

111TH CONGRESS
2D SESSION

S. 3994

To delay the effective date of the mandatory purchase requirement for new flood hazard areas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 1, 2010

Mr. DURBIN (for himself and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To delay the effective date of the mandatory purchase requirement for new flood hazard areas, 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 “Flood Insurance Af-
5 fordability and Risk Notification Act”.

1 **SEC. 2. 5-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY**
2 **PURCHASE REQUIREMENT FOR NEW FLOOD**
3 **HAZARD AREAS.**

4 (a) IN GENERAL.—Section 102 of the Flood Disaster
5 Protection Act of 1973 (42 U.S.C. 4012a) is amended by
6 adding at the end the following new subsections:

7 “(i) DELAYED EFFECTIVE DATE OF MANDATORY
8 PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD
9 AREAS.—

10 “(1) IN GENERAL.—In the case of any area
11 that was not previously designated as an area having
12 special flood hazards and that, pursuant to any
13 issuance, revision, updating, or other change in flood
14 insurance maps that takes effect on or after Sep-
15 tember 30, 2007, becomes designated as an area
16 having special flood hazards, if each State and local
17 government having jurisdiction over any portion of
18 the geographic area has complied with paragraph
19 (2), such designation shall not take effect for pur-
20 poses of subsection (a), (b), or (e) of this section, or
21 section 202(a) of this Act, until the expiration of the
22 5-year period beginning upon the date that such
23 maps, as issued, revised, update, or otherwise
24 changed, become effective.

25 “(2) NOTICE REQUIREMENTS.—A State or local
26 government shall be considered to have complied

1 with this paragraph with respect to any geographic
2 area described in paragraph (1) only if the State or
3 local government has in accordance with such stand-
4 ards as shall be established by the Director—

5 “(A) developed an evacuation plan to be
6 implemented in the event of flooding in such
7 portion of the geographic area; and

8 “(B) developed and implemented an out-
9 reach and communication plan to advise occu-
10 pants in such portion of the geographic area of
11 potential flood risks, appropriate evacuation
12 routes under the evacuation plan referred to in
13 subparagraph (A), the opportunity to purchase
14 flood insurance, and the consequences of failure
15 to purchase flood insurance.

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 paragraph (1) may be construed to affect the appli-
18 cability of a designation of any area as an area hav-
19 ing special flood hazards for purposes of the avail-
20 ability of flood insurance coverage, criteria for land
21 management and use, notification of flood hazards,
22 eligibility for mitigation assistance, or any other pur-
23 pose or provision not specifically referred to in para-
24 graph (1).

1 “(j) AVAILABILITY OF PREFERRED RISK RATING
 2 METHOD PREMIUMS.—The preferred risk rate method
 3 premium shall be available for flood insurance coverage
 4 for properties located in areas referred to in subsection
 5 (i)(1) and during the time period referred to in subsection
 6 (i)(1).”.

7 (b) CONFORMING AMENDMENT.—The second sen-
 8 tence of subsection (h) of section 1360 of the National
 9 Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is
 10 amended by striking “Such” and inserting “Except for no-
 11 tice regarding a change described in section 102(i)(1) of
 12 the Flood Disaster Protection Act of 1973 (42 U.S.C.
 13 4012a(i)(1)), such”.

14 (c) NO REFUNDS.—Nothing in this section or the
 15 amendments made by this section may be construed to au-
 16 thorize or require any payment or refund for flood insur-
 17 ance coverage purchased for any property that covered any
 18 period during which such coverage is not required for the
 19 property pursuant to the applicability of the amendment
 20 made by subsection (a).

21 **SEC. 3. 5-YEAR PHASE-IN OF FLOOD INSURANCE RATES**
 22 **FOR NEWLY MAPPED AREAS.**

23 (a) IN GENERAL.—Section 1308 of the National
 24 Flood Insurance Act of 1968 (42 U.S.C. 4015) is amend-
 25 ed—

1 (1) in subsection (a), in the matter preceding
2 paragraph (1), by inserting “or notice” after “pre-
3 scribe by regulation”;

4 (2) in subsection (c), by inserting “and sub-
5 section (g)” before the first comma; and

6 (3) by adding at the end the following new sub-
7 section:

