

115TH CONGRESS  
2D SESSION

# H. R. 6402

To extend the National Flood Insurance Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2018

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

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## A BILL

To extend the National Flood Insurance Program, 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 “National Flood Insur-  
5 ance Program Extension and Enhanced Consumer and  
6 Community Protections Act of 2018”.

7 **SEC. 2. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**  
8 **GRAM.**

9 (a) FINANCING.—Section 1309(a) of the National  
10 Flood Insurance Act of 1968 (42 U.S.C. 4016(a)) is

1 amended by striking “September 30, 2017” and inserting  
2 “November 30, 2018”.

3 (b) PROGRAM EXPIRATION.—Section 1319 of the Na-  
4 tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is  
5 amended by striking “September 30, 2017” and inserting  
6 “November 30, 2018”.

7 **SEC. 3. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY**  
8 **FLOODED AREAS.**

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

12 “(e) COMMUNITY ACCOUNTABILITY FOR REPET-  
13 ITIVELY DAMAGED AREAS.—

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

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

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

1 and plan updates to the Administrator at ap-  
2 propriate intervals;

3 “(C) to implement such plans; and

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  
7 title 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 haz-  
12 ard mitigation plans developed under section 322 of  
13 the Robert T. Stafford Disaster Relief and Emer-  
14 gency Assistance 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  
12          the requirements under this subsection or to  
13          make sufficient progress in reducing the flood  
14          risks to areas in the community that are repeat-  
15          edly 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,  
21          which shall include recommendations for actions  
22          to bring the covered community into compli-  
23          ance.

24                   “(C) CONSIDERATIONS.—In determining  
25          appropriate sanctions to impose under this

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

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

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

15 “(B) within which are located—

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

22 “(ii) 5 or more severe repetitive loss  
23 structures (as such term is defined in sec-  
24 tion 1366(h)) for which mitigation activi-  
25 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 Re-  
11 lief and Emergency Assistance Act (42  
12 U.S.C. 5172) in connection with more than  
13 one flooding event in the most recent 10-  
14 year period.

15 “(6) REPETITIVE-LOSS STRUCTURE.—For pur-  
16 poses of this subsection, the term ‘repetitive loss  
17 structure’ has the meaning given such term in sec-  
18 tion 1370 (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  
25 to paragraph (1)(B).”.

1 (b) REGULATIONS.—The Administrator of the Fed-  
2 eral Emergency Management Agency shall issue regula-  
3 tions necessary to carry out subsection (e) of section 1361  
4 of the National Flood Insurance Act of 1968, as added  
5 by the amendment made by subsection (a) of this section,  
6 not later than the expiration of the 12-month period that  
7 begins on the date of the enactment of this Act.

8 **SEC. 4. INCREASED COST OF COMPLIANCE.**

9 (a) IN GENERAL.—Section 1304(b) of the National  
10 Flood Insurance Act of 1968 (42 U.S.C. 4011(b)) is  
11 amended—

12 (1) in paragraph (4), by redesignating subpara-  
13 graphs (A) through (D) as clauses (i) through (iv),  
14 respectively, and adjusting the margins accordingly;

15 (2) by redesignating paragraphs (1) through  
16 (4) as subparagraphs (A) through (D), respectively,  
17 and adjusting the margins accordingly;

18 (3) in the matter preceding subparagraph (A),  
19 as so redesignated, by striking “The national” and  
20 inserting the following:

21 “(1) IN GENERAL.—The national”;

22 (4) in paragraph (1), as so designated—

23 (A) in subparagraph (A), as so redesign-  
24 ated, by inserting “, without regard to whether

1 the property is in an area having special flood  
2 hazards” after “loss structures”;

3 (B) in subparagraph (C), as so redesign-  
4 nated, by striking the period at the end and in-  
5 serting a semicolon;

6 (C) in subparagraph (D), as so redesign-  
7 nated—

8 (i) in the matter preceding clause (i),  
9 as so redesignated, by inserting “subject to  
10 paragraph (2),” before “properties for  
11 which”; and

