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

JULY 30, 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 italic]

[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.
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 “Promoting Flood Risk Mitigation Act”.

SEC. 2. GAO STUDY REGARDING BUYOUT PRACTICES.

(a) DEFINITIONS.—In this section—

(1) the term “Administrator” means the Administrator of the Federal Emergency Management Agency;

(2) the term “appropriate committees of Congress” means—

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

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

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

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

(3) the terms “buyout practice” and “buyout program” mean a practice or program, as applicable, under which the Administrator provides assistance to State and local governments so that those entities may acquire flood-damaged properties committed to
open space use in perpetuity in accordance with section 404(b)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2));

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

(5) the term “National Flood Insurance Program” means the program established under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.);

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

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

(b) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to assess—
(1) the efficacy of buyout practices, as in effect on the date on which the study is conducted; and

(2) ways to streamline the buyout practices described in paragraph (1) in order to provide more timely assistance to a larger number of State and local governments.

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

(1) To the extent possible, current (as of the date on which the study is conducted) and future trends with respect to repetitive loss structures and severe repetitive loss structures that are insured under the National Flood Insurance Program, including, with respect to both inland and coastal areas—

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

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

(2) To the extent possible, buyout practices (as of the date on which the study is conducted), including—
(A) the availability of funding sources for buyout programs through various grant programs;

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

(C) the average length of time for a State or local government to acquire a flood-damaged property under a buyout program, with that period beginning on the date on which the State or local government, as applicable, begins participating in the buyout program;

(D) an estimate of the number of flood-damaged properties that could be acquired from willing property owners under buyout programs with the full cooperation of State and local governments;

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

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

(3) Administrative, financial, or temporal constraints that may impede the timely acquisition of properties under a buyout program, including—

(A) a lack of communication or cooperation between the Administrator and the State and
local governments that purchase properties under a buyout program;

(B) pressures to redevelop a property after acquiring a property through a buyout program; and

(C) a lack of adequate funding.

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

(A) a pilot program under which—

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

(ii) the Administrator may provide—

(I) financial assistance to State and local governments that are willing to participate in the program to purchase and acquire the properties of owners that have incurred substantial damage from a flood event; and
(II) a premium credit as an incentive to eligible property owners to agree to participate in the program;

(iii) properties that are acquired—

(I) shall be maintained as open space in accordance with section 404(b)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2)); and

(II) may be used for non-structural mitigation, conservation, and recreational purposes; and

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

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

(5) The ecological, financial, and flood risk reduction benefits that buyout practices, as in effect on the date on which the study is conducted, provide, which shall—
(A) take into account the differences between inland and coastal areas; and

(B) include—

(i) examples in which ecosystem restoration and other nature-based approaches have enhanced the reduction of flood risk; and

(ii) recommendations for best practices.

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

(7) A cost-benefit analysis of mitigation and buy-out projects and programs, including an assessment of opportunities and challenges for leveraging different Federal resources and funding to maximize the value of Federal investment in disaster mitigation.

(d) REPORT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the appropriate committees of Congress and the Adminis-
trator a report that sets forth the analysis, conclusions, and recommendations resulting from the study conducted under subsection (b).

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