8 “(g) 5-YEAR PHASE-IN OF FLOOD INSURANCE
9 RATES FOR NEWLY MAPPED AREAS.—Notwithstanding
10 any other provision of law relating to chargeable risk pre-
11 mium rates for flood insurance coverage under this title,
12 in the case of any area that was not previously designated
13 as an area having special flood hazards and that, pursuant
14 to any issuance, revision, updating, or other change in
15 flood insurance maps, becomes designated as such an
16 area, during the 5-year period that begins upon the expira-
17 tion of the period referred to in section 102(i)(1) of the
18 Flood Disaster Protection Act of 1973 with respect to
19 such area, the chargeable premium rate for flood insur-
20 ance under this title with respect to any property that is
21 located within such area shall be—

22 “(1) for the first year of such 5-year period, 20
23 percent of the chargeable risk premium rate other-
24 wise applicable under this title to the property;

1 “(2) for the second year of such 5-year period,
2 40 percent of the chargeable risk premium rate oth-
3 erwise applicable under this title to the property;

4 “(3) for the third year of such 5-year period, 60
5 percent of the chargeable risk premium rate other-
6 wise applicable under this title to the property;

7 “(4) for the fourth year of such 5-year period,
8 80 percent of the chargeable risk premium rate oth-
9 erwise applicable under this title to the property;
10 and

11 “(5) for the fifth year of such 5-year period,
12 100 percent of the chargeable risk premium rate
13 otherwise applicable under this title to the prop-
14 erty.”.

15 (b) **REGULATION OR NOTICE.**—The Administrator of
16 the Federal Emergency Management Agency shall issue
17 an interim final rule or notice to implement this section
18 and the amendments made by this section as soon as prac-
19 ticable after the date of the enactment of this Act.

20 **SEC. 4. COMMUNICATION AND OUTREACH.**

21 (a) **IN GENERAL.**—The Administrator of the Federal
22 Emergency Management Agency shall—

23 (1) work to enhance communication and out-
24 reach to States, local communities, and property
25 owners about the effects of—

1 (A) any potential changes or updates to
2 National Flood Insurance Program rate maps
3 that may result under section 1360 of the Na-
4 tional Flood Insurance Act of 1968 (42 U.S.C.
5 4101); and

6 (B) that any such changes or updates may
7 have on flood insurance purchase requirements;

8 (2) engage with local communities to enhance
9 communication and outreach to the residents of such
10 communities on the matters described under sub-
11 paragraph (A); and

12 (3) on the website of the Federal Emergency
13 Management Agency make publicly available infor-
14 mation on—

15 (A) the various types of flood protection
16 measures applicable to different classes and
17 types of structures that are located in an area
18 having special flood hazards;

19 (B) the property and casualty insurance
20 companies that participate in the National
21 Flood Insurance Program and that write and
22 service standard flood insurance policies;

23 (C) the availability and cost of flood insur-
24 ance—

1 (i) under the National Flood Insur-
2 ance Program; and

3 (ii) in the private marketplace;

4 (D) data related to the structural status of
5 each levee, dam, or other man-made structure
6 designed to provide protection from floods; and

7 (E) how homeowners and communities can
8 mitigate their flood risk.

9 (b) REQUIRED ACTIVITIES.—The communication and
10 outreach activities required under paragraph (1) shall in-
11 clude—

12 (1) notifying property owners when their prop-
13 erties become included in, or when they are excluded
14 from, an area having special flood hazards and the
15 effect of such inclusion or exclusion on the applica-
16 bility of the mandatory flood insurance purchase re-
17 quirement under section 102 of the Flood Disaster
18 Protection Act of 1973 (42 U.S.C. 4012a) to such
19 properties;

20 (2) educating property owners regarding the
21 flood risk and reduction of this risk in their commu-
22 nity, including the continued flood risks to areas
23 that are no longer subject to the flood insurance
24 mandatory purchase requirement;

1 (3) educating property owners regarding the
2 benefits and costs of maintaining or acquiring flood
3 insurance, including, where applicable, lower-cost
4 preferred risk policies under the National Flood In-
5 surance Act of 1968 (42 U.S.C. 4011 et seq.) for
6 such properties and the contents of such properties;

7 (4) educating property owners about flood map
8 revisions and the process available to such owners to
9 appeal proposed changes in flood elevations through
10 their community; and

11 (5) encouraging property owners to maintain or
12 acquire flood insurance coverage.

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