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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To protect consumers and individuals by improved mitigation of flood risks,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To protect consumers and individuals by improved mitigation
of flood risks, 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 “Flood Risk Mitigation
5 Act of 2017”.

1 **SEC. 2. COMMUNITY ACCOUNTABILITY FOR REPETITIVELY**
2 **FLOODED AREAS.**

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

6 “(e) COMMUNITY ACCOUNTABILITY FOR REPET-
7 ITIVELY DAMAGED AREAS.—

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

11 “(A) to identify the areas within the com-
12 munity where properties described in paragraph
13 (5)(B) or flood-damaged facilities are located to
14 determine areas repeatedly damaged by floods
15 and to assess, with assistance from the Admin-
16 istrator, the continuing risks to such areas;

17 “(B) to develop a community-specific plan
18 for mitigating continuing flood risks to such re-
19 petitively flooded areas and to submit such plan
20 and plan updates to the Administrator at ap-
21 propriate intervals;

22 “(C) to implement such plans;

23 “(D) to make such plan, plan updates, and
24 reports on progress in reducing flood risk avail-
25 able to the public, subject to section 552a of
26 title 5, United States Code.

1 “(2) INCORPORATION INTO EXISTING PLANS.—
2 Plans developed pursuant to paragraph (1) may be
3 incorporated into mitigation plans developed under
4 section 1366 of this Act (42 U.S.C. 4104c) and haz-
5 ard mitigation plans developed under section 322 of
6 the Robert T. Stafford Disaster Relief and Emer-
7 gency Assistance Act (42 U.S.C. 5165).

8 “(3) ASSISTANCE TO COMMUNITIES.—

9 “(A) DATA.—To assist communities in
10 preparation of plans required under paragraph
11 (1), the Administrator shall, upon request, pro-
12 vide covered communities with appropriate data
13 regarding the property addresses and dates of
14 claims associated with insured properties within
15 the community.

16 “(B) MITIGATION GRANTS.—In making de-
17 terminations regarding financial assistance
18 under the authorities of this Act, the Adminis-
19 trator may consider the extent to which a com-
20 munity has complied with this subsection and is
21 working to remedy problems with addressing re-
22 peatedly flooded areas.

23 “(4) SANCTIONS.—The Administrator shall, by
24 regulations issued in accordance with the procedures
25 established under section 553 of title 5, United

1 States Code, regarding substantive rules, provide ap-
2 propriate sanctions for covered communities that fail
3 to comply with the requirements under this sub-
4 section or to make sufficient progress in reducing
5 the flood risks to areas in the community that are
6 repeatedly damaged by floods. Such sanctions shall
7 include suspension from the national flood insurance
8 program and probation under such program, in the
9 manner provided under section 59.24 of the Admin-
10 istrator’s regulations (44 C.F.R. 59.24).

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

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

17 “(B) within which are located—

18 “(i) 50 or more repetitive-loss prop-
19 erties ;

20 “(ii) 5 or more properties that are se-
21 vere repetitive-loss properties or extreme
22 repetitive-loss properties for which mitiga-
23 tion activities meeting the standards for
24 approval under section 1366(c)(2)(A) have
25 not been conducted; or

1 “(iii) a public facility or a private
2 nonprofit facility (as such terms are as de-
3 fined in section 102 of the Robert T. Staf-
4 ford Disaster Relief and Emergency Assist-
5 ance Act (42 U.S.C. 5122)), that has re-
6 ceived assistance for repair, restoration, re-
7 construction, or replacement under section
8 406 of the Robert T. Stafford Disaster Re-
9 lief and Emergency Assistance Act (42
10 U.S.C. 5172) in connection with more than
11 one flooding event in the most recent 10-
12 year period.

13 “(6) REPORTS TO CONGRESS.—Not later than
14 the expiration of the 6-year period beginning upon
15 the date of the enactment of this subsection, and not
16 less than every 2 years thereafter, the Administrator
17 shall submit a report to the Committee on Financial
18 Services of the House of Representatives and the
19 Committee on Banking, Housing, and Urban Affairs
20 of the Senate regarding the progress in imple-
21 menting plans developed pursuant to paragraph
22 (1)(B).”.

