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118TH CONGRESS
2D SESSION

H. R. 9809

To amend the National Flood Insurance Act of 1968 to expand opportunities for families living in areas of high flood risk to access Federal assistance for voluntary relocation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2024

Mr. CASTEN (for himself and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend the National Flood Insurance Act of 1968 to expand opportunities for families living in areas of high flood risk to access Federal assistance for voluntary relocation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protecting Families and the Solvency of the National Flood Insurance Program Act of 2024".

SEC. 2. VOLUNTARY BUYOUTS IN LIEU OF FLOOD CLAIMS.

(a) IN GENERAL.—Section 1312 of the National Flood Insurance Act of 1968 (42 U.S.C. 4019) is amended by adding at the end the following:

"(d) EXPEDITED VOLUNTARY BUYOUTS.—

"(1) IN GENERAL.—The Administrator may offer a voluntary buyout option to a policyholder for an insured property if the following requirements have been met:

"(A) DETERMINATION.—The Administrator has determined, based on the pre-flood value of the insured property, the damage claim history of the insured property, and projected future claims for the insured property, that purchasing the insured property would result in long-term benefits to the National Flood Insurance Fund.

"(B) PROPERTY ELIGIBILITY.—The insured property—

"(i) has been identified as a repetitive loss or severe repetitive loss property, as such terms are defined in section 1366(h);

"(ii) has been designated, by the participating community in which such insured property is located, as substantially damaged structure; or "(iii) would be filing a claim for the maximum level of coverage, if not purchased by the Administrator.

"(C) COMMUNITY ELIGIBILITY.—The participating community in which such insured property is located has agreed to—

"(i) take title to the insured property; and

"(ii) prioritize mitigation to such insured property or to the area in which such insured property is located through actions or plans determined appropriate by the Administrator, including—

"(I) a repetitive loss area analysis plan conducted for and consistent with criteria for the community rating system authorized under section 1315(b) (42 U.S.C. 4022(b));

"(II) a locally adopted plan completed in compliance with requirements of section 1361(e) (42 U.S.C. 4102(e));

"(III) a locally adopted flood risk mitigation plan consistent with the requirements of section 1366(b) (42 U.S.C. 4104c(b));

"(IV) an ongoing local or State program for property buyouts to address flooding problems that conforms with such requirement as the Administrator may establish; or

"(V) such other action or plan as the Administrator may require.

"(2) SHFA STATUS.—If each of the requirements described in paragraph (1) is satisfied, the Administrator may offer a voluntary buyout option to a policy holder for an insured property even if such insured property is not located in a special flood hazard area.

"(3) AMOUNT OF BUYOUT OFFER.—The amount of a buyout offer made by the Administrator under this subsection for an insured property may exceed the amount of the claim made by the policy holder with respect to such insured property.

"(4) USE OF FUND AMOUNTS.—The Administrator may use amounts in the National Flood Insurance Fund to provide payment for any buyout offered by the Administrator and accepted by a policyholder that meets the requirements of this subsection.

"(5) NO DELAY OR REDUCTION.—The Administrator shall ensure that any buyout offer made to a policyholder under this subsection does not delay or reduce the amount of any payment for the claim made by such policyholder.

"(6) SPECIAL CONSIDERATIONS.—When deciding whether to offer a buyout of an insured property under this subsection, the Administrator may consider—

"(A) the current reserves and financial status of the National Flood Insurance Fund;

"(B) the expected number of buyout requests; and

"(C) opportunities to supplement available National Flood Insurance Fund amounts with other disaster or mitigation assistance available from Federal and non-Federal sources.

"(7) TRANSFER OF PROPERTY.—If a policyholder accepts a voluntary buyout offered by the Administrator under this section for an insured property, the Administrator shall take ownership of the property and not later than 90 days after taking ownership of such property, transfer ownership of such property to a unit of local government for management in compliance with the requirements under section 404(b)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

"(8) RULEMAKING.—The Administrator may issues such rules as the Administrator determines necessary to carry out this subsection.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 1 year after the date of the enactment of this section.

SEC. 3. COMMUNITY ACTION TO ADDRESS REPETITIVELY FLOODED AREAS.

Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

"(e) COMMUNITY ACTION FOR REPEATEDLY FLOODED AREAS.—

"(1) REQUIREMENTS FOR COVERED COMMUNITIES.—The Administrator shall, by rule, require each covered community to—

"(A) determine the areas within the covered community in which properties described in the definition of covered community are located in order to identify areas that are repeatedly damaged by floods;

“(B) assess, with assistance from the Administrator, future conditions which may represent continuing risks to the repeatedly damaged areas identified pursuant to subparagraph (A);

“(C) develop a community-specific plan for mitigating continuing flood risks to the repeatedly damaged areas identified pursuant to subparagraph (A);

“(D) submit the plan described in subparagraph (C) and any plan updates to the Administrator at appropriate intervals;

“(E) implement the plan described in subparagraph (C); and

“(F) subject to section 552a of title 5, United States Code, make the plan described in subparagraph (C), any updates to the plan, and reports on progress in reducing flood risk available to the public.

“(2) COORDINATION WITH EXISTING PLANNING EFFORTS.—As determined by the Administrator, a covered community may address the planning requirements of this subsection in coordination with other planning efforts, including—

"(A) a plan developed under section 1366 of this title (42 U.S.C. 4104c);

"(B) a plan developed under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165); or

"(C) a plan completed for, conducted for, and consistent with criteria for the community rating system authorized under section 1315(b) of this title (42 U.S.C. 4022(b)).

"(3) AUTHORIZATION AND ASSISTANCE.—

"(A) IN GENERAL.—The Administrator may issue appropriate policies and regulations to assist covered communities in identification of repeatedly flooded areas and in implementing practical plans for addressing the identified flooding problems.

"(B) TYPES OF ASSISTANCE.—Assistance authorized under this section may include—

"(i) sharing of information in accordance with the requirements of section 552a of title 5, United States Code, and the subchapter II of chapter 35 of title 44, United States Code;

"(ii) consideration of possible sources of financial assistance to communities, including—

"(I) potential lowering of non-Federal cost shares for mitigation of properties; and

"(II) potential priority for applicable grant mitigation funding managed by the Administrator;

"(iii) additional technical assistance to communities the Administrator may deem most at-risk for repeated flooding events;

"(iv) reasonable considerations and targeted assistance for communities defined as underserved or high-risk under section 203(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(a)); and

"(v) special assistance aimed at implementing Executive Order 13985 (January 20, 2021) on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as defined by the Administrator.

"(C) SPECIAL CONSIDERATIONS.—In determining an appropriate level of assistance for a covered community, as provided in subparagraph (B), the Administrator shall consider the extent to which the community is working to remedy problems associated with repeated flooding and the resources available to the covered community, including—

"(i) any Federal or State funding received by the covered community;

"(ii) the portion of the covered community that is located within areas having special flood hazards; and

"(iii) any other factor that makes it difficult for the covered community to conduct mitigation activities for flood-prone structures.

"(4) REPORTS TO CONGRESS.—Not later than 3 years after the date of enactment of this subsection, and not less frequently than once every 2 years thereafter, the Administrator shall submit to the Congress a report regarding the progress made by covered communities with respect to implementing plans developed under paragraph (2)(C) and, to the extent possible, the trends in numbers of repetitive loss and severe repetitive loss properties.

"(5) COVERED COMMUNITY DEFINED.—In this subsection, the term 'covered community' means a community—

"(A) that is participating in the national flood insurance program and in compliance with all requirements of this Act; and

"(B) within which are located—

"(i) not less than 50 repetitive loss structures; or

"(ii) not fewer than 5 severe repetitive loss structures for which mitigation activities meeting the standards for approval under section 1366(c)(2)(A) have not been conducted; and

"(C) which has been identified by the Administrator as a priority for assessment and mitigation in accordance with the rules required under this subsection.".

SEC. 4. FLOOD MITIGATION ASSISTANCE.

(a) AUTHORITY.—Section 1366(a)(2) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(a)(2)) is amended—

(1) by inserting ‘‘repetitive loss structures,’’ after ‘‘damage to’’; and

(2) by inserting before ‘‘; and’’ the following: ‘‘, and other structures within an area that has been identified by the State or community as a repetitive loss area or has been determined by the Administrator to pose a significant risk of recurrent flooding’’.

(b) ELIGIBLE MITIGATION ACTIVITIES.—Subsection (c) of section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended—

(1) in paragraph (2)—

(A) in the paragraph heading, by inserting ‘‘FAIRNESS,’’ after ‘‘COST EFFECTIVENESS’’;

(B) in subparagraph (A)—

(i) in clause (i)—

(I) by inserting ‘‘, equitable,’’ after ‘‘feasible’’; and

(II) by inserting ‘‘over the long term’’ after ‘‘cost-effective’’; and

(ii) in clause (ii), by inserting ‘‘repetitive loss or’’ before ‘‘severe’’; and

(C) in subparagraph (B) by inserting ‘‘, including benefits that provide needed assistance to vulnerable populations'' before the period at the end;

(2) in paragraph (3)—

(A) in subparagraph (C)—

(i) by striking ''for public use,''; and

(ii) by inserting '', considering current and future risks'' before the semicolon at the end;

(B) in subparagraph (H) by inserting ''and'' after the semicolon at the end;

(C) in subparagraph (I) by striking ''; and'' and inserting a period; and

(D) by striking subparagraph (J); and

(3) in paragraph (4), by adding after the period, the following: ''In any case in which elevation or rebuilding is required or authorized by the Administrator or by State or local regulation or ordinance, the appropriate level of elevation shall incorporate appropriate freeboard or other resilience factors based on an assessment using the best scientific information to determine risk levels over the expected lifetime of the structure.''.