12 (ii) in clause (iv), as so redesignated,  
13 by striking the period at the end and in-  
14 serting “; and”; and

15 (D) by adding at the end the following:

16 “(E) a property outside an area having  
17 special flood hazards if the community, under  
18 section 1361, has established land use and con-  
19 trol measures for the area in which the property  
20 is located.”; and

21 (5) by striking the flush text following para-  
22 graph (1)(E), as added by paragraph (4)(D) of this  
23 subsection, and inserting the following:

24 “(2) USE OF FUNDS FOR MITIGATION  
25 PROJECTS.—The Administrator shall allow a policy-



1 holder to use insurance purchased under this sub-  
2 section for any eligible project costs under a pro-  
3 gram described in clause (i), (ii), or (iii) of para-  
4 graph (1)(D) of an acquisition, demolition, elevation,  
5 relocation, or small structural project funded under  
6 that program, including—

7 “(A) asbestos remediation;

8 “(B) the demolition of a driveway or side-  
9 walk when a structure is acquired; and

10 “(C) the addition of a lift, ramp, or other  
11 device that is necessary for a homeowner or oc-  
12 cupant with a physical limitation or disability to  
13 safely access a home that has been elevated.

14 “(3) SURCHARGES.—

15 “(A) PRIMARY COVERAGE.—The Adminis-  
16 trator shall impose a surcharge on each insured  
17 of an amount per policy that the Administrator  
18 determines is appropriate in order to provide  
19 cost of compliance coverage in accordance with  
20 paragraph (4)(A).

21 “(B) ENHANCED COVERAGE.—For each  
22 policy for flood insurance made available under  
23 this title with respect to which enhanced cov-  
24 erage is provided under paragraph (4)(B), the  
25 Administrator shall impose a surcharge, in ad-

1           dition to the surcharge imposed under subpara-  
2           graph (A), in an amount that the Administrator  
3           determines appropriate.

4           “(4) AMOUNT OF COVERAGE.—

5                 “(A) PRIMARY COVERAGE.—Each policy  
6           for flood insurance coverage made available  
7           under this title shall provide coverage under  
8           this subsection having an aggregate liability for  
9           any single property of \$60,000.

10                “(B) ENHANCED COVERAGE.—Notwith-  
11           standing the limitation under subparagraph  
12           (A), the Administrator shall provide, upon re-  
13           quest by a policyholder, enhanced coverage  
14           under this subsection having an aggregate li-  
15           ability for any single property in an amount  
16           that is not more than \$100,000.

17                “(5) TREATMENT OF COVERAGE LIMITS.—The  
18           purchase of insurance under this subsection with re-  
19           spect to a property shall not be counted for the pur-  
20           poses of any limitation on coverage with respect to  
21           that property under section 1306(b).”.

22           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
23           Not later than 1 year after the date of enactment of this  
24           Act, the Administrator of the Federal Emergency Manage-  
25           ment Agency shall amend the Standard Flood Insurance

1 Policy set forth in appendix A to part 61 of title 44, Code  
2 of Federal Regulations, to conform the item relating to  
3 “Coverage D—Increased Cost of Compliance” to the cov-  
4 erage limitations described in subparagraphs (A) and (B)  
5 of section 1304(b)(4) of the National Flood Insurance Act  
6 of 1968 (42 U.S.C. 4011(b)(4)), as added by subsection  
7 (a)(5) of this section.

8 **SEC. 5. MONTHLY INSTALLMENT PAYMENT OF PREMIUMS.**

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

12 (1) by striking the subsection designation and  
13 all that follows through “With respect” and insert-  
14 ing the 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**  
19 **PREMIUMS.**—

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

21 Until such time as the Administrator promul-  
22 gates regulations implementing paragraph (1)  
23 of 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  
3 such paragraph without undergoing notice and  
4 comment rulemaking and without conducting  
5 regulatory analyses otherwise required by stat-  
6 ute, regulation, or Executive order.

