

Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 141

BY REPRESENTATIVES LEOPOLD, ARNOLD, BADON, BERTHELOT, BILLIOT, WESLEY BISHOP, BROSSETT, BROWN, CHAMPAGNE, CROMER, DIXON, GISCLAIR, GUINN, HARRISON, HAZEL, HENRY, HENSGENS, HILL, HOWARD, IVEY, JEFFERSON, JONES, LEGER, LOPINTO, LORUSSO, MACK, MILLER, JAY MORRIS, NORTON, ORTEGO, RICHARD, SCHEXNAYDER, ST. GERMAIN, THIBAUT, WHITNEY, AND WILLMOTT

A CONCURRENT RESOLUTION

To memorialize the United States Congress to pass the Strengthen, Modernize and Reform the National Flood Insurance Program Act and the Flood Insurance Implementation Reform Act of 2013 or take such actions as are necessary to amend or repeal Section 205, Section 207, and any other section of the federal Biggert-Waters Flood Insurance Reform Act of 2012 which provides for new flood insurance rate maps or for the increase of premium fees for policyholders of the National Flood Insurance Program.

WHEREAS, the National Flood Insurance Act of 1968 was enacted to provide previously unavailable flood insurance protection to property owners; and

WHEREAS, the National Flood Insurance Program continues to provide important and necessary property coverage for home and business owners throughout various Louisiana parishes, as well as counties and communities nationwide; and

WHEREAS, the Biggert-Waters Flood Insurance Reform Act of 2012 was signed into law on July 6, 2012; and

WHEREAS, the act calls for a revision of the flood insurance rate maps; and

WHEREAS, such revised flood insurance rate maps do not include the discounts granted by the current rate maps to property owners who have taken action to mitigate property damage by installing and maintaining flood control features, in conformity with the most current federal law available to them, and in conformity with current flood insurance rate maps; and

WHEREAS, countless Louisiana property owners have built and purchased homes and businesses in accordance with the current flood rate insurance maps which, under the provisions of the Biggert-Waters Flood Insurance Reform Act of 2012, will soon enter obsolescence; and

WHEREAS, the act also includes provisions, located in Section 207 of such act, that eliminate the "grandfathering" of homes that were built after the existing flood insurance rate maps in accordance with then existing laws; and

WHEREAS, by purchasing homes and businesses in accordance with the provisions of the former flood rate insurance maps and by investing in previously owned property to install flood mitigation features, Louisiana property owners relied on their strict compliance with federal and state law to protect their purchases and investments; and

WHEREAS, in light of the provisions of the Biggert-Waters Flood Insurance Reform Act of 2012, the reliance on existing flood insurance rate maps that those property owners demonstrated is now to their personal and financial detriment; and

WHEREAS, the passage of the Biggert-Waters Flood Insurance Reform Act substantially and immediately devalued the investments made in all properties endowed with flood damage mitigation measures and to properties receiving subsidized insurance premium rates; and

WHEREAS, the Biggert-Waters Flood Insurance Reform Act also includes provisions that permit the National Flood Insurance Program to increase premium rates for many policyholders; and

WHEREAS, the elimination of these discounts combined with the certainty of general premium rate increases will result in a premium increase of up to twenty-five percent per year for certain Louisiana property owners over the next four years; and

WHEREAS, under the changes to the National Flood Insurance Program caused by the Biggert-Waters Flood Insurance Reform Act, Louisiana property owners will struggle to pay exorbitant amounts of money or will lose their flood insurance; and

WHEREAS, a change in the ability of Louisiana property owners to insure their homes from flood damage without bearing the burden of such a violent rise in cost may lead to financial distress for Louisiana residents and property owners and countless other property owners around this nation; and

WHEREAS, the premium increases to the National Flood Insurance Program, as mandated by the Biggert-Waters Flood Insurance Reform Act, will affect the entire nation's real estate market; and

WHEREAS, the premium increases to the National Flood Insurance Program, as mandated by the Biggert-Waters Flood Insurance Reform Act, will affect the nation's banking and mortgage industry; and

WHEREAS, the premium increases to communities and property owners who made their best efforts to comply with federal law by building property in accordance with soon to be outdated flood insurance rate maps will affect consumer confidence and the entire nation's economy; and

WHEREAS, on May 21, 2013, the Strengthen, Modernize and Reform the National Flood Insurance Program Act (SMART NFIP) was introduced by Senator Mary Landrieu to address the flaws of the Biggert-Waters Flood Insurance Reform Act; and

WHEREAS, SMART NFIP, if passed, would delay premium increases, repeal provisions preventing new owners of sold homes to continue subsidized rates, and allow the rebuilding of key community facilities destroyed in a disaster that lie in velocity zones; and

WHEREAS, on May 23, 2013, the Flood Insurance Implementation Reform Act of 2013 was introduced by Congressman Cedric Richmond in an effort to also address flaws of the Biggert-Waters Flood Insurance Reform Act; and

WHEREAS, the Flood Insurance Implementation Reform Act is co-sponsored by Congressmen Bill Cassidy, Rodney Alexander, Charles Boustany, and Congresswomen Doris Matsui and Maxine Waters; and

WHEREAS, the Flood Insurance Implementation Reform Act, would, if passed, in some cases delay, up to five years, major components of the Biggert-Waters Flood Insurance Reform Act, including delaying the increasing of rates previously "grandfathered"; and

WHEREAS, these instruments would address many of the concerns addressed herein; and

WHEREAS, the United States Congress should consider the passage of the Strengthen, Modernize and Reform and National Flood Insurance Program Act and the Flood Insurance Implementation Reform Act of 2013, or, should neither of these acts pass, the United States Congress should consider the amendment or the repeal of Section 205,

Section 207, and all such sections of the Biggert-Waters Flood Insurance Reform Act which provide for the increase of premium fees for policyholders of the National Flood Insurance Program, in order to prevent the unduly hazardous effects it will have on home and business owners who invested in property prior to the adoption of the new federal legislation and flood insurance rate maps.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to undertake the amendment or repeal of all relevant provisions of the Biggert-Waters Flood Insurance Reform Act of 2012, including passage of the Strengthen, Modernize and Reform the National Flood Insurance Program Act and the Flood Insurance Implementation Reform Act of 2013.

BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby memorialize the United States Congress to, in the absence of the amendment or repeal of all relevant provisions of this Act, suspend adoption of new flood insurance rate maps in order to allow communities with a substantial percentage of participation in the National Flood Insurance Program to work with the Federal Emergency Management Agency and the National Flood Insurance Program to provide for the creation of new flood insurance rate maps which do not unjustly and inequitably dispose of the rights created under existing rate maps.

BE IT FURTHER RESOLVED that the Legislature of Louisiana does hereby memorialize the United States Congress to, in the absence of the amendment or repeal of all relevant provisions of this Act, provide for a one-year period during which time property owners, in conjunction with the Federal Emergency Management Agency and the National Flood Insurance Program, may enter a special enrollment period wherein property owners may sign up or renew their current National Flood Insurance Program policy using the current flood insurance rate maps on which they relied to purchase and build their homes and businesses.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE