

Union Calendar No.

115TH CONGRESS
2^D SESSION

H. R. 5846

[Report No. 115-]

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.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2018

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

JULY --, 2018

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 *italie*]

[For text of introduced bill, see copy of bill as introduced on May 16, 2018]

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—*

8 *(1) the term “Administrator” means the Admin-*
9 *istrator of the Federal Emergency Management Agen-*
10 *cy;*

11 *(2) the term “appropriate committees of Con-*
12 *gress” means—*

13 *(A) the Committee on Banking, Housing,*
14 *and Urban Affairs of the Senate;*

15 *(B) the Committee on Homeland Security*
16 *and Governmental Affairs of the Senate;*

17 *(C) the Committee on Financial Services of*
18 *the House of Representatives; and*

19 *(D) the Committee on Transportation and*
20 *Infrastructure of the House of Representatives;*

21 *(3) the terms “buyout practice” and “buyout*
22 *program” mean a practice or program, as applicable,*
23 *under which the Administrator provides assistance to*
24 *State and local governments so that those entities*
25 *may acquire flood-damaged properties committed to*

1 *open space use in perpetuity in accordance with sec-*
2 *tion 404(b)(2) of the Robert T. Stafford Disaster Re-*
3 *lief and Emergency Assistance Act (42 U.S.C.*
4 *5170c(b)(2));*

5 *(4) the term “eligible property owner” means a*
6 *policyholder under the National Flood Insurance Pro-*
7 *gram with a household income that is not more than*
8 *120 percent of the mean household income for the*
9 *community in which the primary residence of the pol-*
10 *icyholder is located;*

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

15 *(6) the term “repetitive loss structure” has the*
16 *meaning given the term in section 1370(a) of the Na-*
17 *tional Flood Insurance Act of 1968 (42 U.S.C.*
18 *4121(a)); and*

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

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

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

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

7 (c) *CONSIDERATIONS AND ANALYSIS.—The study con-*
8 *ducted under subsection (b) shall consider and analyze the*
9 *following:*

10 (1) *To the extent possible, current (as of the date*
11 *on which the study is conducted) and future trends*
12 *with respect to repetitive loss structures and severe re-*
13 *petitive loss structures that are insured under the Na-*
14 *tional Flood Insurance Program, including, with re-*
15 *spect to both inland and coastal areas—*

16 (A) *changes in flood risk, flood frequency,*
17 *and flood magnitude since the inception of the*
18 *National Flood Insurance Program; and*

19 (B) *projections for changes in flood risk,*
20 *flood frequency, and flood magnitude by 2025,*
21 *2050, and 2075.*

22 (2) *To the extent possible, buyout practices (as of*
23 *the date on which the study is conducted), includ-*
24 *ing—*

1 (A) the availability of funding sources for
2 buyout programs through various grant pro-
3 grams;

4 (B) the total number of properties acquired
5 though buyout programs;

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

12 (D) an estimate of the number of flood-dam-
13 aged properties that could be acquired from will-
14 ing property owners under buyout programs
15 with the full cooperation of State and local gov-
16 ernments;

17 (E) the socioeconomic status of recipients of
18 buyouts under buyout programs; and

19 (F) examples of successful buyout programs,
20 including best practices employed.

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

24 (A) a lack of communication or cooperation
25 between the Administrator and the State and

1 *local governments that purchase properties under*
2 *a buyout program;*

3 *(B) pressures to redevelop a property after*
4 *acquiring a property through a buyout program;*
5 *and*

6 *(C) a lack of adequate funding.*

7 *(4) Potential options, methods, and strategies to*
8 *address the constraints identified under paragraph*
9 *(3), including evaluating the feasibility of—*

10 *(A) a pilot program under which—*

11 *(i) an eligible property owner may*
12 *agree, before a flood event occurs, to have*
13 *the primary single-family residence of the*
14 *eligible property owner purchased after the*
15 *residence has been substantially damaged by*
16 *a flood;*

17 *(ii) the Administrator may provide—*

18 *(I) financial assistance to State*
19 *and local governments that are willing*
20 *to participate in the program to pur-*
21 *chase and acquire the properties of*
22 *owners that have incurred substantial*
23 *damage from a flood event; and*

1 (ii) a premium credit as an in-
2 centive to eligible property owners to
3 agree to participate in the program;

4 (iii) properties that are acquired—

5 (I) shall be maintained as open
6 space in accordance with section
7 404(b)(2) of the Robert T. Stafford
8 Disaster Relief and Emergency Assist-
9 ance Act (42 U.S.C. 5170c(b)(2)); and

10 (ii) may be used for non-struc-
11 tural mitigation, conservation, and
12 recreational purposes; and

13 (iv) not fewer than 5 and not more
14 than 10 State and local governments shall
15 participate; and

16 (B) the role that nonprofit organizations
17 could play in making buyouts more readily
18 available or more efficient, similar to the role
19 that those organizations play in the acquisition
20 of properties for conservation purposes.

21 (5) The ecological, financial, and flood risk re-
22 duction benefits that buyout practices, as in effect on
23 the date on which the study is conducted, provide,
24 which shall—

1 (A) take into account the differences between
2 inland and coastal areas; and

3 (B) include—

4 (i) examples in which ecosystem res-
5 toration and other nature-based approaches
6 have enhanced the reduction of flood risk;
7 and

8 (ii) recommendations for best practices.

9 (6) To the extent possible, an assessment of how
10 the Administrator may use buyout programs to re-
11 duce future flood disaster recovery costs that are at-
12 tributable to future projections of flood risk as a re-
13 sult of sea level rise, population changes, subsidence,
14 and other factors.

15 (7) A cost-benefit analysis of mitigation and
16 buy-out projects and programs, including an assess-
17 ment of opportunities and challenges for leveraging
18 different Federal resources and funding to maximize
19 the value of Federal investment in disaster mitiga-
20 tion.

21 (d) REPORT.—

22 (1) IN GENERAL.—Not later than 1 year after
23 the date of enactment of this Act, the Comptroller
24 General of the United States shall submit to the ap-
25 propriate committees of Congress and the Adminis-

1 *trator a report that sets forth the analysis, conclu-*
2 *sions, and recommendations resulting from the study*
3 *conducted under subsection (b).*

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