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

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

13 “(i) during the 12-month period be-  
14 ginning on the date of the enactment of  
15 this subparagraph, charge policyholders  
16 choosing to pay premiums in monthly in-  
17 stallments a fee for the total cost of the  
18 monthly collection of premiums not to ex-  
19 ceed \$25 annually; 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 para-  
3 graph, the Comptroller General shall submit a  
4 report to the Committee on Financial Services  
5 of the House of Representatives and the Com-  
6 mittee on Banking, Housing, and Urban Affairs  
7 of the Senate, that sets forth all of the costs as-  
8 sociated with the monthly payment of pre-  
9 miums, including any up-front costs associated  
10 with infrastructure development, the impact on  
11 all policyholders including those that exercise  
12 the option to pay monthly and those that do  
13 not, options for minimizing the costs, particu-  
14 larly the costs to policyholders, and the feasi-  
15 bility of adopting practices that serve to mini-  
16 mize costs to policyholders such as automatic  
17 payments and electronic payments.

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

1 (b) IMPLEMENTATION.—Clause (ii) of section  
2 1307(a)(1)(B) of the National Flood Insurance Act of  
3 1968 (42 U.S.C. 4014(a)(1)(B)(ii)) is amended by insert-  
4 ing before “any administrative expenses” the following:  
5 “the costs associated with the monthly collection of pre-  
6 miums provided for in section 1308(g) (42 U.S.C.  
7 4015(g)), but only if such costs exceed the operating costs  
8 and allowances set forth in clause (i) of this subparagraph,  
9 and”.

10 **SEC. 6. PREMIUM RATES FOR CERTAIN MITIGATED PROP-**  
11 **ERTIES.**

12 (a) MITIGATION STRATEGIES.—Paragraph (1) of sec-  
13 tion 1361(d) of the National Flood Insurance Act of 1968  
14 (42 U.S.C. 4102(d)(1)) is amended—

15 (1) in subparagraph (A), by striking “and” at  
16 the end;

17 (2) in subparagraph (B), by striking “and” at  
18 the end; and

19 (3) by inserting after subparagraph (B) the fol-  
20 lowing new subparagraphs:

21 “(C) with respect to buildings in dense  
22 urban environments, methods that can be de-  
23 ployed on a block or neighborhood scale; and

24 “(D) elevation of mechanical systems;  
25 and”.

1 (b) MITIGATION CREDIT.—Subsection (k) of section  
2 1308 of the National Flood Insurance Act of 1968 (42  
3 U.S.C. 4015(k)) is amended—

4 (1) by striking “shall take into account” and  
5 inserting the following: “shall—

6 “(1) take into account”;

7 (2) in paragraph (1), as so designated by the  
8 amendment made by paragraph (1) of this sub-  
9 section, by striking the period at the end and insert-  
10 ing “; and”; and

11 (3) by adding at the end the following new  
12 paragraph:

13 “(2) offer a reduction of the risk premium rate  
14 charged to a policyholder, as determined by the Ad-  
15 ministrator, if the policyholder implements any miti-  
16 gation method described in paragraph (1).”.

17 **SEC. 7. PROVISION OF COMMUNITY RATING SYSTEM PRE-**  
18 **MIUM CREDITS TO MAXIMUM NUMBER OF**  
19 **COMMUNITIES PRACTICABLE.**

20 Subsection (b) of section 1315 of the National Flood  
21 Insurance Act of 1968 (42 U.S.C. 4022(b)) is amended—

22 (1) in paragraph (2), by striking “may” and in-  
23 serting “shall”; and

24 (2) in paragraph (3), by inserting “, and the  
25 Administrator shall provide credits to the maximum

1 number of communities practicable” after “under  
2 this program”.

3 **SEC. 8. PARTICIPATION STUDIES.**

4 (a) FEDERAL ENTITIES FOR LENDING REGULA-  
5 TION.—

6 (1) IN GENERAL.—The Federal entities for  
7 lending regulation shall conduct an annual study re-  
8 garding the rate at which persons who are subject  
9 to the mandatory purchase requirement are com-  
10 plying with that requirement.