23 (b) REGULATIONS.—The Administrator of the Fed-
24 eral Emergency Management Agency shall issue regula-
25 tions necessary to carry out subsection (e) of section 1361

1 of the National Flood Insurance Act of 1968, as added
2 by the amendment made by subsection (a) of this section,
3 not later than the expiration of the 12-month period that
4 begins on the date of the enactment of this Act.

5 **SECTION 3. PROVISION OF COMMUNITY RATING SYSTEM**
6 **PREMIUM CREDITS TO MAXIMUM NUMBER**
7 **OF COMMUNITIES PRACTICABLE.**

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

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

12 (2) in paragraph (3), by inserting “, and the
13 Administrator shall provide credits to the maximum
14 number of communities practicable” after “under
15 this program”.

16 **SEC. 4. PILOT PROGRAM FOR SECURING PURCHASE OF**
17 **FLOOD-PRONE PROPERTIES.**

18 The National Flood Insurance Act of 1968 is amend-
19 ed by inserting before section 1363 (42 U.S.C. 4104) the
20 following new section:

21 **“SEC. 1362. PILOT PROGRAM FOR SECURING PURCHASE OF**
22 **FLOOD PRONE PROPERTIES.**

23 “(a) **AUTHORITY.**—The Administrator may establish
24 a pilot program under this section to provide financial as-
25 sistance to States and communities to purchase and ac-

1 quire properties that have incurred substantial damage
2 from a flood event. Under the pilot program, the Adminis-
3 trator may provide reduced flood insurance coverage pur-
4 suant to subsection (h) as an incentive to property owners
5 to agree, in advance of a triggering event, to accept an
6 offer under the program to purchase their properties.

7 “(b) ELIGIBLE ACTIVITIES.—Amounts provided
8 under this section to a participating State or community
9 may be used only for—

10 “(1) the purchase of participating properties as
11 described in subsections (g) and (i); or

12 “(2) administrative expenses attendant to such
13 purchases, subject to the limitation under subsection
14 (n)(2).

15 “(c) STATE AND COMMUNITY ELIGIBILITY TO PAR-
16 TICIPATE.—

17 “(1) STATES.—To be eligible to participate in
18 the pilot program, a State shall have—

19 “(A)(i) a relatively high number of mul-
20 tiple-loss properties;

21 “(ii) a significant number of properties
22 constructed before the effectiveness of the first
23 flood insurance rate maps developed by the
24 Federal Emergency Management Agency;

1 “(iii) identified locations where property
2 buyouts should be a priority mitigation action;

3 “(iv) a large number of communities and
4 property owners facing annual increases to their
5 existing flood insurance premium rates until
6 full actuarial such rates are reached; or

7 “(v) identified areas that are susceptible to
8 flooding due to changing future conditions that
9 are not necessarily reflected on current flood in-
10 surance rate maps;

11 “(B) a current hazard mitigation plan ap-
12 proved by the Administrator pursuant to sec-
13 tion 322 of the Robert T. Stafford Disaster Re-
14 lief and Emergency Assistance Act (42 U.S.C.
15 5165); and

16 “(C) identified (i) a State agency with ca-
17 pacity to implement the buyout process under
18 the pilot program, take ownership of acquired
19 properties, and enforce the deed restriction de-
20 scribed in subsection (g)(2), or (ii) appropriate
21 nonprofit or land management organizations to
22 carry out such actions on behalf of the State.

23 “(2) COMMUNITIES.—To be eligible to partici-
24 pate in the pilot program, a community shall—

1 “(A) currently be a participating commu-
2 nity in the National Flood Insurance Program
3 and have a consistent record of flood insurance
4 program compliance and a demonstrated capaci-
5 ty to enforce flood insurance program provi-
6 sions;

7 “(B) meet the requirements under sub-
8 paragraphs (A) and (B) of paragraph (1); and

9 “(C) have identified (i) a local government
10 agency with capacity to implement the buyout
11 process under the pilot program, take owner-
12 ship of acquired properties, and enforce the
13 deed restriction described in subsection (g)(2),
14 or (ii) appropriate nonprofit or land manage-
15 ment organizations to carry out such actions on
16 behalf of the local government.

17 “(d) NOTICE OF PILOT PROGRAM AND SELECTION
18 OF PARTICIPATING STATES AND COMMUNITIES.—

19 “(1) IN GENERAL.—The Administrator shall
20 identify States and communities to invite to apply
21 for assistance under the pilot program under this
22 section, shall notify such States and communities of
23 the pilot program, including the criteria for priority
24 for selection under paragraph (3), and shall solicit
25 applications.

1 “(2) SELECTION.—The Administrator shall re-
2 view applications received from invited States and
3 communities and shall select eligible States and com-
4 munities to participate in the pilot program from
5 among such applicants.

6 “(3) PRIORITY FOR SELECTION.—In selecting
7 States and communities to participate in the pilot
8 program, the Administrator shall give priority to
9 States and communities that—

10 “(A) make commitments to dedicate addi-
11 tional financial or non-financial resources to im-
12 plement the buyout process under the program,
13 including for conduct of cost-benefit-analyses,
14 property demolition, and relocation assistance;

15 “(B) will provide additional incentives for
16 residents of properties purchased under the pro-
17 gram to relocate within the same State or com-
18 munity;

19 “(C) make commitments to undertake eco-
20 logical restoration, construction of green infra-
21 structure, or preservation of land for rec-
22 reational uses to further enhance flood protec-
23 tion on properties acquired under the program;

24 “(D) have adopted a cumulative substan-
25 tial damage standard;

1 “(E) have a relatively high number of
2 properties covered by flood insurance that are
3 located in special flood hazard areas;

4 “(F) have identified multiple-loss areas
5 that include the properties on the multiple loss
6 list obtained from the Administrator and all
7 nearby properties with the same or similar
8 flooding conditions; or

9 “(G) have evaluated and adopted plans
10 that take into account expected future changes
11 to flood risk so that any potential adverse im-
12 pacts to vulnerable properties can be minimized.

13 “(e) ELIGIBLE PROPERTIES.—A property may not be
14 purchased using any amount of assistance provided under
15 this section unless—

16 “(1) the property is covered at the time of such
17 purchase by flood insurance coverage made available
18 under this title;

19 “(2) the owner of the property has an income
20 less than or equal to 120 percent of the median fam-
21 ily income for the area in which the property is lo-
22 cated;

23 “(3) the property is a residential property hav-
24 ing 4 or fewer residences;

1 “(4) the property is occupied by the owner as
2 a primary residence;

3 “(5) the property was constructed before the
4 date of enactment of this section;

5 “(6) the market value of the property does not
6 exceed the maximum insurable value under the Na-
7 tional Flood Insurance Program;

8 “(7) the property has a past history of flood
9 damages or the potential for future flood damages;
10 and

11 “(8) the Administrator determines that partici-
12 pation of the property in the pilot program under
13 this section would be cost-effective and in the best
14 interests of the National Flood Insurance Fund.

15 “(f) SELECTION OF PROPERTIES.—

16 “(1) NOTICE.—Upon selection for participation
17 in the program, a participating State or community
18 shall at its discretion notify some or all of its resi-
19 dents who are covered by the National Flood Insur-
20 ance Program of the pilot program, including the
21 criteria for participation described in subsection (c),
22 and solicit applications for participation in the pro-
23 gram.

24 “(2) SELECTION.—The appropriate State or
25 local agency shall review the applications and select,

1 subject to review and approval by the Administrator,
2 properties to participate in the pilot program.

3 “(g) BINDING AGREEMENTS WITH PROPERTY OWN-
4 ERS.—An eligible property may not participate in the pilot
5 program unless the owner of the property—

6 “(1) enters into a binding buyout agreement
7 with the Administrator and the appropriate State or
8 local agency that provides that—

9 “(A) the participating property shall be
10 provided flood insurance coverage under this
11 title at reduced premium rates in accordance
12 with subsection (h);

13 “(B) the Administrator, the appropriate
14 State or local agency, or an entity designated
15 by the State or community, shall have right of
16 first refusal to purchase the eligible property
17 after a triggering event;

18 “(C) the owner shall accept a purchase
19 offer made pursuant to such right of first re-
20 fusal and relocate after a triggering event;

