

**Calendar No. 511**116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 3418****[Report No. 116-249]**

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to allow the Administrator of the Federal Emergency Management Agency to provide capitalization grants to States to establish revolving funds to provide hazard mitigation assistance to reduce risks from disasters and natural hazards, and other related environmental harm.

---

**IN THE SENATE OF THE UNITED STATES**

MARCH 9, 2020

Mr. PETERS (for himself, Mr. JOHNSON, Mr. LANKFORD, and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

AUGUST 10, 2020

Reported by Mr. JOHNSON, with amendments

[Omit the part struck through and insert the part printed in *italic*]

---

**A BILL**

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to allow the Administrator of the Federal Emergency Management Agency to provide capitalization grants to States to establish revolving funds to provide hazard mitigation assistance to reduce risks from disasters and natural hazards, and other related environmental harm.

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 “Safeguarding Tomor-  
 5 row through Ongoing Risk Mitigation Act of 2020” or the  
 6 “STORM Act”.

7 **SEC. 2. GRANTS TO ENTITIES FOR ESTABLISHMENT OF**  
 8 **HAZARD MITIGATION REVOLVING LOAN**  
 9 **FUNDS.**

10 Title II of the Robert T. Stafford Disaster Relief and  
 11 Emergency Assistance Act (42 U.S.C. 5131 et seq.) is  
 12 amended by adding at the end the following:

13 **“SEC. 205. GRANTS TO ENTITIES FOR ESTABLISHMENT OF**  
 14 **HAZARD MITIGATION REVOLVING LOAN**  
 15 **FUNDS.**

16 “(a) GENERAL AUTHORITY.—

17 “(1) IN GENERAL.—The Administrator may  
 18 enter into agreements with eligible entities to make  
 19 capitalization grants to such entities for the estab-  
 20 lishment of hazard mitigation revolving loan funds  
 21 (referred to in this section as ‘entity loan funds’) for  
 22 providing funding assistance to local governments to  
 23 carry out eligible projects under this section to re-  
 24 duce disaster risk in order to decrease—

25 “(A) the loss of life and property;

1 “(B) the cost of insurance; and

2 “(C) Federal disaster payments.

3 “(2) AGREEMENTS.—Any agreement entered  
4 into under this section shall require the participating  
5 entity to—

6 “(A) comply with the requirements of this  
7 section; and

8 “(B) use accounting, audit, and fiscal pro-  
9 cedures conforming to generally accepted ac-  
10 counting standards.

11 “(b) APPLICATION.—

12 “(1) IN GENERAL.—To be eligible to receive a  
13 capitalization grant under this section, an eligible  
14 entity shall submit to the Administrator an applica-  
15 tion that includes the following:

16 “(A) Project proposals comprised of local  
17 government hazard mitigation projects, on the  
18 condition that the entity provides public notice  
19 not less than 6 weeks prior to the submission  
20 of an application.

21 “(B) An assessment of recurring major  
22 disaster vulnerabilities impacting the entity that  
23 demonstrates a risk to life and property.

24 “(C) A description of how the hazard miti-  
25 gation plan of the entity has or has not taken

1 the vulnerabilities described in subparagraph  
2 (B) into account.

3 “(D) A description about how the projects  
4 described in subparagraph (A) could conform  
5 with the hazard mitigation plan of the entity  
6 and of the unit of local government.

7 “(E) A proposal of the systematic and re-  
8 gional approach to achieve resilience in a vul-  
9 nerable area, including impacts to river basins,  
10 river corridors, watersheds, estuaries, bays,  
11 coastal regions, micro-basins, micro-watersheds,  
12 ecosystems, and areas at risk of earthquakes,  
13 tsunamis, droughts, and wildfires.

14 “(2) TECHNICAL ASSISTANCE.—The Adminis-  
15 trator shall provide technical assistance to eligible  
16 entities for applications under this section.

17 “(c) ENTITY LOAN FUND.—

18 “(1) ESTABLISHMENT OF FUND.—An entity  
19 that receives a capitalization grant under this sec-  
20 tion shall establish an entity loan fund that complies  
21 with the requirements of this subsection.

22 “(2) FUND MANAGEMENT.—Except as provided  
23 in paragraph (3), entity loan funds shall—

24 “(A) be administered by the agency re-  
25 sponsible for emergency management; and

1 “(B) include only—

2 “(i) funds provided by a capitalization  
3 grant under this section;

4 “(ii) repayments of loans under this  
5 section to the entity loan fund; and

6 “(iii) interest earned on amounts in  
7 the entity loan fund.

