

# **National Flood Insurance Program Reauthorization Act of 2019 (Waters)**

## **Section by Section Summary**

### **Sec. 1. Short Title**

National Flood Insurance Program Reauthorization Act of 2019.

### **Sec. 2. Congressional Findings**

This section includes several findings related to disaster costs and impacts in the United States, the role of the National Flood Insurance Program (NFIP), and the affordability challenges that policyholders face.

#### **Title I – Reauthorization and Affordability**

### **Sec. 101. Program Extension**

This section reauthorizes the NFIP for five years through September 30, 2024 and allows for a retroactive effective date in the event of a lapse.

### **Sec. 102. Demonstration Program for Policy Affordability**

This section creates a five-year demonstration program to provide targeted financial assistance to low-income policyholders. The assistance would be made available to policyholders earning 80 percent or less of the area median income, which will be determined by the FEMA Administrator in consultation with the Secretary of Housing and Urban Development. The discount will cover the chargeable premium rate in excess of two percent of the annual area median income for the area in which the property is located. However, all policyholders will be provided a written statement detailing the full actuarial premium rate for the coverage so that the policyholder knows the full-risk rate. The section also requires that the FEMA Administrator report to Congress on the demonstration.

### **Sec. 103. Premium and Fees Relief for Families and Small Businesses**

This section repeals surcharges currently assessed on policyholders, which in FY 2018, would have saved policyholders \$380 million. The CBO previously recommended repealing these surcharges in its report entitled, “Options for Reducing the Deficit: 2019 to 2028.” Further, this section raises the minimum loan amount that triggers the mandatory purchase requirement from \$5,000 to \$25,000.

### **Sec. 104. Monthly Installment Payment of Premiums**

This section includes language similar to an amendment to H.R. 2874 from the 115<sup>th</sup> Congress offered by Rep. David Scott to authorize monthly payments instead of the current annual payment for flood insurance premiums.

### **Sec. 105. State Revolving Loan Funds for Flood Mitigation**

This section authorizes FEMA to enter into agreements with eligible States to establish a flood mitigation assistance revolving loan fund to decrease flood risk. States can use the funding for a number of eligible activities such as elevation or relocation of the home but cannot use the funds for other activities such as new construction or to assist high-income homeowners. This section is similar to H.R. 1610 sponsored, by Reps. Crist and Williams.

## Title II –Mapping

### **Sec. 201. Reauthorization of Appropriations for National Flood Mapping Program**

This section authorizes \$500 million for each year over five years for flood mapping

### **Sec. 202. National Flood Mapping Program**

This section expands flood mapping to all areas of the United States. This section also requires FEMA to utilize updated mapping technology, such as LiDAR, and provides for digital displays, and property specific mapping. This section requires FEMA to submit an annual report to Congress on the progress achieved in the mapping program under this section including recommendations to reduce the cost and improve implementation. Lastly, this section requires that in updating and maintaining maps, the FEMA Administrator shall ensure that maps are adequate for identifying future flood risk. Parts of this section are similar to H.R. 4905 from the 115<sup>th</sup> Congress, sponsored by Reps. Gonzalez and Mooney.

### **Sec. 203. Flood Mapping Modernization and Homeowner Empowerment Pilot Program**

This section creates a pilot program to enhance mapping of urban flooding and better assessing urban flood risk. This section is similar to H.R. 2462, sponsored by Reps. Quigley and Rooney.

### **Sec. 204. Mapping Improvements and Reach**

This section expands flood mapping to all areas of the United States and calls for mapping of future flood risk.

### **Sec. 205. Appeals Regarding Existing Flood Maps**

This section provides a State, local government, or property owner, the right to appeal a denial for a map update if the entity or individual possesses knowledge or information that the flood elevation or an aspect of the map is inaccurate, or factors exist that mitigate the risk of flooding. The entity or individual can further appeal an adverse decision to the Scientific Resolution Panel, which shall recommend a non-binding decision to the FEMA Administrator. In the case of a successful or partially successful appeal, the Administrator is required to provide a refund of excess premiums paid.

### **Sec. 206. Appeals and Publication of Projected Special Flood Hazard Areas**

This section grants homeowners 90 days after the date of the second publication of a proposed flood insurance rate map to appeal the determination and provides that if no such appeal is received, that the proposed rate map is final.

### **Sec. 207. Communication and Outreach Regarding Map Changes**

This section makes a technical change to clarify that communities have a maximum of 30 days after being notified of a new map or map update to consult with the FEMA Administrator.