11 (2) SUBMISSION TO CONGRESS.—The Federal  
12 entities for lending regulation shall submit the result  
13 of each study conducted under paragraph (1) to the  
14 appropriate committees of Congress.

15 (b) FEMA.—

16 (1) IN GENERAL.—The Administrator of the  
17 Federal Emergency Management Agency shall con-  
18 duct an annual study regarding the rate at which in-  
19 dividuals who live in areas that have not been identi-  
20 fied, under the National Flood Insurance Act of  
21 1968 (42 U.S.C. 4001 et seq.) or the Flood Disaster  
22 Protection Act of 1973 (42 U.S.C. 4002 et seq.), as  
23 having a special flood hazard participate in, or re-  
24 ceive financial assistance under, the National Flood  
25 Insurance Program.



1           (2) SUBMISSION TO CONGRESS.—The Adminis-  
2           trator shall submit the result of each study con-  
3           ducted under paragraph (1) to the appropriate com-  
4           mittees of Congress.

5           (c) GAO.—

6           (1) IN GENERAL.—The Comptroller General of  
7           the United States shall conduct a study of the imple-  
8           mentation and efficacy of the requirements of sec-  
9           tion 102 of the Flood Disaster Protection Act of  
10          1973 (42 U.S.C. 4012a). Such study shall at min-  
11          imum consider the following questions:

12                   (A) How effectively do Federal agencies,  
13                   regulated lending institutions, and Federal enti-  
14                   ties for lending regulation implement the re-  
15                   quirements of section 102 of the Flood Disaster  
16                   Protection Act of 1973?

17                   (B) Does the current implementation of  
18                   Flood Disaster Protection Act of 1973 align  
19                   with the congressional findings and purposes  
20                   described in section 2(b) of such Act (42 U.S.C.  
21                   4002)?

22                   (C) What is the current level of compliance  
23                   with section 102?

24                   (D) What are the estimated historical im-  
25                   pacts on revenue to the National Flood Insur-

1           ance Program based on the current level of  
2           compliance of section 102?

3           (E) Is the current monitoring and tracking  
4           framework in place sufficient to ensure compli-  
5           ance with section 102?

6           (F) What is the best way to establish a  
7           consolidated, comprehensive, and accurate re-  
8           pository of data on compliance with section  
9           102?

10          (G) What, if any, unintended consequences  
11          have resulted from the requirements and imple-  
12          mentation of section 102?

13          (H) How can Federal agencies and regu-  
14          lated lending institutions improve compliance  
15          with section 102?

16          (2) REPORT.—Not later than the expiration of  
17          the 18-month period beginning on the date of the  
18          enactment of this Act, the Comptroller General shall  
19          submit a report to the Committee on Financial Serv-  
20          ices of the House of Representatives and the Com-  
21          mittee on Banking, Housing, and Urban Affairs of  
22          the Senate regarding the findings and conclusions of  
23          the study conducted pursuant to this subsection.

1 **SEC. 9. DISCLOSURE OF FLOOD RISK INFORMATION UPON**  
2 **TRANSFER OF PROPERTY.**

3 (a) IN GENERAL.—Chapter 1 of the National Flood  
4 Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amend-  
5 ed by adding at the end the following new section:

6 **“SEC. 1326. DISCLOSURE OF FLOOD RISK INFORMATION**  
7 **UPON TRANSFER OF PROPERTY.**

8 “(a) REQUIREMENT FOR PARTICIPATION IN PRO-  
9 GRAM.—After September 30, 2022, no new flood insur-  
10 ance coverage may be provided under this title for any  
11 real property located in any area (or subdivision thereof)  
12 unless an appropriate body has imposed, by statute or reg-  
13 ulation, a duty on any seller or lessor of improved real  
14 estate located in such area to provide to any purchaser  
15 or lessee of such property a property flood hazard disclo-  
16 sure which the Administrator has determined meets the  
17 requirements of subsection (b).

