

## Union Calendar No. 196

115<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1558

[Report No. 115–276]

To amend the National Flood Insurance Act of 1968 to ensure community accountability for areas repetitively damaged by floods, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2017

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

AUGUST 15, 2017

Additional sponsors: Mr. ISSA, Mrs. MIMI WALTERS of California, Mr. ROHRBACHER, and Mr. MESSER

AUGUST 15, 2017

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 16, 2017]

# **A BILL**

To amend the National Flood Insurance Act of 1968 to ensure community accountability for areas repetitively damaged by floods, 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 “Repeatedly Flooded*  
5 *Communities Preparation Act”.*

6 **SEC. 2. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY**  
7 **FLOODED AREAS.**

8        *(a) IN GENERAL.—Section 1361 of the National Flood*  
9 *Insurance Act of 1968 (42 U.S.C. 4102) is amended by add-*  
10 *ing at the end the following new subsection:*

11        *“(e) COMMUNITY ACCOUNTABILITY FOR REPETITIVELY*  
12 *DAMAGED AREAS.—*

13            *“(1) IN GENERAL.—The Administrator shall, by*  
14 *regulation, require any covered community (as such*  
15 *term is defined in paragraph (5))—*

16                    *“(A) to identify the areas within the com-*  
17 *munity where properties described in paragraph*  
18 *(5)(B) or flood-damaged facilities are located to*  
19 *determine areas repeatedly damaged by floods*  
20 *and to assess, with assistance from the Adminis-*  
21 *trator, the continuing risks to such areas;*

22                    *“(B) to develop a community-specific plan*  
23 *for mitigating continuing flood risks to such re-*  
24 *petitively flooded areas and to submit such plan*

1           *and plan updates to the Administrator at appro-*  
2           *priate intervals;*

3           “(C) *to implement such plans;*

4           “(D) *to make such plan, plan updates, and*  
5           *reports on progress in reducing flood risk avail-*  
6           *able to the public, subject to section 552a of title*  
7           *5, United States Code.*

8           “(2) *INCORPORATION INTO EXISTING PLANS.—*  
9           *Plans developed pursuant to paragraph (1) may be*  
10          *incorporated into mitigation plans developed under*  
11          *section 1366 of this Act (42 U.S.C. 4104c) and hazard*  
12          *mitigation plans developed under section 322 of the*  
13          *Robert T. Stafford Disaster Relief and Emergency As-*  
14          *sistance Act (42 U.S.C. 5165).*

15          “(3) *ASSISTANCE TO COMMUNITIES.—*

16          “(A) *DATA.—To assist communities in*  
17          *preparation of plans required under paragraph*  
18          *(1), the Administrator shall, upon request, pro-*  
19          *vide covered communities with appropriate data*  
20          *regarding the property addresses and dates of*  
21          *claims associated with insured properties within*  
22          *the community.*

23          “(B) *MITIGATION GRANTS.—In making de-*  
24          *terminations regarding financial assistance*  
25          *under the authorities of this Act, the Adminis-*

1            *trator may consider the extent to which a com-*  
2            *munity has complied with this subsection and is*  
3            *working to remedy problems with addressing re-*  
4            *peatedly flooded areas.*

5            *“(4) SANCTIONS.—*

6                    *“(A) IN GENERAL.—The Administrator*  
7                    *shall, by regulations issued in accordance with*  
8                    *the procedures established under section 553 of*  
9                    *title 5, United States Code, regarding sub-*  
10                   *stantive rules, provide appropriate sanctions for*  
11                   *covered communities that fail to comply with the*  
12                   *requirements under this subsection or to make*  
13                   *sufficient progress in reducing the flood risks to*  
14                   *areas in the community that are repeatedly*  
15                   *damaged by floods.*

16                   *“(B) NOTICE.—Before imposing any sanc-*  
17                   *tion pursuant to this paragraph, the Adminis-*  
18                   *trator shall provide the covered community in-*  
19                   *volved with notice of the non-compliance that*  
20                   *could result in the imposition of sanctions, which*  
21                   *shall include recommendations for actions to*  
22                   *bring the covered community into compliance.*

23                   *“(C) CONSIDERATIONS.—In determining*  
24                   *appropriate sanctions to impose under this*  
25                   *paragraph, the Administrator shall consider the*

1           resources available to the covered community in-  
2           volved, including Federal funding, the portion of  
3           the covered community that lies within an area  
4           having special flood hazards, and other factors  
5           that make it difficult for the covered community  
6           to conduct mitigation activities for existing  
7           flood-prone structures.

8           “(5) COVERED COMMUNITY.—For purposes of  
9           this subsection, the term ‘covered community’ means  
10          a community—

11                   “(A) that is participating, pursuant to sec-  
12                   tion 1315, in the national flood insurance pro-  
13                   gram; and

14                   “(B) within which are located—

15                           “(i) 50 or more repetitive loss struc-  
16                           tures for each of which, during any 10-year  
17                           period, two or more claims for payments  
18                           under flood insurance coverage have been  
19                           made with a cumulative amount exceeding  
20                           \$1,000;

21                           “(ii) 5 or more severe repetitive loss  
22                           structures (as such term is defined in sec-  
23                           tion 1366(h)) for which mitigation activi-  
24                           ties meeting the standards for approval

1                   under section 1366(c)(2)(A) have not been  
2                   conducted; or

3                   “(iii) a public facility or a private  
4                   nonprofit facility (as such terms are as de-  
5                   fined in section 102 of the Robert T. Staf-  
6                   ford Disaster Relief and Emergency Assist-  
7                   ance Act (42 U.S.C. 5122)), that has re-  
8                   ceived assistance for repair, restoration, re-  
9                   construction, or replacement under section  
10                  406 of the Robert T. Stafford Disaster Relief  
11                  and Emergency Assistance Act (42 U.S.C.  
12                  5172) in connection with more than one  
13                  flooding event in the most recent 10-year  
14                  period.

