a) of the National Flood Insurance Act
14 of 1968 (42 U.S.C. 4121(a)) is amended—

15 (1) in paragraph (7), by inserting after the
16 paragraph designation the following: “for purposes
17 of sections 1304(b)(1), 1315(a)(2)(A)(i), and
18 1366(e)(4),”;

19 (2) in paragraph (13), by striking “and” at the
20 end;

21 (3) in paragraph (14), by striking the period at
22 the end and inserting a semicolon”; and

23 (4) by adding at the end the following new
24 paragraphs:

1 “(15) the term ‘repetitive flood insurance claim
2 payments’ means, with respect to a property, that
3 claim payments for losses to the property have been
4 made under flood insurance coverage under this title
5 on more than one occasion within a 10-year period,
6 with each such claim exceeding \$1,000, without re-
7 gard to the ownership of the property; and

8 “(16) the term ‘repetitive insurance claims
9 property’ means a property with respect to which re-
10 petitive flood insurance claims payments have been
11 made.”.

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