21 “(D) if the owner sells the eligible property
22 before a triggering event, the owner shall in-
23 clude in the contract of sale a term sufficient
24 to require the purchaser to comply with the
25 binding buyout agreement;

1 “(E) nothing in the buyout agreement
2 shall prevent the property owner from removing
3 the structure on the property to a new location
4 outside any special flood hazard area, if it is de-
5 termined that relocation of the structure is
6 cost-effective; and

7 “(F) any purchase offer made in accord-
8 ance with this section and the agreement under
9 this paragraph shall be deemed to be just com-
10 pensation for the property to be purchased; and

11 “(2) records a deed restriction in the appro-
12 priate local register that—

13 “(A) prohibits further development of the
14 eligible property when occupied, whether by the
15 current owner or a future owner, and otherwise
16 limits the property’s uses to conservation or
17 recreation, or both; and

18 “(B) incorporates by reference the terms
19 of the binding buyout agreement entered into
20 pursuant to paragraph (1).

21 “(h) **REDUCED PREMIUM RATES FOR PARTICI-**
22 **PATING PROPERTY OWNERS.**—The Administrator shall
23 determine the appropriate level of reduction in chargeable
24 flood insurance premium rates for participating prop-
25 erties, subject to the following conditions:

1 “(1) The premium reduction shall be applied to
2 the full risk-based premium rate for the partici-
3 pating property;

4 “(2) The premium reduction shall not alter any
5 other discounts that the participating property is re-
6 ceiving or will receive through the Community Rat-
7 ing System program.

8 “(3) Not less frequently than annually, the Ad-
9 ministrators shall provide information to owners of
10 participating properties that includes—

11 “(A) The estimated risk premium rate for
12 the property under section 1307(a)(1).

13 “(B) If applicable, the estimated risk pre-
14 mium rate for the property under section
15 1307(a)(2).

16 “(C) The chargeable risk premium rate for
17 the property taking into consideration the pre-
18 mium reduction pursuant to paragraph (1).

19 “(D) The amount of the premium reduc-
20 tion pursuant to paragraph (1) for the prop-
21 erty;

22 “(E) The total savings on flood insurance
23 coverage for the property over the period begin-
24 ning upon the owner entering into the buyout

1 agreement for the property under subsection
2 (g)(1).

3 “(F) The number and dollar value of
4 claims filed for the property, over the life of the
5 property, under a flood insurance policy made
6 available under the Program and the effect,
7 under this Act, of filing any further claims
8 under a flood insurance policy with respect to
9 that property.

10 “(G) The terms of the buyout agreement
11 for the property under subsection (g)(1).

12 “(i) PURCHASE OF PARTICIPATING PROPERTIES.—

13 “(1) REQUIREMENTS.—A State or community
14 participating in the pilot program may make and
15 execute offers to purchase participating properties
16 using assistance provided under the program only if
17 the following requirements are met:

18 “(A) USE OF PROPERTY.—The State or
19 community enters into an agreement with the
20 Administrator that provides assurances that use
21 of the purchased property will be consistent
22 with the requirements of 404(b)(2)(B) of the
23 Robert T. Stafford Disaster Relief and Emer-
24 gency Assistance Act (42 U.S.C.
25 5170c(b)(2)(B)) applicable to properties ac-

1 quired, accepted, or from which a structure will
2 be removed pursuant to acquisition and reloca-
3 tion assistance provided under such section
4 404(b).

5 “(B) TRIGGERING EVENT.—After execu-
6 tion of the buyout agreement for the property
7 pursuant to subsection (g)(1) and recondition of
8 the participating property’s deed with the ap-
9 propriate restriction required by subsection
10 (g)(2), a triggering event occurs.

11 “(C) PROPERTY VALUATION.—The amount
12 of the purchase offer is not less than the great-
13 er of—

14 “(i) the market value of the property
15 at the time the buyout agreement under
16 subsection (g)(1) for the property goes into
17 effect; or

18 “(ii) the market value of the property
19 immediately before the triggering event.

