

109TH CONGRESS
2D SESSION

H. R. 6108

To authorize the Director of the Federal Emergency Management Agency to make grants to communities to be used for outreach efforts to encourage participation in the national flood insurance program.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2006

Ms. MATSUI (for herself, Mr. FRANK of Massachusetts, Mr. OBERSTAR, Mr. BLUMENAUER, Mrs. TAUSCHER, Mr. TAYLOR of Mississippi, Mr. GEORGE MILLER of California, and Mr. SHIMKUS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the Director of the Federal Emergency Management Agency to make grants to communities to be used for outreach efforts to encourage participation in the national flood insurance program.

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 Insurance Com-
5 munity Outreach Grant Program Act of 2006”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds the following:

1 (1) Following the human suffering and devasta-
2 tion caused by Hurricanes Rita and Katrina, the
3 Federal Government and State and local govern-
4 ments have responded to public concerns about flood
5 safety by increasing resources to improve flood pro-
6 tection measures in communities throughout the
7 United States.

8 (2) In the year since these disasters, the Fed-
9 eral Government has directed \$7,000,000,000 in
10 emergency supplemental spending to restoring and
11 strengthening hurricane protection in Louisiana and
12 the Gulf Coast as well as \$1,900,000,000 from the
13 annual budget of the U.S. Army Corps of Engi-
14 neers for flood control and hurricane protection
15 measures across the Nation.

16 (3) While improving this infrastructure is es-
17 sential to a comprehensive approach to flood protec-
18 tion, communities must be encouraged to better as-
19 sess their flood risk and better inform the public
20 about the importance of maintaining flood insurance
21 protection.

22 (4) To reduce the flood risk to communities in
23 the United States, the National Flood Insurance
24 Program (NFIP) must be solvent and more effec-
25 tive.

1 (5) To achieve these goals, the Federal Emer-
2 gency Management Agency (FEMA), which admin-
3 isters the NFIP, should work with communities to
4 communicate directly with the people who live and
5 work in the Nation’s floodplains on issues con-
6 cerning flood risk and flood protection.

7 (6) More than 20,000 communities currently
8 participate in the NFIP and nearly all of these com-
9 munities have properties that are located in special
10 flood hazard areas—areas in which Federal law re-
11 quires that property owners purchase flood insur-
12 ance coverage before they can obtain a mortgage
13 loan from a federally regulated lender.

14 (7) Despite this mandatory purchase require-
15 ment, a FEMA-commissioned study by the RAND
16 Corporation found that 20 to 25 percent of property
17 owners in special flood hazard areas who have a
18 mortgage from a federally regulated lender and are
19 required to purchase flood insurance do not carry a
20 policy.

21 (8) In the next few years, the number of com-
22 munities that participate in the NFIP will increase,
23 as FEMA’s flood map modernization program reas-
24 sesses the flood risk to communities throughout the
25 Nation.

1 (9) As the map modernization program brings
2 new communities under the flood insurance manda-
3 tory purchase requirement, FEMA should partner
4 with these communities to educate property owners,
5 business owners, and property renters about the na-
6 ture of the flood risk in their area and the impor-
7 tance of maintaining flood insurance protection.

8 (10) In addition to improving public awareness
9 of flood risk and flood insurance, many communities
10 that undertake outreach activities can qualify for re-
11 duced flood insurance premiums under the NFIP's
12 community rating system program.

13 (11) Flood risk is not limited to properties that
14 are located in special flood hazard areas, and many
15 properties that are no longer subject to the manda-
16 tory purchase requirement remain at risk of flood-
17 ing, especially in areas that are protected by levees.

18 (12) FEMA estimates that between 20 and 25
19 percent of all claims paid by the NFIP are for
20 claims on properties located outside of these special
21 flood hazard areas.

22 (13) Thus, a property's release from the Fed-
23 eral flood insurance purchase requirement does not
24 mean that the property is no longer subject to risk
25 of flooding.

1 (14) In communities where properties have been
2 released from this Federal requirement, outreach ac-
3 tivities can help to educate the public about the im-
4 portance of voluntarily maintaining flood insurance
5 coverage, including the potential availability of low-
6 cost preferred risk policies.

7 (15) Many property owners who own a home or
8 building that is located in an area that is subject to
9 moderate-to-low risk of flooding are unaware that
10 they may qualify for the low-cost, preferred risk
11 flood insurance—a product of the NFIP.

12 (16) By partnering with local flood control au-
13 thorities, FEMA can better promote flood safety and
14 flood insurance and, in communities with properties
15 that are no longer subject to the mandatory pur-
16 chase requirement, retain a higher number of NFIP
17 policies.

18 (17) Reducing the number of uninsured prop-
19 erty owners in communities that are subject to flood
20 risk will reduce the fiscal effects of a flood disaster
21 to both property owners and the Federal Govern-
22 ment.

23 (b) PURPOSE.—It is the purpose of this Act to estab-
24 lish a flood insurance outreach and education grants pro-
25 gram that provides resources to communities for educating

1 property owners and renters on flood insurance options
2 while strengthening the national flood insurance program.