8 “(3) ADMINISTRATION.—A participating entity  
9 may combine the financial administration of the en-  
10 tity loan fund of such entity with the financial ad-  
11 ministration of any other revolving fund established  
12 by such entity if the Administrator determines  
13 that—

14 “(A) the capitalization grant, entity share,  
15 repayments of loans, and interest earned on  
16 amounts in the entity loan fund are accounted  
17 for separately from other amounts in the revolv-  
18 ing fund; and

19 “(B) the authority to establish assistance  
20 priorities and carry out oversight activities re-  
21 mains in the control of the entity agency re-  
22 sponsible for emergency management.

23 “(4) ENTITY SHARE OF FUNDS.—

24 “(A) IN GENERAL.—On or before the date  
25 on which a participating entity receives a cap-

1           italization grant under this section, the entity  
2           shall deposit into the entity loan fund of such  
3           entity, an amount equal to not less than 10 per-  
4           cent of the amount of the capitalization grant.

5           “(B) REDUCED GRANT.—If, with respect  
6           to a capitalization grant under this section, a  
7           participating entity deposits in the entity loan  
8           fund of the entity an amount that is less than  
9           10 percent of the total amount of the capitaliza-  
10          tion grant that the participating entity would  
11          otherwise receive, the Administrator shall re-  
12          duce the amount of the capitalization grant re-  
13          ceived by the entity to the amount that is 10  
14          times the amount so deposited.

15          “(d) APPORTIONMENT.—

16               “(1) IN GENERAL.—Except as otherwise pro-  
17               vided by this subsection, the Administrator shall ap-  
18               portion funds made available to carry out this sec-  
19               tion to entities that have entered into an agreement  
20               under subsection (a)(2) in amounts as determined  
21               by the Administrator.

22               “(2) RESERVATION OF FUNDS.—The Adminis-  
23               trator shall reserve not more than 2.5 percent of the  
24               amount made available to carry out this section for  
25               the ~~Federal Emergency Management Agency~~ for—

1           “(A) administrative costs incurred in car-  
2           rying out this section;

3           “(B) providing technical assistance to par-  
4           ticipating entities under subsection (b)(2); and

5           “(C) capitalization grants to insular areas  
6           under paragraph (4).

7           “(3) PRIORITY.—In the apportionment of cap-  
8           italization grants under this subsection, the Admin-  
9           istrator shall give priority to entity applications  
10          under subsection (b) that—

11           “(A) propose projects increasing resilience  
12           and reducing risk of harm to natural and built  
13           infrastructure;

14           “(B) involve a partnership between two or  
15           more eligible entities to carry out a project or  
16           similar projects;

17           “(C) take into account regional impacts of  
18           hazards on river basins, river corridors, micro-  
19           watersheds, macro-watersheds, estuaries, lakes,  
20           bays, and coastal regions and areas at risk of  
21           earthquakes, tsunamis, droughts, and wildfires;  
22           or

23           “(D) propose projects for the resilience of  
24           major economic sectors or critical national in-  
25           frastructure, including ports, global commodity

1 supply chain assets (located within an entity or  
 2 within the jurisdiction of local governments, in-  
 3 sular areas, and ~~tribal~~ *Tribal* governments),  
 4 power and water production and distribution  
 5 centers, and bridges and waterways essential to  
 6 interstate commerce.

7 “(4) INSULAR AREAS.—

8 “(A) APPORTIONMENT.—From any  
 9 amount remaining of funds reserved under  
 10 paragraph (2), the Administrator may enter  
 11 into agreements to provide capitalization grants  
 12 to insular areas.

13 “(B) REQUIREMENTS.—An insular area  
 14 receiving a capitalization grant under this sec-  
 15 tion shall comply with the requirements of this  
 16 section as applied to participating entities.

17 “(e) ENVIRONMENTAL REVIEW OF REVOLVING LOAN  
 18 FUND PROJECTS.—The Administrator may delegate to a  
 19 participating entity all of the responsibilities for environ-  
 20 mental review, decision making, and action pursuant the  
 21 National Environmental Policy Act of 1969 (42 U.S.C.  
 22 4321 et seq.), and other applicable Federal environmental  
 23 laws including the Endangered Species Act of 1973 (16  
 24 U.S.C. 1531 et seq.) and the National Historic Preserva-  
 25 tion Act of 1966 (~~16 U.S.C. 470 et seq.~~) (*54 U.S.C.*



1 300101 *et seq.*) that would apply to the Administrator were  
2 the Administrator to undertake projects under this section  
3 as Federal projects so long as the participating entity  
4 ~~carry~~ carries out such responsibilities in the same manner  
5 and subject to the same requirements as if the Adminis-  
6 trator carried out such responsibilities.