18 “(b) DISCLOSURE REQUIREMENTS.—A property  
19 flood hazard disclosure for a property shall meet the re-  
20 quirements of this subsection only if the disclosure—

21 “(1) is made in writing;

22 “(2) discloses any actual knowledge of the seller  
23 or lessor of—

24 “(A) prior physical damage caused by flood  
25 to any building located on the property;

1           “(B) prior insurance claims for losses cov-  
2           ered under the National Flood Insurance Pro-  
3           gram or private flood insurance with respect to  
4           such property;

5           “(C) any previous notification regarding  
6           the designation of the property as a multiple  
7           loss property; and

8           “(D) any Federal legal obligation to obtain  
9           and maintain flood insurance running with the  
10          property, such as any obligation due to a pre-  
11          vious form of disaster assistance under the  
12          Robert T. Stafford Disaster Relief and Emer-  
13          gency Assistance Act received by any owner of  
14          the property; and

15          “(3) is delivered by or on behalf of the seller or  
16          lessor to the purchaser or lessee before such pur-  
17          chaser or lessee becomes obligated under any con-  
18          tract for purchase or lease of the property.”.

19          (b) AVAILABILITY OF FLOOD INSURANCE COV-  
20          ERAGE.—Subsection (c) of section 1305 of the National  
21          Flood Insurance Act of 1968 (42 U.S.C. 4012(c)) is  
22          amended—

23                 (1) in paragraph (1), by striking “and” at the  
24                 end;

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

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

5           “(3) given satisfactory assurance that by Sep-  
6 tember 30, 2022, property flood hazard disclosure  
7 requirements will have been adopted for the area  
8 that meet the requirements of section 1326.”.

9 **SEC. 10. GAO STUDY REGARDING BUYOUT PRACTICES.**

10 (a) DEFINITIONS.—In this section—

11           (1) the term “Administrator” means the Ad-  
12 ministrator of the Federal Emergency Management  
13 Agency;

14           (2) the term “appropriate committees of Con-  
15 gress” means—

16                   (A) the Committee on Banking, Housing,  
17 and Urban Affairs of the Senate;

18                   (B) the Committee on Homeland Security  
19 and Governmental Affairs of the Senate;

20                   (C) the Committee on Financial Services of  
21 the House of Representatives; and

22                   (D) the Committee on Transportation and  
23 Infrastructure of the House of Representatives;

24           (3) the terms “buyout practice” and “buyout  
25 program” mean a practice or program, as applicable,

1 under which the Administrator provides assistance  
2 to State and local governments so that those entities  
3 may acquire flood-damaged properties committed to  
4 open space use in perpetuity in accordance with sec-  
5 tion 404(b)(2) of the Robert T. Stafford Disaster  
6 Relief and Emergency Assistance Act (42 U.S.C.  
7 5170c(b)(2));

8 (4) the term “eligible property owner” means a  
9 policyholder under the National Flood Insurance  
10 Program with a household income that is not more  
11 than 120 percent of the mean household income for  
12 the community in which the primary residence of the  
13 policyholder is located;

14 (5) the term “National Flood Insurance Pro-  
15 gram” means the program established under the Na-  
16 tional Flood Insurance Act of 1968 (42 U.S.C. 4001  
17 et seq.);

18 (6) the term “repetitive loss structure” has the  
19 meaning given the term in section 1370(a) of the  
20 National Flood Insurance Act of 1968 (42 U.S.C.  
21 4121(a)); and

22 (7) the term “severe repetitive loss structure”  
23 has the meaning given the term in section 1366(h)  
24 of the National Flood Insurance Act of 1968 (42  
25 U.S.C. 4104c(h)).

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

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

5 (2) ways to streamline the buyout practices de-  
6 scribed in paragraph (1) in order to provide more  
7 timely assistance to a larger number of State and  
8 local governments.

