

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5255

To reauthorize the National Flood Insurance Program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2010

Mr. FRANK of Massachusetts (for himself, Mr. KANJORSKI, Ms. WATERS, and Ms. MATSUI) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To reauthorize the National Flood Insurance Program, 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 “Stable Flood Insurance  
5       Authorization Act of 2010”.

6       **SEC. 2. CONGRESSIONAL FINDINGS.**

7       The Congress finds that—

8               (1) since the enactment of National Flood In-  
9       surance Act of 1968, the National Flood Insurance  
10       Program has been the primary source of reliable,

1 reasonably priced flood insurance coverage for mil-  
2 lions of American homes and businesses;

3 (2) today over 5,500,000 homes and businesses  
4 in the United States rely on the National Flood In-  
5 surance Program to provide a degree of financial se-  
6 curity;

7 (3) several years of below-average flood claims  
8 losses and increased voluntary participation in the  
9 National Flood Insurance Program have allowed the  
10 program to fully service the debt incurred following  
11 Hurricanes Katrina and Rita and allowed the pro-  
12 gram to pay \$598,000,000 of the principal of that  
13 outstanding debt;

14 (4) recent lapses in, and short-term reauthor-  
15 izations of, the National Flood Insurance Program's  
16 ability to write and renew flood insurance coverage  
17 are estimated by the Federal Emergency Manage-  
18 ment Agency and The National Realtors Association  
19 to have adversely impacted or delayed up to 1,350  
20 real estate closings per day;

21 (5) though long-term authorization and signifi-  
22 cant reforms are needed to further improve the fi-  
23 nancial outlook of the National Flood Insurance  
24 Program, while such comprehensive reforms are con-  
25 sidered, reliable, annual authorization of the pro-

1       gram is an essential element to stabilizing the al-  
2       ready fragile United States housing market;

3           (6) increased flooding in areas outside des-  
4       ignated special flood hazard areas prompted the Ex-  
5       ecutive and the Congress in 2002 to begin calling for  
6       the National Flood Insurance Program to develop  
7       and disseminate revised, updated flood insurance  
8       rate maps that reflect the real risk of flooding for  
9       properties not previously identified as being located  
10      with in a special flood hazard area;

11          (7) dissemination of accurate, up-to-date flood  
12      risk information remains a primary goal of the Na-  
13      tional Flood Insurance Program and such informa-  
14      tion should be disseminated as soon as such infor-  
15      mation is collected and available; and

16          (8) communities should be required to make  
17      their residents aware of updated flood-risk data  
18      while communities are assessing and incorporating  
19      updated flood-risk data into long-term community  
20      planning.

21 **SEC. 3. EXTENSION OF NATIONAL FLOOD INSURANCE PRO-**  
22 **GRAM.**

23          (a) PROGRAM EXTENSION.—Section 1319 of the Na-  
24      tional Flood Insurance Act of 1968 (42 U.S.C. 4026) is

1 amended by striking “September 30, 2008” and inserting  
2 “September 30, 2010”.

3 (b) FINANCING.—Section 1309(a) of such Act (42  
4 U.S.C. 4016(a)) is amended by striking “September 30,  
5 2008” and inserting “September 30, 2010”.

6 (c) EXTENSION OF PILOT PROGRAM FOR MITIGA-  
7 TION OF SEVERE REPETITIVE LOSS PROPERTIES.—Sec-  
8 tion 1361A of the National Flood Insurance Act of 1968  
9 (42 U.S.C. 4102a) is amended—

10 (1) in subsection (k)(1), by striking “2005,  
11 2006, 2007, 2008, and 2009” and inserting “2010”;  
12 and

13 (2) by striking subsection (l).

14 **SEC. 4. CONSIDERATION OF CONSTRUCTION, RECON-**  
15 **STRUCTION, AND IMPROVEMENT OF FLOOD**  
16 **PROTECTION SYSTEMS IN DETERMINATION**  
17 **OF FLOOD INSURANCE RATES.**

18 (a) IN GENERAL.—Section 1307 of the National  
19 Flood Insurance Act of 1968 (42 U.S.C. 4014) is amend-  
20 ed—

21 (1) in subsection (e)—

22 (A) in the first sentence, by striking “con-  
23 struction of a flood protection system” and in-  
24 serting “construction, reconstruction, or im-  
25 provement of a flood protection system (without

1 respect to the level of Federal investment or  
2 participation)”; and

3 (B) in the second sentence—

4 (i) by striking “construction of a flood  
5 protection system” and inserting “con-  
6 struction, reconstruction, or improvement  
7 of a flood protection system”; and

8 (ii) by inserting “based on the present  
9 value of the completed system” after “has  
10 been expended”; and

11 (2) in subsection (f)—

12 (A) in the first sentence in the matter pre-  
13 ceding paragraph (1), by inserting “(without re-  
14 spect to the level of Federal investment or par-  
15 ticipation)” before the period at the end;

16 (B) in the third sentence in the matter  
17 preceding paragraph (1), by inserting “, wheth-  
18 er coastal or riverine,” after “special flood haz-  
19 ard”; and

20 (C) in paragraph (1), by striking “a Fed-  
21 eral agency in consultation with the local  
22 project sponsor” and inserting “the entity or  
23 entities that own, operate, maintain, or repair  
24 such system”.