15                  “(6) *REPETITIVE-LOSS STRUCTURE*.—For pur-  
16                  poses of this subsection, the term ‘repetitive loss struc-  
17                  ture’ has the meaning given such term in section 1370  
18                  (42 U.S.C. 4121).

19                  “(7) *REPORTS TO CONGRESS*.—Not later than  
20                  the expiration of the 6-year period beginning upon  
21                  the date of the enactment of this subsection, and not  
22                  less than every 2 years thereafter, the Administrator  
23                  shall submit a report to the Congress regarding the  
24                  progress in implementing plans developed pursuant to  
25                  paragraph (1)(B).”.

1           (b) *REGULATIONS.*—*The Administrator of the Federal*  
 2 *Emergency Management Agency shall issue regulations nec-*  
 3 *essary to carry out subsection (e) of section 1361 of the Na-*  
 4 *tional Flood Insurance Act of 1968, as added by the amend-*  
 5 *ment made by subsection (a) of this section, not later than*  
 6 *the expiration of the 12-month period that begins on the*  
 7 *date of the enactment of this Act.*

8 **SEC. 3. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.**

9           (a) *AUTHORITY.*—*Subsection (g) of section 1308 of the*  
 10 *National Flood Insurance Act of 1968 (42 U.S.C. 4015(g))*  
 11 *is amended—*

12                   (1) *by striking the subsection designation and all*  
 13 *that follows through “With respect” and inserting the*  
 14 *following:*

15           “(g) *FREQUENCY OF PREMIUM COLLECTION.*—

16                   “(1) *OPTIONS.*—*With respect*”; and

17                   (2) *by adding at the end the following:*

18                   “(2) *MONTHLY INSTALLMENT PAYMENT OF PRE-*  
 19 *MIUMS.*—

20                           “(A) *EXEMPTION FROM RULEMAKING.*—

21                           *Until such time as the Administrator promul-*  
 22 *gates regulations implementing paragraph (1) of*  
 23 *this subsection, the Administrator may adopt*  
 24 *policies and procedures, notwithstanding any*  
 25 *other provisions of law and in alignment and*

1           *consistent with existing industry escrow and*  
2           *servicing standards, necessary to implement such*  
3           *paragraph without undergoing notice and com-*  
4           *ment rulemaking and without conducting regu-*  
5           *latory analyses otherwise required by statute,*  
6           *regulation, or Executive order.*

7           “(B) *PILOT PROGRAM.*—*The Administrator*  
8           *may initially implement paragraph (1) of this*  
9           *subsection as a pilot program that provides for*  
10           *a gradual phase-in of implementation.*

11           “(C) *POLICYHOLDER PROTECTION.*—*The*  
12           *Administrator may—*

13                   “(i) *during the 12-month period begin-*  
14                   *ning on the date of the enactment of this*  
15                   *subparagraph, charge policyholders choosing*  
16                   *to pay premiums in monthly installments a*  
17                   *fee for the total cost of the monthly collec-*  
18                   *tion of premiums not to exceed \$25 annu-*  
19                   *ally; and*

20                   “(ii) *after the expiration of the 12-*  
21                   *month period referred to in clause (i), ad-*  
22                   *just the fee charged annually to cover the*  
23                   *total cost of the monthly collection of pre-*  
24                   *miums as determined by the report sub-*  
25                   *mitted pursuant to subparagraph (D).*

1           “(D) *REPORT.*—Not later than six months  
2 after the date of the enactment of this Act, the  
3 Comptroller General shall submit a report to the  
4 Committee on Financial Services of the House of  
5 Representatives and the Committee on Banking,  
6 Housing, and Urban Affairs of the Senate, that  
7 sets forth all of the costs associated with the  
8 monthly payment of premiums, including any  
9 up-front costs associated with infrastructure de-  
10 velopment, the impact on all policyholders in-  
11 cluding those that exercise the option to pay  
12 monthly and those that do not, options for mini-  
13 mizing the costs, particularly the costs to policy-  
14 holders, and the feasibility of adopting practices  
15 that serve to minimize costs to policyholders such  
16 as automatic payments and electronic payments.

17           “(E) *ANNUAL REPORTS.*—On an annual  
18 basis, the Administrator shall report to the Com-  
19 mittee on Financial Services of the House of  
20 Representatives and the Committee on Banking,  
21 Housing, and Urban Affairs of the Senate the  
22 ongoing costs associated with the monthly pay-  
23 ment of premiums.”.

24           (b) *IMPLEMENTATION.*—Clause (ii) of section  
25 1307(a)(1)(B) of the National Flood Insurance Act of 1968

1 *(42 U.S.C. 4014(a)(1)(B)(ii)) is amended by inserting be-*  
2 *fore “any administrative expenses” the following: “the costs*  
3 *associated with the monthly collection of premiums pro-*  
4 *vided for in section 1308(g) (42 U.S.C. 4015(g)), but only*  
5 *if such costs exceed the operating costs and allowances set*  
6 *forth in clause (i) of this subparagraph, and”.*

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