7 “(f) USE OF FUNDS.—

8 “(1) TYPES OF ASSISTANCE.—Amounts depos-  
9 ited in an entity loan fund, including loan repay-  
10 ments and interest earned on such amounts, may be  
11 used—

12 “(A) to make loans, on the condition  
13 that—

14 “(i) such loans are made at an inter-  
15 est rate of not more than 1 percent;

16 “(ii) annual principal and interest  
17 payments will commence not later than 1  
18 year after completion of any project and all  
19 loans made under this subparagraph will  
20 be fully amortized—

21 “(I) not later than 20 years after  
22 the date on which the project is com-  
23 pleted; or

24 “(II) for projects in a low-income  
25 geographic area, not later than 30

1 years after the date on which the  
2 project is completed and not longer  
3 than the expected design life of the  
4 project;

5 “(iii) the loan recipient of a loan  
6 under this subparagraph establishes a  
7 dedicated source of revenue for repayment  
8 of the loan;

9 “(iv) the loan recipient of a loan  
10 under this subparagraph has a hazard  
11 mitigation plan that has been approved by  
12 the Administrator; and

13 “(v) the entity loan fund will be cred-  
14 ited with all payments of principal and in-  
15 terest on all loans made under this sub-  
16 paragraph;

17 “(B) for mitigation efforts, in addition to  
18 mitigation planning under section 322 not to  
19 exceed 10 percent of the capitalization grants  
20 made to the participating entity in a fiscal year;

21 “(C) for the reasonable costs of admin-  
22 istering the fund and conducting activities  
23 under this section, except that such amounts  
24 shall not exceed \$100,000 per year, 2 percent  
25 of the capitalization grants made to the partici-

1           pating entity in a fiscal year, or 1 percent of  
2           the value of the entity loan fund, whichever  
3           amount is greatest, plus the amount of any fees  
4           collected by the entity for such purpose regard-  
5           less of the source; and

6                   “(D) to earn interest on the entity loan  
7           fund.

8           “(2) PROHIBITION ON DETERMINATION THAT  
9           LOAN IS A DUPLICATION.—In carrying out this sec-  
10          tion, the Administrator may not determine that a  
11          loan is a duplication of assistance or programs  
12          under this Act.

13           “(3) PROJECTS AND ACTIVITIES ELIGIBLE FOR  
14          ASSISTANCE.—Except as provided in this subsection,  
15          a participating entity may use funds in the entity  
16          loan fund to provide financial assistance for projects  
17          or activities that mitigate the impacts of natural  
18          hazards including—

19                   “(A) drought and prolonged episodes of in-  
20          tense heat;

21                   “(B) severe storms, including hurricanes,  
22          tornados, wind storms, cyclones, and severe  
23          winter storms;

24                   “(C) wildfires;

25                   “(D) earthquakes;

- 1           “(E) flooding;  
2           “(F) shoreline erosion;  
3           “(G) high water levels; and  
4           “(H) storm surges.

5           “(4) ZONING AND LAND USE PLANNING  
6           CHANGES.—A participating entity may use not more  
7           than 10 percent of a capitalization grant under this  
8           section to enable units of local government to imple-  
9           ment zoning and land use planning changes focused  
10          on—

11           “(A) the development and improvement of  
12           zoning and land use codes that incentivize and  
13           encourage low-impact development, resilient  
14           wildland-urban interface land management and  
15           development, natural infrastructure, green  
16           stormwater management, conservation areas  
17           adjacent to floodplains, implementation of wa-  
18           tershed or greenway master plans, and re-  
19           connection of floodplains;

20           “(B) the study and creation of agricultural  
21           risk compensation districts where there is a de-  
22           sire to remove or set-back levees protecting  
23           highly developed agricultural land to mitigate  
24           for flooding, allowing agricultural producers to  
25           receive compensation for assuming greater flood

1 risk that would alleviate flood exposure to popu-  
2 lation s centers and areas with critical national  
3 infrastructure;

4 “(C) the study and creation of land use in-  
5 centives that reward developers for greater reli-  
6 ance on low impact development stormwater  
7 best management practices, exchange density  
8 increases for increased open space and improve-  
9 ment of neighborhood catch basins to mitigate  
10 urban flooding, reward developers for including  
11 and augmenting natural infrastructure adjacent  
12 to and around building projects without reliance  
13 on increased sprawl, and reward developers for  
14 addressing wildfire ignition; and

15 “(D) the study and creation of an erosion  
16 response plan that accommodates river, lake,  
17 forest, plains, and ocean shoreline retreating or  
18 bluff stabilization due to increased flooding and  
19 disaster impacts.