20 “(2) COMPARABLE HOUSING PAYMENT.—The
21 Administrator may make available to the home-
22 owner-occupant of a participating property that is
23 purchased pursuant to this subsection an additional
24 relocation payment to apply to the difference be-
25 tween the purchase price and replacement-dwelling

1 cost if the amount of a purchase offer made under
2 paragraph (1)(C) is less than the cost to the home-
3 owner-occupant of purchasing a comparable replace-
4 ment dwelling outside the special flood hazard area
5 in which the participating property is located.

6 “(3) EXPEDITIOUS PURCHASING.—The Admin-
7 istrator shall provide assistance under the pilot pro-
8 gram in a manner that permits States and commu-
9 nities to complete purchases of participating prop-
10 erties and of associated land as soon as possible
11 after a triggering event.

12 “(j) REFUSAL TO SELL AFTER TRIGGERING
13 EVENT.—If the owner of a participating property refuses
14 a purchase offer for such property from the Administrator
15 or the appropriate State or local authority after a trig-
16 gering event, the Administrator shall require the property
17 owner to, and notify the property owner that the owner
18 must—

19 “(1) pay the full, risk-based premium rate for
20 continued flood insurance coverage made available
21 under this title; and

22 “(2) repay to the Administrator all savings at-
23 tributable to prior reductions, pursuant to sub-
24 section (f), in flood insurance premiums accrued

1 during participation in the pilot program, as cal-
2 culated by the Administrator.

3 “(k) RULES.—

4 “(1) AUTHORITY.—The Administrator may, by
5 notice and comment rulemaking or by issuance of
6 policy guidance, develop procedures necessary to
7 carry out the eligible activities under this section.

8 “(2) CONSULTATION.—Not later than 90 days
9 after the date of the enactment of this Act, the Ad-
10 ministrator shall consult with State and local offi-
11 cials in carrying out paragraph (1) and provide an
12 opportunity for an oral presentation of data and ar-
13 guments from such officials for inclusion in the ap-
14 propriate rulemaking docket or dockets.

15 “(l) REPORT TO CONGRESS.—

16 “(1) COLLECTION OF INFORMATION.—The Ad-
17 ministrator shall collect, via survey or other means,
18 information regarding the pilot program until all
19 amounts made available pursuant to subsection (n)
20 are expended. Such information shall include data
21 from the period of operation of the pilot program
22 and from the preceding 15 years, as follows:

23 “(A) PARTICIPATING COMMUNITY INFOR-
24 MATION.—For each participating community—

1 “(i) the community’s score under the
2 Community Rating System of the National
3 Flood Insurance Program;

4 “(ii) demographic characteristics of
5 residents of the community;

6 “(iii) the average and median income
7 levels of residents of the community;

8 “(iv) instances of inclusion of the
9 community in declared disaster areas;

10 “(v) flood risk mitigation projects un-
11 dertaken in the community, including
12 projects assisted under the flood mitigation
13 assistance program under section 1366 of
14 this Act;

15 “(vi) for properties located in the
16 community, policies in effect under, and
17 claims submitted to, the National Flood
18 Insurance Program; and

19 “(vii) the number of instances of sub-
20 stantial damage from flooding, or substan-
21 tial improvement, to properties in the com-
22 munity.

23 “(B) PARTICIPATING OWNERS INFORMA-
24 TION.—For owners of participating prop-
25 erties—

1 “(i) the demographic characteristics of
2 such owners;

3 “(ii) the income levels of such owners;

4 “(iii) the statuses of the mortgages on
5 such properties;

6 “(iv) the locations to which such own-
7 ers relocate after sales of participating
8 properties;

9 “(v) the reasons for choosing such
10 destinations;

11 “(vi) the history of past flood dam-
12 ages and insurance claims;

13 “(vii) any previous mitigation efforts
14 on such properties;

15 “(viii) any stated problems or frustra-
16 tions with the pilot program;

17 “(ix) the amounts of the full risk-
18 based premiums for such properties and of
19 the reduced premiums under the pilot pro-
20 gram; and

21 “(x) the values of such properties at
22 the times the agreements under subsection
23 (g)(1) went into effect and the values at
24 the times when the properties were ulti-

1 mately purchased pursuant to such agree-
2 ments.

3 Information under this subparagraph shall be
4 reported in a manner that does not disclose any
5 personally identifiable information.

