



Legislative Bulletin.....September 27, 2007

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H.R. 3121—Amendments to the Flood Insurance Reform and Modernization Act

H.R. 3121, the Flood Insurance Reform and Modernization Act (sponsored by Rep. Maxine Waters, D-CA), is scheduled to be considered on the House floor on Thursday, September 27, 2007, subject to a structured rule ([H.Res. 683](#)), self-executing (i.e. automatically passing) one amendment and making in order 13 other amendments, each debatable for 10 minutes.

The rule waives all points of order against consideration of the bill, except those regarding PAYGO and earmarks, waives all points of order against the bill itself, and allows the Chair to postpone consideration of the legislation at any time during its consideration. The rule allows one motion to recommit with or without instructions.

Although there were seven Republican amendments submitted to the Rules Committee, including three from RSC Chairman Jeb Hensarling and one from RSC Steering Committee Member Scott Garrett, none were made in order. Only Democrat amendments were made in order.

Note: The summaries below are based on RSC staff's review of *actual amendment text* and thus may differ substantially from what is on the Rules Committee website. For a summary of the underlying bill, see a separate RSC document released yesterday.

RSC Staff Contact: Paul Teller; paul.teller@mail.house.gov; 202-226-9718

SELF-EXECUTING AMENDMENT

The self-executing amendment strikes the \$725 million increase in National Flood Insurance Program (NFIP) borrowing authority in the underlying bill. This striking would make the bill compliant with PAYGO, since it was the only provision that yielded an increase in mandatory spending. The bill would also clarify, as a result of the change above, the required FEMA report on how the NFIP plans to repay its outstanding debt.

AMENDMENTS MADE IN ORDER UNDER THE RULE

1. Frank (D-MA): Manager's Amendment. The manager's amendment would:

- Adjust the community participation requirement for multiperil coverage to require that communities adopt adequate mitigation measures consistent with model building codes from the International Code Council;
- Add certain data requirements for updated floodplain maps and require that specific technologies be used for mapping floodplains (such as geospatial technologies);
- Add a member of a professional mapping association or organization to the reestablished Mapping Advisory Council;
- Prohibit FEMA from enforcing penalties assessed against condominium associations that are underinsured;
- Require that any private insurer affiliated with NFIP annually report to FEMA on its administrative expenses and operating costs for NFIP and biennially submit independent audits of its NFIP operations;
- Direct FEMA to develop a plan to verify that the recipients of Homeowner Assistance Grants in Mississippi and Road Home Grants in Louisiana, funded by federal Community Development Block Grants, maintain flood insurance on their properties, as required as a condition of the grants; and
- Make a variety of clarifying changes.

2. Cardoza (D-CA)/Ross (D-AR)/Reyes (D-TX): Provides that people forced to purchase flood insurance as a result of a new floodplain map who have lived in an area where the levees were previously certified, and have now been decertified, would receive a grace period of five years in which they will be entitled to a 50% discount on their flood insurance premiums while the levees are being recertified.

3. Castor (D-FL): Directs GAO to report to Congress, within 270 days of this bill’s enactment, on the factors affecting enrollment in the multiperil insurance program, including the effects of this program on state insurance markets and state catastrophe plans.

4. Castor (D-FL): Adds to the criteria to encourage state and local measures to reduce windstorm damage the requirement that such criteria “discourage density and intensity or range of use increases in locations subject to windstorm damage, and enforce restrictions on the alterations of wetlands, coastal dunes and vegetation, and other natural features that are known to prevent or reduce such damage.”

5. Blumenauer (D-OR)/Welch (D-VT)/Gilchrest (R-MD): Requires FEMA, when updating and maintaining flood maps, to take into consideration the **impacts of global warming on flood, storm, and drought risks**; consider the potential future impacts of global climate change-related weather events (such as increased hurricane activity, intensity, storm surge, sea-level rise, and associated flooding); and use the best available climate science in assessing flood and storm risks.

6. Murphy, Patrick (D-PA)/Arcuri (D-NY): Authorizes “such sums as may be necessary” to create the position of National Flood Insurance Advocate in FEMA, which would report to Congress on the major problems facing the NFIP and compliance therewith, and on the feasibility and effectiveness of establishing an Office of the Flood Insurance Advocate, headed by the National Flood Insurance Advocate, to assist NFIP participants in resolving problems with FEMA.

7. Taylor, Gene (D-MS): Clarifies that multiperil insurance coverage includes rental apartment buildings and allows such building owners to receive multiperil coverage up to the total of the number of dwelling units times the maximum coverage limit per residential unit.

8. Taylor, Gene (D-MS): Prohibits an insurance company from being affiliated with NFIP unless it certifies that it will not exclude coverage of wind damage in its policies solely because flooding also contributed to the damage. The amendment also requires the contract between an insurance company and NFIP to state that the company has a fiduciary responsibility to federal taxpayers and will act in the best interests of NFIP (rather than in the company's own interest).

9. Costello (D-IL): Provides that no changes in flood insurance status for individuals (e.g. changes in premiums, new requirement to purchase flood insurance) could go into effect until the remapping process is completed for the entire district of the Corps of Engineers affected by that map.

10. Green, Gene (D-TX): Provides a five year phase-in of flood insurance premiums for low-income homeowners or renters whose primary residence is placed within a floodplain through an updating of the flood insurance program maps, if the value of the home does not exceed 75% of the state median home value.

11. Berry (D-AR)/Ross (D-AR)/Hare (D-IL)/Emerson (R-MO)/Hulshof (R-MO)/Costello (D-IL): Authorizes FEMA to include a note on flood insurance rate maps identifying 100-year and 500-year certified levees and their risk of failing and encouraging property owners to evaluate their risk of flooding. Such note would not be considered a requirement of participation in the NFIP.

12. Walz (D-MN): Adds to the flood map modernization provisions a requirement that FEMA map the 100-year floodplain and note areas that would flood if not for a levee, dam, or other man-made structure.

13. Stark (D-CA)/ Burton (R-IN): Requires written notification by first class mail to each property owner affected by a proposed change in flood elevations, prior to the 90-day appeal period. Notification would have to include an explanation of the appeal process and contact information for obtaining more information or commencing an appeal.