1 (b) REGULATIONS.—Not later than 90 days after the  
2 date of the enactment of this Act, the Administrator of  
3 the Federal Emergency Management Agency shall promul-  
4 gate regulations to carry out the amendments made by  
5 subsection (a). Section 5 may not be construed to annul,  
6 alter, affect, authorize any waiver of, or establish any ex-  
7 ception to, the requirement under the preceding sentence.

8 (c) IMPLEMENTATION.—The Administrator of the  
9 Federal Emergency Management Agency shall implement  
10 this section and the amendments made by this section in  
11 a manner that will not materially weaken the financial po-  
12 sition of the national flood insurance program or increase  
13 the risk of financial liability to Federal taxpayers.

14 **SEC. 5. AUTHORITY TO ESTABLISH PREMIUM RATES BY NO-**  
15 **TICE.**

16 Subsection (a) of section 1308 of the National Flood  
17 Insurance Act of 1968 (42 U.S.C. 4015(a)) is amended,  
18 in the matter preceding paragraph (1), by inserting “or  
19 notice” after “prescribe by regulation”.

20 **SEC. 6. 3-YEAR DELAY IN EFFECTIVE DATE OF MANDATORY**  
21 **PURCHASE REQUIREMENT FOR NEW FLOOD**  
22 **HAZARD AREAS.**

23 (a) IN GENERAL.—Section 102 of the Flood Disaster  
24 Protection Act of 1973 (42 U.S.C. 4012a) is amended by  
25 adding at the end the following new subsection:

1       “(i) DELAYED EFFECTIVE DATE OF MANDATORY  
2 PURCHASE REQUIREMENT FOR NEW FLOOD HAZARD  
3 AREAS.—

4           “(1) IN GENERAL.—In the case of any area  
5 that was not previously designated as an area having  
6 special flood hazards and that, pursuant to any  
7 issuance, revision, updating, or other change in flood  
8 insurance maps that takes effect on or after Sep-  
9 tember 1, 2008, becomes designated as an area hav-  
10 ing special flood hazards, if each State and local  
11 government having jurisdiction over any portion of  
12 the geographic area has complied with paragraph  
13 (2), such designation shall not take effect for pur-  
14 poses of subsection (a), (b), or (e) of this section, or  
15 section 202(a) of this Act, until the expiration of the  
16 3-year period beginning upon the date that such  
17 maps, as issued, revised, update, or otherwise  
18 changed, become effective.

19           “(2) NOTICE REQUIREMENTS.—A State or local  
20 government shall be considered to have complied  
21 with this paragraph with respect to any geographic  
22 area described in paragraph (1) only if the State or  
23 local government has, before the effective date of the  
24 issued, revised, updated, or changed maps, and in

1 accordance with such standards as shall be estab-  
2 lished by the Director—

3 “(A) developed an evacuation plan to be  
4 implemented in the event of flooding in such  
5 portion of the geographic area; and

6 “(B) developed and implemented an out-  
7 reach and communication plan to advise occu-  
8 pants in such portion of the geographic area of  
9 potential flood risks, the opportunity to pur-  
10 chase flood insurance, and the consequences of  
11 failure to purchase flood insurance.

12 “(3) RULE OF CONSTRUCTION.—Nothing in  
13 paragraph (1) may be construed to affect the appli-  
14 cability of a designation of any area as an area hav-  
15 ing special flood hazards for purposes of the avail-  
16 ability of flood insurance coverage, criteria for land  
17 management and use, notification of flood hazards,  
18 eligibility for mitigation assistance, or any other pur-  
19 pose or provision not specifically referred to in para-  
20 graph (1).”.

21 (b) CONFORMING AMENDMENT.—The second sen-  
22 tence of subsection (h) of section 1360 of the National  
23 Flood Insurance Act of 1968 (42 U.S.C. 4101(h)) is  
24 amended by striking “Such” and inserting “Except for no-  
25 tice regarding a change described in section 102(i)(1) of



1 the Flood Disaster Protection Act of 1973 (42 U.S.C.  
2 4012a(i)(1)), such”.

3 (c) NO REFUNDS.—Nothing in this section or the  
4 amendments made by this section may be construed to au-  
5 thorize or require any payment or refund for flood insur-  
6 ance coverage purchased for any property that covered any  
7 period during which such coverage is not required for the  
8 property pursuant to the applicability of the amendment  
9 made by subsection (a).

10 **SEC. 7. NOTIFICATION TO HOMEOWNERS REGARDING MAN-**  
11 **DATORY PURCHASE REQUIREMENT APPLICA-**  
12 **BILITY AND RATE PHASE-INS.**

13 Section 201 of the Flood Disaster Protection Act of  
14 1973 (42 U.S.C. 4105) is amended by adding at the end  
15 the following new subsection:

16 “(f) ANNUAL NOTIFICATION.—The Director, in con-  
17 sultation with affected communities, shall establish and  
18 carry out a plan to notify residents of areas having special  
19 flood hazards, on an annual basis—

20 “(1) that they reside in such an area;

21 “(2) of the geographical boundaries of such  
22 area;

23 “(3) of the provisions of section 102 requiring  
24 purchase of flood insurance coverage for properties  
25 located in such an area, including the date on which

1 such provisions apply with respect to such area, tak-  
2 ing into consideration section 102(i); and

3 “(4) of a general estimate of what similar  
4 homeowners in similar areas typically pay for flood  
5 insurance coverage.”.

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