6 “(2) REPORT.—Not later than December 31,
7 2021, the Administrator shall submit a report to the
8 Committee on Financial Services of the House of
9 Representatives and the Committee on Banking,
10 Housing, and Urban Affairs of the Senate summa-
11 rizing the information collected pursuant to para-
12 graph (1) to that date. The report shall also—

13 “(A) set forth the number of participating
14 properties in the pilot program and rates of
15 such participation by communities and individ-
16 uals;

17 “(B) identify any barriers to participation
18 by communities and individuals;

19 “(C) include an estimate of the costs to
20 the National Flood Insurance Fund that could
21 potentially be avoided through participation
22 by—

23 “(i) non-participating communities
24 that are similarly situated to participating
25 communities; and

1 “(ii) non-participating property own-
2 ers who are similarly situated to partici-
3 pating owners in the same participating
4 community; and

5 “(D) include an estimate of the annual net
6 savings to the National Flood Insurance Pro-
7 gram if all potentially eligible communities and
8 individuals participated in an expanded version
9 of the pilot program.

10 “(m) DEFINITIONS.—For purposes of this section,
11 the following definitions shall apply:

12 “(1) The term ‘participating property’ means a
13 property that—

14 “(A) is an eligible property that meets the
15 requirements of subsection (e);

16 “(B) is subject to a binding buyout agree-
17 ment, a for which a deed restriction has been
18 recorded, in accordance with subsection (g).

19 “(2) The term ‘substantial damage’ means
20 damage, sustained by a structure, that—

21 “(A) is caused by flooding; and

22 “(B) is of such an extent such that the
23 cost of restoring the structure to its pre-dam-
24 aged condition would equal or exceed 50 per-

1 cent of the market value of the structure as of
2 immediately before the damage occurred.

3 Notwithstanding the preceding sentence, if a State
4 or community has adopted a different standard for
5 substantial damage, including calculating substantial
6 damage on a cumulative basis, that standard shall
7 apply for purposes of the State's or community's
8 participation in the pilot program.

9 “(3) The term ‘triggering event’ means, with
10 respect to a participating property, an event that—

11 “(A) consists of—

12 “(i) the occurrence of substantial
13 damage to the participating property; or

14 “(ii) the provision by the owner of the
15 property of written notice to the appro-
16 priate State or local authority that such
17 owner would accept a purchase offer from
18 such authority pursuant to the terms pre-
19 scribed in this section; and

20 “(B) occurs after the execution of the
21 buyout agreement under subsection (g)(1) for
22 the participating property and the recording of
23 the appropriate restriction in the deed for such
24 property under subsection (g)(2).

25 “(n) FUNDING.—

1 “(1) IN GENERAL.—Pursuant to section 1310,
2 the Administrator may use amounts from the Na-
3 tional Flood Insurance Fund to provide assistance to
4 States and communities to acquire properties under
5 the pilot program under this section, subject to sub-
6 section (o) of this section.

7 “(2) ADMINISTRATIVE EXPENSES.—Of the
8 amounts made available under this subsection, the
9 Administrator may use up to five percent for ex-
10 penses associated with the administration of the
11 pilot program under this section.

12 “(o) SUNSET.—The Administrator may not provide
13 any financial assistance under the pilot program to States
14 and communities after December 31, 2022.

15 “(p) FINAL REPORT.—Not later than March 31,
16 2023, the Administrator shall submit a final report re-
17 garding the pilot program under this section to the Com-
18 mittee on Financial Services of the House of Representa-
19 tives and the Committee on Banking, Housing, and Urban
20 Affairs of the Senate. The report shall summarize the data
21 collected pursuant to subsection (l)(1) during the period
22 of the operation of the pilot program, shall include the
23 information described in subsection (l)(2), and shall in-
24 clude any findings and recommendations of the Adminis-
25 trator regarding the pilot program.”