9 (c) CONSIDERATIONS AND ANALYSIS.—The study  
10 conducted under subsection (b) shall consider and analyze  
11 the following:

12 (1) To the extent possible, current (as of the  
13 date on which the study is conducted) and future  
14 trends with respect to repetitive loss structures and  
15 severe repetitive loss structures that are insured  
16 under the National Flood Insurance Program, in-  
17 cluding, with respect to both inland and coastal  
18 areas—

19 (A) changes in flood risk, flood frequency,  
20 and flood magnitude since the inception of the  
21 National Flood Insurance Program; and

22 (B) projections for changes in flood risk,  
23 flood frequency, and flood magnitude by 2025,  
24 2050, and 2075.

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

4                   (A) the availability of funding sources for  
5           buyout programs through various grant pro-  
6           grams;

7                   (B) the total number of properties ac-  
8           quired through buyout programs;

9                   (C) the average length of time for a State  
10          or local government to acquire a flood-damaged  
11          property under a buyout program, with that pe-  
12          riod beginning on the date on which the State  
13          or local government, as applicable, begins par-  
14          ticipating in the buyout program;

15                  (D) an estimate of the number of flood-  
16          damaged properties that could be acquired from  
17          willing property owners under buyout programs  
18          with the full cooperation of State and local gov-  
19          ernments;

20                  (E) the socioeconomic status of recipients  
21          of buyouts under buyout programs; and

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



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

4                   (A) a lack of communication or coopera-  
5                   tion between the Administrator and the State  
6                   and local governments that purchase properties  
7                   under a buyout program;

8                   (B) pressures to redevelop a property after  
9                   acquiring a property through a buyout pro-  
10                  gram; and

11                  (C) a lack of adequate funding.

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

15                   (A) a pilot program under which—

16                           (i) an eligible property owner may  
17                           agree, before a flood event occurs, to have  
18                           the primary single-family residence of the  
19                           eligible property owner purchased after the  
20                           residence has been substantially damaged  
21                           by a flood;

22                           (ii) the Administrator may provide—

23                                   (I) financial assistance to State  
24                                   and local governments that are willing  
25                                   to participate in the program to pur-

1 chase and acquire the properties of  
2 owners that have incurred substantial  
3 damage from a flood event; and

4 (II) a premium credit as an in-  
5 centive to eligible property owners to  
6 agree to participate in the program;

7 (iii) properties that are acquired—

8 (I) shall be maintained as open  
9 space in accordance with section  
10 404(b)(2) of the Robert T. Stafford  
11 Disaster Relief and Emergency Assist-  
12 ance Act (42 U.S.C. 5170c(b)(2));  
13 and

14 (II) may be used for non-struc-  
15 tural mitigation, conservation, and  
16 recreational purposes; and

17 (iv) not fewer than 5 and not more  
18 than 10 State and local governments shall  
19 participate; and

20 (B) the role that nonprofit organizations  
21 could play in making buyouts more readily  
22 available or more efficient, similar to the role  
23 that those organizations play in the acquisition  
24 of properties for conservation purposes.

1           (5) The ecological, financial, and flood risk re-  
2           duction benefits that buyout practices, as in effect  
3           on the date on which the study is conducted, pro-  
4           vide, which shall—

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

7                   (B) include—

8                           (i) examples in which ecosystem res-  
9                           toration and other nature-based ap-  
10                           proaches have enhanced the reduction of  
11                           flood risk; and

12                           (ii) recommendations for best prac-  
13                           tices.

14           (6) To the extent possible, an assessment of  
15           how the Administrator may use buyout programs to  
16           reduce future flood disaster recovery costs that are  
17           attributable to future projections of flood risk as a  
18           result of sea level rise, population changes, subsid-  
19           ence, and other factors.

20           (7) A cost-benefit analysis of mitigation and  
21           buy-out projects and programs, including an assess-  
22           ment of opportunities and challenges for leveraging  
23           different Federal resources and funding to maximize  
24           the value of Federal investment in disaster mitiga-  
25           tion.

1 (d) REPORT.—

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

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

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