20 “(5) ESTABLISHING AND CARRYING OUT  
21 BUILDING CODE ENFORCEMENT.—A participating  
22 entity may use capitalization grants under this sec-  
23 tion to enable units of local government to establish  
24 and carry out the latest published editions of rel-  
25 evant building codes, specifications, and standards

1 for the purpose of protecting the health, safety, and  
 2 general welfare of the building s users against disas-  
 3 ters and natural hazards.

4 “(6) ADMINISTRATIVE AND TECHNICAL  
 5 COSTS.—For each fiscal year, a participating entity  
 6 may use the amount described in paragraph (1)(C)  
 7 to—

8 “(A) pay the reasonable costs of admin-  
 9 istering the programs under this section, includ-  
 10 ing the cost of establishing an entity loan fund;  
 11 and

12 “(B) provide technical assistance to recipi-  
 13 ents of financial assistance from the entity loan  
 14 fund, on the condition that such technical as-  
 15 sistance does not exceed 5 percent of the cap-  
 16 italization grant made to such entity.

17 “(7) LIMITATION FOR SINGLE PROJECTS.—A  
 18 participating entity may not provide an amount  
 19 equal to or more than \$5,000,000 to a single hazard  
 20 mitigation project.

21 “(g) INTENDED USE PLANS.—

22 “(1) IN GENERAL.—After providing for public  
 23 comment and review, and consultation with appro-  
 24 priate government agencies of the State or Indian  
 25 Tribe, Federal agencies, and interest groups, each

1 participating entity shall annually prepare and sub-  
2 mit to the Administrator a plan identifying the in-  
3 tended uses of the entity loan fund.

4 “(2) CONTENTS OF PLAN.—An entity intended  
5 use plan prepared under paragraph (1) shall in-  
6 clude—

7 “(A) the integration of entity planning ef-  
8 forts, including entity hazard mitigation plans  
9 and other programs and initiatives relating to  
10 mitigation of major disasters carried out by  
11 such entity;

12 “(B) an explanation of the mitigation and  
13 resiliency benefits the entity intends to achieve  
14 by—

15 “(i) reducing future damage and loss  
16 associated with hazards;

17 “(ii) reducing the number of severe  
18 repetitive loss structures and repetitive loss  
19 structures in the entity;

20 “(iii) decreasing the number of insur-  
21 ance claims in the entity from injuries re-  
22 sulting from major disasters or other nat-  
23 ural hazards; and

24 “(iv) increasing the rating under the  
25 community rating system under section

1           1315(b) of the National Flood Insurance  
2           Act of 1968 (42 U.S.C. 4022(b)) for com-  
3           munities in the entity;

4           “(C) information on the availability of, and  
5           application process for, financial assistance  
6           from the entity loan fund of such entity;

7           “(D) the criteria and methods established  
8           for the distribution of funds;

9           “(E) the amount of financial assistance  
10          that the entity anticipates apportioning;

11          “(F) the expected terms of the assistance  
12          provided from the entity loan fund; and

13          “(G) a description of the financial status  
14          of the entity loan fund, including short-term  
15          and long-term goals for the fund.

16          “(h) AUDITS, REPORTS, PUBLICATIONS, AND OVER-  
17          SIGHT.—

18                 “(1) BIENNIAL ENTITY AUDIT AND REPORT.—

19          Beginning not later than the last day of the second  
20          fiscal year after the receipt of payments under this  
21          section, and biennially thereafter, any participating  
22          entity shall—

23                 “(A) conduct an audit of ~~such~~ *the entity*  
24                 *loan* fund established under subsection ~~(b)~~ (c);  
25                 and



1           “(B) provide to the Administrator a report  
2 including—

3           “(i) the result of any such audit; and

4           “(ii) a review of the effectiveness of  
5 the entity loan fund of the entity with re-  
6 spect to meeting the goals and intended  
7 benefits described in the intended use plan  
8 submitted by the entity under subsection  
9 ~~(f)~~ (g).

10           “(2) PUBLICATION.—A participating entity  
11 shall publish and periodically update information  
12 about all projects receiving funding from the entity  
13 loan fund of such entity, including—

14           “(A) the location of the project;

15           “(B) the type and amount of assistance  
16 provided from the entity loan fund;

17           “(C) the expected funding schedule; and

18           “(D) the anticipated date of completion of  
19 the project.