### **Sec. 208. Adoption of Partial Flood Maps**

This section allows for portions of flood insurance rate maps for which no appeal has been submitted within the allowed for 90-day period to become final even if other portions are under appeal.

### **Sec. 209. New Zone for Levee-Impacted Areas**

This section creates a new flood zone, known as the AL-E zone, that accounts for levee-impacted areas on flood maps, and provide for flood insurance rates in accordance with the protection afforded by the levee.

### **Sec. 210. Agricultural Structures in Special Flood Hazard Areas**

This section grants local variances for certain agricultural structures so that elevation or flood proofing of such a structure is not required if elevation or flood proofing would not be practicable and if it would not result in increased flood heights or threats to public safety and provided that not more than one claim payment exceeding \$1,000 has been made for the structure within a ten-year period. This section is similar to H.R. 830, sponsored by Reps. Garamendi and LaMalfa.

### **Sec. 211. Technical Mapping Advisory Council**

This section adds members to the Technical Mapping Advisory Council (TMAC) including a member of a recognized professional real estate brokerage association.

## Title III – Mitigation

### **Sec. 301. Increased Cost of Compliance**

This section authorizes the FEMA Administrator to supplement its existing Increased Cost of Compliance (ICC) program by raising the maximum amount available from \$30,000 to \$60,000. This section also expands the eligible uses of ICC funds to include alternative methods of mitigation, pre-disaster mitigation, and the costs of property acquisition.

### **Sec. 302. Multiple-Loss Properties**

This section grants the FEMA Administrator discretion to take into account when making determinations regarding mitigation assistance the extent to which communities are working to remedy problems with addressing multiple loss properties. The section also includes definitions of multiple loss properties which includes repetitive loss, severe repetitive loss, and extreme repetitive loss.

### **Sec. 303. Premium Rates for Certain Mitigated Properties**

This section allows for premium credits for alternative methods of mitigation that are more appropriate for dense urban environments where elevation is not practicable. This section is similar to H.R. 2868 from the 115<sup>th</sup> Congress sponsored by Reps. Zeldin and Maloney.

#### **Sec. 304. Coverage for Cooperatives**

This section requires the FEMA Administrator to make NFIP coverage available to co-op and condo owners. This section is similar to H.R. 2868 from the 115<sup>th</sup> Congress, sponsored by Reps. Zeldin and Maloney.

#### **Sec. 305. Voluntary Community-Based Flood Insurance Pilot Program**

This section authorizes the FEMA Administrator to create a pilot program that makes available community-wide policies that cover all residential and non-residential properties in the community. The authority for the pilot program sunsets on September 30, 2022.

#### **Sec. 306. Mitigation Funding**

This section provides \$200 million each year for five years for the pre-disaster hazard mitigation program.

#### **Sec. 307. Community Rating System Improvements**

This section makes improvements to the Community Rating System (CRS) by requiring that credits be issued to the maximum number of communities practicable and by authorizing grants to consortia of States and communities for the costs of employing individuals to coordinate and carry out the responsibilities of participation in the CRS program. This section is similar to H.R. 3135 from the 115<sup>th</sup> Congress, sponsored by Rep. Keating.

#### **Sec. 308. Community Assistance Program for Effective Floodplain Management**

This section authorizes, for the first time, a community assistance program for floodplain management by providing community assistance grants, conducting periodic assessments of technical assistance and training needs of States, Indian tribes, and communities, providing such technical assistance and training, and periodically assess the losses avoided nationally due to the adoption of qualifying floodplain management standards. In addition, this section requires States that receive grant funding to develop and execute a strategy to provide technical and financial assistance to communities, including small and rural communities, and to encourage greater participation in the CRS program. This section authorizes \$20 million each year for five years to carry out this program.

### Title IV – Modernization

#### **Sec. 401. Effect of Private Flood Insurance Coverage on Continuous Coverage Requirements**

This section allows NFIP policyholders who leave the program to purchase a private policy to return to the NFIP without penalty.

#### **Sec. 402. Optional Coverage for Umbrella Policies**

This section authorizes the FEMA Administrator to offer umbrella policies for commercial properties, including multifamily and agricultural properties.

**Sec. 403. Annual Independent Actuarial Study**

This section requires an annual independent actuarial study of the NFIP to analyze the financial status of the NFIP. The Administrator is required to submit a report to Congress describing the results of the study.

**Sec. 404. Study on Participation Rates**

This section requires the FEMA to study and submit a report to Congress on participation rates.