(c) MATCHING REQUIREMENT.—Subsection (d) of section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c(d)) is amended—

(1) in paragraph (2)—

(A) by striking "In the case of mitigation activities to repetitive loss structures," and inserting:

"(A) IN GENERAL.—In the case of mitigation activities to repetitive loss structures,"; and

(B) by adding at the end the following:

"(B) SPECIAL RULE.—In the case of mitigation activities to repetitive loss structures that lie within an area identified under a local plan adopted pursuant to section 1361(e), in an amount up to 100 percent of all eligible costs.".

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following:

"(3) PROPERTIES WITHIN UNDERSERVED COMMUNITIES.—In an amount up to 100 percent of all eligible costs for a property—

"(A) located within a census tract with a Centers for Disease Control and Prevention Social Vulnerability Index score of not less than 0.5001; or

"(B) that serves as a primary residence for a household with a household income of not more than 100 percent of the applicable area median income.''.

SEC. 5. PREDISASTER MITIGATION.

(a) DEFINITIONS.—Section 203(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) is amended to read as follows:

''(a) DEFINITIONS.—In this section:

''(1) UNDERSERVED COMMUNITY.—The term 'underserved community' means a population sharing a particular characteristic, or a geographic community, that based on criteria established by the President, has been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.

''(2) HIGH-RISK COMMUNITY.—The term 'high risk community' means a community that has significant risk to health, safety, or economic stability from natural disasters and also has limited resources to plan for and mitigate against such risks, as determined by the President based on—

''(A) a consideration of past natural disasters;

''(B) an evaluation of claims against the National Flood Insurance Fund;

"(C) an evaluation of other Federal expenditures for disaster response and recovery; or

"(D) an analysis of data related to size of the community, social vulnerability, poverty levels, unemployment, housing shortages, or other factors that affect the community's capacity to prepare for and recover from natural disasters.".

(b) STATE RECOMMENDATIONS.—Subparagraph (B) of section 203(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133) is amended to read as follows:

"(B) EXCEPTIONS.—In providing assistance to local governments under this section, the President may select a local government that has been identified as a underserved community or a high-risk community, or, if the President determines that extraordinary circumstances justify the selection and that making the selection will further the purpose of this section, another community that has not been recommended by a Governor under this subsection.".

(c) CRITERIA FOR ASSISTANCE AWARDS.—Section 203(g) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(g)) is amended—

(1) in paragraph (1) by inserting ", including the likelihood that identified hazards will increase in severity, frequency, or impact in the future" before the semicolon at the end;

(2) in paragraph (8) by inserting ", including securing improved protections for vulnerable populations" before the semicolon at the end; and

(3) in paragraph (9) by inserting "and high-risk communities" before the semicolon at the end.

(d) FEDERAL SHARE.—Section 203(h)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(h)(2)) is amended to read as follows:

"(2) UNDERSERVED AND HIGH-RISK COMMUNITIES.—Notwithstanding paragraph (1), the President may contribute up to 100 percent of the total cost of a mitigation activity carried out in an underserved community or in a high-risk community.".

SEC. 6. HAZARD MITIGATION GRANT PROGRAM.

Section 404(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)) is amended—

(1) in paragraph (1), by inserting after the period at the end the following: ''In providing such assistance, the Administrator shall allow for participating property owners, as well as any affected tenants, to be treated as displaced persons under the Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970.''; and

(2) by adding at the end the following new paragraph:

''(4) SPECIAL CONSIDERATIONS.—In the case of an acquisition or relocation project undertaken in cooperation with a community which meets the criteria set forth under subsection 1312(d) of the National Flood Insurance Act, the Administrator may recognize for credit toward necessary local cost shares any properly documented expenditures related to such project which may have been made before the date of the grant award. Such expenditures may include costs related to structure inspections and appraisals, title searches, outreach to potentially affected property owners, real estate counseling and other necessary assistance, and planning for reuse of the properties in compliance with this subsection.''.

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