1 **SEC. 5. INCREASED COST OF COMPLIANCE COVERAGE.**

2 (a) COVERAGE OF PROPERTIES AT HIGH RISK OF
3 FUTURE FLOOD DAMAGE.—Subsection (b) of section
4 1304 of the National Flood Insurance Act of 1968 (42
5 U.S.C. 4011(b)) is amended—

6 (1) in paragraph (4), by redesignating subpara-
7 graphs (A) through (D) as clauses (i) through (iv),
8 respectively, and realigning such clauses, as so re-
9 designated, so as to be indented 6 ems from the left
10 margin;

11 (2) by redesignating paragraphs (1) through
12 (4) as subparagraphs (A) through (D), respectively,
13 and realigning such subparagraphs, as so redesign-
14 ated, so as to be indented 4 ems from the left mar-
15 gin;

16 (3) by striking the subsection designation and
17 all that follows through “The national” and insert-
18 ing the following:

19 “(b) ADDITIONAL COVERAGE FOR COMPLIANCE
20 WITH LAND USE AND CONTROL MEASURES.—

21 “(1) AUTHORITY; ELIGIBLE PROPERTIES.—The
22 national”;

23 (4) in subparagraph (C) (as so redesignated by
24 paragraph (2) of this subsection), by striking
25 “Fund” and all that follows and inserting “Fund to
26 require the implementation of such measures;”;

1 (5) in subparagraph (D)(iv) (as so redesignated
2 by paragraphs (1) and (2) of this subsection), by
3 striking the period at the end and inserting a semi-
4 colon; and

5 (6) by adding at the end the following new sub-
6 paragraphs:

7 “(E) properties that have been identified
8 by the Administrator, or by a community in ac-
9 cordance with such requirements as the Admin-
10 istrator shall establish, as at a high risk of fu-
11 ture flood damage; and

12 “(F) properties that are located within an
13 area identified pursuant to section
14 1361(e)(1)(A) (42 U.S.C. 4102(e)(1)(A)) by a
15 covered community (as such term is defined in
16 paragraph (3) of such section 1361(e)).”.

17 (b) **COVERAGE AMOUNT.**—Section 1304(b) of the
18 National Flood Insurance Act of 1968 (42 U.S.C.
19 4011(b)) is amended—

20 (1) in paragraph (1) (as so designated by sub-
21 section (a)(3) of this section), by striking the last
22 sentence (relating to a surcharge); and

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

25 “(2) **COVERAGE AMOUNT.**—

1 “(A) PRIMARY COVERAGE.—Each policy
2 for flood insurance coverage made available
3 under this title shall provide coverage under
4 this subsection having an aggregate liability for
5 any single property of \$30,000.

6 “(B) ENHANCED COVERAGE.—The Admin-
7 istrator shall make additional coverage available
8 under this subsection, in excess of the limit
9 specified in subparagraph (A), having an aggre-
10 gate liability for any single property of up to
11 \$60,000.”.

12 (c) AMOUNT OF SURCHARGE.—Subsection (b) of sec-
13 tion 1304 of the National Flood Insurance Act of 1968
14 (42 U.S.C. 4011(b)), as amended by the preceding provi-
15 sions of this section, is further amended by adding at the
16 end the following new paragraph:

17 “(3) SURCHARGE FOR COVERAGE.—

18 “(A) PRIMARY COVERAGE.—The Adminis-
19 trator shall impose a surcharge on each insured
20 of such amount per policy as the Administrator
21 determines is appropriate to provide cost of
22 compliance coverage in accordance with para-
23 graph (2)(A).

24 “(B) ENHANCED COVERAGE.—For each
25 flood policy for flood insurance coverage under

1 this title under which additional cost of compli-
2 ance coverage is provided pursuant to para-
3 graph (2)(B), the Administrator shall impose a
4 surcharge, in addition to the surcharge under
5 subparagraph (A) of this paragraph, in such
6 amount as the Administrator determines is ap-
7 propriate for the amount of such coverage pro-
8 vided.”.

9 (d) USE OF CERTAIN MATERIALS.—Subsection (b) of
10 section 1304 of the National Flood Insurance Act of 1968
11 (42 U.S.C. 4011(b)), as amended by the preceding provi-
12 sions of this section, is further amended by adding at the
13 end the following new paragraph:

14 “(4) USE OF CERTAIN MATERIALS.—The Ad-
15 ministrator shall require that any measures imple-
16 mented using amounts made available from coverage
17 provided pursuant to this subsection be carried out
18 using materials, identified by the Administrator,
19 that minimize the impact of flooding on the usability
20 of the covered property and reduce the duration that
21 flooding renders the property unusable or uninhabit-
22 able.”.