3 **SEC. 3. FLOOD INSURANCE OUTREACH GRANTS.**

4 Chapter I of the National Flood Insurance Act of
5 1968 (42 U.S.C. 4011 et seq.) is amended by adding at
6 the end the following new section:

7 **“SEC. 1325. GRANTS FOR OUTREACH TO PROPERTY OWN-**
8 **ERS AND RENTERS.**

9 “(a) IN GENERAL.—The Director may, to the extent
10 amounts are made available pursuant to subsection (h),
11 make grants to local governmental agencies responsible for
12 floodplain management activities (including such agencies
13 of Indians tribes, as such term is defined in section 4 of
14 the Native American Housing Assistance and Self-Deter-
15 mination Act of 1996 (25 U.S.C. 4103)) in communities
16 that participate in the national flood insurance program
17 under this title, for use by such agencies to carry out out-
18 reach activities to encourage and facilitate the purchase
19 of flood insurance protection under this Act by owners and
20 renters of properties in such communities and to promote
21 educational activities that increase awareness of flood risk
22 reduction.

23 “(b) OUTREACH ACTIVITIES.—Amounts from a grant
24 under this section shall be used only for activities designed
25 to—

1 “(1) identify owners and renters of properties
2 in communities that participate in the national flood
3 insurance program, including owners of residential
4 and commercial properties;

5 “(2) notify such owners and renters when their
6 properties become included in, or when they are ex-
7 cluded from, an area having special flood hazards
8 and the effect of such inclusion or exclusion on the
9 applicability of the mandatory flood insurance pur-
10 chase requirement under section 102 of the Flood
11 Disaster Protection Act of 1973 (42 U.S.C. 4012a)
12 to such properties;

13 “(3) educate such owners and renters regarding
14 the flood risk and reduction of this risk in their
15 community, including the continued flood risks to
16 areas that are no longer subject to the flood insur-
17 ance mandatory purchase requirement;

18 “(4) educate such owners and renters regarding
19 the benefits and costs of maintaining or acquiring
20 flood insurance, including, where applicable, lower-
21 cost preferred risk policies under this title for such
22 properties and the contents of such properties; and

23 “(5) encouraging such owners and renters to
24 maintain or acquire such coverage.

25 “(c) COST SHARING REQUIREMENT.—

1 “(1) IN GENERAL.—In any fiscal year, the Di-
2 rector may not provide a grant under this section to
3 a local governmental agency in an amount exceeding
4 3 times the amount that the agency certifies, as the
5 Director shall require, that the agency will con-
6 tribute from non-Federal funds to be used with
7 grant amounts only for carrying out activities de-
8 scribed in subsection (b).

9 “(2) NON-FEDERAL FUNDS.—For purposes of
10 this subsection, the term ‘non-Federal funds’ in-
11 cludes State or local government agency amounts,
12 in-kind contributions, any salary paid to staff to
13 carry out the eligible activities of the grant recipient,
14 the value of the time and services contributed by vol-
15 unteers to carry out such services (at a rate deter-
16 mined by the Director), and the value of any do-
17 nated material or building and the value of any lease
18 on a building.

19 “(d) ADMINISTRATIVE COST LIMITATION.—Notwith-
20 standing subsection (b), the Director may use not more
21 than 5 percent of amounts made available under sub-
22 section (g) to cover salaries, expenses, and other adminis-
23 trative costs incurred by the Director in making grants
24 and provide assistance under this section.

25 “(e) APPLICATION AND SELECTION.—

1 “(1) IN GENERAL.—The Director shall provide
2 for local governmental agencies described in sub-
3 section (a) to submit applications for grants under
4 this section and for competitive selection, based on
5 criteria established by the Director, of agencies sub-
6 mitting such applications to receive such grants.

7 “(2) SELECTION CONSIDERATIONS.—In select-
8 ing applications of local government agencies to re-
9 ceive grants under paragraph (1), the Director shall
10 consider—

11 “(A) the existence of a cooperative tech-
12 nical partner agreement between the local gov-
13 ernmental agency and the Federal Emergency
14 Management Agency;

15 “(B) the history of flood losses in the rel-
16 evant area that have occurred to properties,
17 both inside and outside the special flood haz-
18 ards zones, which are not covered by flood in-
19 surance coverage;

20 “(C) the estimated percentage of high-risk
21 properties located in the relevant area that are
22 not covered by flood insurance;

23 “(D) demonstrated success of the local
24 governmental agency in generating voluntary
25 purchase of flood insurance; and

1 “(E) demonstrated technical capacity of
2 the local governmental agency for outreach to
3 individual property owners.

4 “(f) DIRECT OUTREACH BY FEMA.—In each fiscal
5 year that amounts for grants are made available pursuant
6 to subsection (g), the Director may use not more than 50
7 percent of such amounts to carry out, and to enter into
8 contracts with other entities to carry out, activities de-
9 scribed in subsection (b) in areas that the Director deter-
10 mines have the most immediate need for such activities.

11 “(g) REPORTING.—Each local government agency
12 that receives a grant under this section, and each entity
13 that receives amounts pursuant to subsection (f), shall
14 submit a report to the Director, not later than 12 months
15 after such amounts are first received, which shall include
16 such information as the Director considers appropriate to
17 describe the activities conducted using such amounts and
18 the effect of such activities on the retention or acquisition
19 of flood insurance coverage.

20 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
21 is authorized to be appropriated for grants under this sec-
22 tion \$50,000,000 for each of fiscal years 2007 through
23 2011.”.

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