

115TH CONGRESS  
2D SESSION

# H. R. 5846

To require the Comptroller General of the United States to conduct a study regarding the buyout practices of the Federal Emergency Management Agency, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2018

Mr. BLUMENAUER (for himself, Mr. SANFORD, Mr. DUFFY, and Mr. DEFALZIO) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

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## A BILL

To require the Comptroller General of the United States to conduct a study regarding the buyout practices of the Federal Emergency Management Agency, 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 “Promoting Flood Risk  
5 Mitigation Act”.

6 **SEC. 2. GAO STUDY REGARDING BUYOUT PRACTICES.**

7 (a) DEFINITIONS.—In this section—

1           (1) the term “Administrator” means the Ad-  
2           ministrator of the Federal Emergency Management  
3           Agency;

4           (2) the term “appropriate committees of Con-  
5           gress” means—

6                   (A) the Committee on Banking, Housing,  
7                   and Urban Affairs of the Senate;

8                   (B) the Committee on Homeland Security  
9                   and Governmental Affairs of the Senate;

10                  (C) the Committee on Financial Services of  
11                  the House of Representatives; and

12                  (D) the Committee on Transportation and  
13                  Infrastructure of the House of Representatives;

14           (3) the terms “buyout practice” and “buyout  
15           program” mean a practice or program, as applicable,  
16           under which the Administrator provides assistance  
17           to State and local governments so that those entities  
18           may acquire flood-damaged properties;

19           (4) the term “eligible property owner” means a  
20           policyholder under the National Flood Insurance  
21           Program with a household income that is not more  
22           than 120 percent of the mean household income for  
23           the community in which the primary residence of the  
24           policyholder is located;

1           (5) the term “National Flood Insurance Pro-  
2           gram” means the program established under the Na-  
3           tional Flood Insurance Act of 1968 (42 U.S.C. 4001  
4           et seq.);

5           (6) the term “repetitive loss structure” has the  
6           meaning given the term in section 1370(a) of the  
7           National Flood Insurance Act of 1968 (42 U.S.C.  
8           4121(a)); and

9           (7) the term “severe repetitive loss structure”  
10          has the meaning given the term in section 1366(h)  
11          of the National Flood Insurance Act of 1968 (42  
12          U.S.C. 4104e(h)).

13          (b) STUDY REQUIRED.—The Comptroller General of  
14          the United States shall conduct a study to assess—

15               (1) the efficacy of buyout practices, as in effect  
16               on the date on which the study is conducted; and

17               (2) ways to streamline the buyout practices de-  
18               scribed in paragraph (1) in order to provide more  
19               timely assistance to a larger number of State and  
20               local governments.

21          (c) CONSIDERATIONS AND ANALYSIS.—The study  
22          conducted under subsection (b) shall consider and analyze  
23          the following:

24               (1) To the extent possible, current (as of the  
25               date on which the study is conducted) and future

1 trends with respect to repetitive loss structures and  
2 severe repetitive loss structures that are insured  
3 under the National Flood Insurance Program, in-  
4 cluding, with respect to both inland and coastal  
5 areas—

6 (A) changes in flood risk, flood frequency,  
7 and flood magnitude since the inception of the  
8 National Flood Insurance Program; and

9 (B) projections for changes in flood risk,  
10 flood frequency, and flood magnitude by 2025,  
11 2050, and 2075.

12 (2) To the extent possible, buyout practices (as  
13 of the date on which the study is conducted), includ-  
14 ing—

15 (A) the availability of funding sources for  
16 buyout programs through various grant pro-  
17 grams;

18 (B) the total number of properties ac-  
19 quired through buyout programs;

20 (C) the average length of time for a State  
21 or local government to acquire a flood-damaged  
22 property under a buyout program, with that pe-  
23 riod beginning on the date on which the State  
24 or local government, as applicable, begins par-  
25 ticipating in the buyout program;

1 (D) an estimate of the number of flood-  
2 damaged properties that could be acquired from  
3 willing property owners under buyout programs  
4 with the full cooperation of State and local gov-  
5 ernments;

6 (E) the socioeconomic status of recipients  
7 of buyouts under buyout programs; and

8 (F) examples of successful buyout pro-  
9 grams, including best practices employed.

10 (3) Administrative, financial, or temporal con-  
11 straints that may impede the timely acquisition of  
12 properties under a buyout program, including—

13 (A) a lack of communication or coopera-  
14 tion between the Administrator and the State  
15 and local governments that purchase properties  
16 under a buyout program;

17 (B) pressures to redevelop a property after  
18 acquiring a property through a buyout pro-  
19 gram; and

20 (C) a lack of adequate funding.

21 (4) Potential options, methods, and strategies  
22 to address the constraints identified under para-  
23 graph (3), including evaluating the feasibility of—

24 (A) a pilot program under which—

1 (i) an eligible property owner may  
2 agree, before a flood event occurs, to have  
3 the primary single-family residence of the  
4 eligible property owner purchased after the  
5 residence has been substantially damaged  
6 by a flood;

7 (ii) the Administrator may provide—

8 (I) financial assistance to State  
9 and local governments that are willing  
10 to participate in the program to pur-  
11 chase and acquire the properties of  
12 owners that have incurred substantial  
13 damage from a flood event; and

14 (II) a premium credit as an in-  
15 centive to eligible property owners to  
16 agree to participate in the program;

17 (iii) properties that are acquired—

18 (I) shall be maintained as open  
19 space in accordance with buyout prac-  
20 tices that are in effect as of the date  
21 on which the property is acquired; and

22 (II) may be used for non-struc-  
23 tural mitigation, conservation, and  
24 recreational purposes; and

1 (iv) not fewer than 5 and not more  
2 than 10 State and local governments shall  
3 participate; and

4 (B) the role that nonprofit organizations  
5 could play in making buyouts more readily  
6 available or more efficient, similar to the role  
7 that those organizations play in the acquisition  
8 of properties for conservation purposes.

9 (5) The ecological, financial, and flood risk re-  
10 duction benefits that buyout practices, as in effect  
11 on the date on which the study is conducted, pro-  
12 vide, which shall—

13 (A) take into account the differences be-  
14 tween inland and coastal areas; and

15 (B) include—

16 (i) examples in which ecosystem res-  
17 toration and other nature-based ap-  
18 proaches have enhanced the reduction of  
19 flood risk; and

20 (ii) recommendations for best prac-  
21 tices.

22 (6) To the extent possible, an assessment of  
23 how the Administrator may use buyout programs to  
24 reduce future flood disaster recovery costs that are  
25 attributable to future projections of flood risk as a

1 result of sea level rise, population changes, subsid-  
2 ence, and other factors.

3 (d) REPORT.—

4 (1) IN GENERAL.—Not later than 1 year after  
5 the date of enactment of this Act, the Comptroller  
6 General of the United States shall submit to the ap-  
7 propriate committees of Congress and the Adminis-  
8 trator a report that sets forth the analysis, conclu-  
9 sions, and recommendations resulting from the study  
10 conducted under subsection (b).

11 (2) CONTENTS.—The report submitted under  
12 paragraph (1) shall detail the feasibility of the Ad-  
13 ministrator establishing, and the processes required  
14 for the Administrator to establish, an alternative  
15 buyout program, such as the pilot program described  
16 in subsection (c)(4)(A).

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