20           “(3) OVERSIGHT.—

21           “(A) IN GENERAL.—The Administrator  
22 shall, at least every 4 years, conduct reviews  
23 and audits as may be determined necessary or  
24 appropriate by the Administrator to carry out  
25 the objectives of this section and determine the

1 effectiveness of the fund in reducing natural  
2 hazard risk.

3 “(B) GAO REQUIREMENTS.—~~The~~ *A par-*  
4 *ticipating* entity shall conduct audits under  
5 paragraph (1) in accordance with the auditing  
6 procedures of the Government Accountability  
7 Office, including generally accepted government  
8 auditing standards.

9 “(C) RECOMMENDATIONS BY ADMINIS-  
10 TRATOR.—The Administrator may at any time  
11 make recommendations for or require specific  
12 changes to an entity loan fund in order to im-  
13 prove the effectiveness of the fund.

14 “(i) REGULATIONS OR GUIDANCE.—The Adminis-  
15 trator shall issue such regulations or guidance as are nec-  
16 essary to—

17 “(1) ensure that each participating entity uses  
18 funds as efficiently as possible;

19 “(2) reduce waste, fraud, and abuse to the  
20 maximum extent possible; and

21 “(3) require any party that receives funds di-  
22 rectly or indirectly under this section, including a  
23 participating entity and a recipient of amounts from  
24 an entity loan fund, to use procedures with respect

1 to the management of the funds that conform to  
 2 generally accepted accounting standards.

3 “(j) LIABILITY PROTECTIONS.—The ~~Federal Emer-~~  
 4 ~~gency Management~~ Agency shall not be liable for any  
 5 claim based on the exercise or performance of, or the fail-  
 6 ure to exercise or perform, a discretionary function or duty  
 7 by the Agency, or an employee of the Agency in carrying  
 8 out this section.

9 “(k) DEFINITIONS.—In this section, the following  
 10 definitions apply:

11 “(1) ADMINISTRATOR.—The term ‘Adminis-  
 12 trator’ means the Administrator of the Federal  
 13 Emergency Management Agency.

14 “(2) AGENCY.—The term ‘Agency’ means the  
 15 Federal Emergency Management Agency.

16 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-  
 17 tity’ means—

18 “(A) a State; or

19 “(B) an Indian ~~tribal~~ *Tribal* government  
 20 that has received a major disaster declaration  
 21 during the 5-year period ending on the date of  
 22 enactment of the STORM Act.

23 “(4) HAZARD MITIGATION PLAN.—The term  
 24 ‘hazard mitigation plan’ means a mitigation plan  
 25 submitted under section 322.

1           “(5) INSULAR AREA.—The term ‘insular area’  
2 means Guam, American Samoa, the Commonwealth  
3 of the Northern Mariana Islands, and the United  
4 States Virgin Islands.

5           “(6) LOW-INCOME GEOGRAPHIC AREA.—The  
6 term ‘low-income geographic area’ means an area  
7 described in paragraph (1) or (2) of section 301(a)  
8 of the Public Works and Economic Development Act  
9 of 1965 (42 U.S.C. 3161(a)).

10           “(7) PARTICIPATING ENTITY.—The term ‘par-  
11 ticipating entity’ means an eligible entity that has  
12 entered into an agreement under this section.

13           “(8) REPETITIVE LOSS STRUCTURE.—The term  
14 ‘repetitive loss structure’ has the meaning given the  
15 term in section 1370 of the National Flood Insur-  
16 ance Act of 1968 (42 U.S.C. 4121).

17           “(9) SEVERE REPETITIVE LOSS STRUCTURE.—  
18 The term ‘severe repetitive loss structure’ has the  
19 meaning given the term in section 1366(h) of the  
20 National Flood Insurance Act of 1968 (42 U.S.C.  
21 4104e(h)).

22           “(10) STATE.—The term ‘State’ means any  
23 State of the United States, the District of Columbia,  
24 and Puerto Rico.

1       “(l) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated \$100,000,000 for each  
3 of fiscal years 2021 through 2023 to carry out this sec-  
4 tion.”.

Calendar No. 511

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 3418**

[Report No. 116-249]

---

---

**A BILL**

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to allow the Administrator of the Federal Emergency Management Agency to provide capitalization grants to States to establish revolving funds to provide hazard mitigation assistance to reduce risks from disasters and natural hazards, and other related environmental harm.

---

---

AUGUST 10, 2020

Reported with amendments