23 (e) CONTINUED FLOOD INSURANCE REQUIRE-
24 MENT.—Subsection (b) of section 1304 of the National
25 Flood Insurance Act of 1968 (42 U.S.C. 4011(b)), as

1 amended by the preceding provisions of this section, is fur-
2 ther amended by adding at the end the following new para-
3 graph:

4 “(5) CONTINUED FLOOD INSURANCE REQUIRE-
5 MENT.—The Administrator may require, as a condi-
6 tion of providing cost of compliance coverage under
7 this subsection for a property, that the owner of the
8 property enter into such binding agreements as the
9 Administrator considers necessary to ensure that the
10 owner of the property (and any subsequent owners)
11 will maintain flood insurance coverage under this
12 title for the property in such amount, and at all
13 times during a period having such duration, as the
14 Administrator considers appropriate to carry out the
15 purposes of this subsection.”.

16 **SEC. 6. PILOT PROGRAM FOR PROPERTIES WITH PRE-**
17 **EXISTING CONDITIONS.**

18 Section 1311 of the National Flood Insurance Act of
19 1968 (42 U.S.C. 4018) is amended by adding at the end
20 the following new subsection:

21 “(c) PILOT PROGRAM FOR INVESTIGATION OF PRE-
22 EXISTING STRUCTURAL CONDITIONS.—

23 “(1) VOLUNTARY PROGRAM.—The Adminis-
24 trator shall carry out a pilot program under this
25 subsection to provide for companies participating in

1 the Write Your Own program (as such term is de-
2 fined in section 1370(a) (42 U.S.C. 4121(a)) to in-
3 vestigate preexisting structural conditions of insured
4 properties and potentially insured properties that
5 could result in the denial of a claim under a policy
6 for flood insurance coverage under this title in the
7 event of a flood loss to such property. Participation
8 in the pilot program shall be voluntary on the part
9 of Write Your Own companies.

10 “(2) INVESTIGATION OF PROPERTIES.—Under
11 the pilot program under this subsection, a Write
12 Your Own company participating in the program
13 shall—

14 “(A) provide in policies for flood insurance
15 coverage under this title covered by the pro-
16 gram that, upon the request of the policyholder,
17 the company shall provide for—

18 “(i) an investigation of the property
19 covered by such policy, using common
20 methods, to determine whether preexisting
21 structural conditions are present that could
22 result in the denial of a claim under such
23 policy for flood losses; and

24 “(ii) if such investigation is not deter-
25 minative, an on-site inspection of the prop-

1 erty to determine whether such preexisting
2 structural conditions are present;

3 “(B) upon completion of an investigation
4 or inspection pursuant to subparagraph (A)
5 that determines that such a preexisting struc-
6 tural condition is present or absent, submit a
7 report to the policyholder and Administrator de-
8 scribing the condition; and

9 “(C) impose a surcharge on each policy de-
10 scribed in subparagraph (A) in such amount
11 that the Administrator determines is appro-
12 priate to cover the costs of investigations and
13 inspections performed pursuant to such policies
14 and reimburse Write Your Own companies par-
15 ticipating in the program under this subsection
16 for such costs.

17 “(3) INTERIM REPORT.—Not later than Decem-
18 ber 31, 2021, the Administrator shall submit a re-
19 port to the Committee on Financial Services of the
20 House of Representatives and the Committee on
21 Banking, Housing, and Urban Affairs of the Senate
22 describing the operation of the pilot program to that
23 date.

1 “(4) SUNSET.—The Administrator may not
2 provide any policy for flood insurance described in
3 paragraph (2)(A) after December 31, 2022.

4 “(5) FINAL REPORT.—Not later than March
5 31, 2023, the Administrator shall submit a final re-
6 port regarding the pilot program under this section
7 to the Committee on Financial Services of the House
8 of Representatives and the Committee on Banking,
9 Housing, and Urban Affairs of the Senate. The re-
10 port shall include any findings and recommendations
11 of the Administrator regarding the pilot program.”.