

105TH CONGRESS
2D SESSION

H. R. 3728

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act and other laws to return primary responsibility for disaster relief to the States, to establish a private corporation to insure States against risks and costs of disasters otherwise borne by the States, and to provide for reimbursable Federal assistance to States for activities in response to disasters, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1998

Mr. OBEY introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Agriculture, Small Business, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act and other laws to return primary responsibility for disaster relief to the States, to establish a private corporation to insure States against risks and costs of disasters otherwise borne by the States, and to provide for reimbursable Federal assistance to States for activities in response to disasters, 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,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Disaster Relief Partnership Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purposes.

TITLE I—NATIONAL DISASTER INSURANCE PROGRAM

Sec. 101. Disaster insurance program.

TITLE II—TERMINATION OF FEDERAL DISASTER LOAN
PROGRAMS

Sec. 201. Termination of Small Business Administration disaster loan program.

Sec. 202. Repeal of Consolidated Farm Service Agency emergency loan program.

Sec. 203. Repeal of emergency relief program for repair of highways.

Sec. 204. Termination of HUD mortgage insurance programs for disaster victims.

Sec. 205. Applicability.

TITLE III—FEDERAL PROGRAM FOR REIMBURSABLE DISASTER
RELIEF AND EMERGENCY ASSISTANCE

Sec. 301. Amendment of Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Sec. 302. Findings and declarations.

Sec. 303. Waiver of administrative conditions.

Sec. 304. Emergency support teams.

Sec. 305. Reimbursement.

Sec. 306. Performance of services.

Sec. 307. Reimbursement agreements and conditions.

Sec. 308. Treatment of assistance.

Sec. 309. Liability.

Sec. 310. Advance of State expenditures.

Sec. 311. Procedure for declaration of major disaster.

Sec. 312. General Federal disaster assistance.

Sec. 313. Essential disaster assistance.

Sec. 314. Hazard mitigation.

Sec. 315. Repair, restoration, and replacement of damaged facilities.

Sec. 316. Debris removal.

Sec. 317. Temporary housing assistance.

Sec. 318. Minimum standards for public and private structures.

Sec. 319. Unemployment assistance.

Sec. 320. Individual and family grant programs.

Sec. 321. Crisis counseling assistance and training.

Sec. 322. Community disaster loans.

Sec. 323. Emergency communications.

Sec. 324. Emergency public transportation.

Sec. 325. Fire suppression.
Sec. 326. Timber sale contracts.
Sec. 327. Simplified procedure.
Sec. 328. Appeals of assistance decisions.
Sec. 329. Procedure for declaration.
Sec. 330. Federal emergency assistance.
Sec. 331. Amount of assistance.
Sec. 332. Applicability.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) while disasters can strike anywhere within
4 the United States, certain areas historically have
5 been more susceptible or vulnerable to disasters;

6 (2) the Federal Government has assumed the
7 financial responsibility for much of the emergency
8 relief and reconstruction provided after disasters;

9 (3) the amount of Federal financial assistance
10 provided for disaster relief has been steadily increas-
11 ing over time and the annual disaster relief obliga-
12 tions of the Federal Emergency Management Agency
13 have increased more than tenfold over the past 13
14 years, from \$320,000,000 in 1985 to
15 \$4,700,000,000 in 1997;

16 (4) the costs of disaster assistance have been
17 spread disproportionately to all United States citi-
18 zens rather than to citizens of the areas that are
19 most directly affected; and

20 (5) an amendment to the Constitution of the
21 United States requiring a balanced Federal budget

1 would require major retrenchments in activities that
2 assist citizens of the United States in times of crises
3 and distress.

4 (b) PURPOSES.—The purposes of this Act are—

5 (1) to reaffirm the individual States' primary
6 responsibility for disaster relief;

7 (2) to restore the Federal Government's role for
8 disaster relief to one of secondary support, provided
9 on a reimbursable basis, in unusual or special emer-
10 gency situations that require services best provided
11 by Federal agencies;

12 (3) to establish a private corporation to provide
13 risk-based insurance to the individual States to as-
14 sist the States in meeting their obligations in disas-
15 ter relief; and

16 (4) to repeal existing Federal grant and loan
17 programs for disaster aid.

18 **TITLE I—NATIONAL DISASTER**
19 **INSURANCE PROGRAM**

20 **SEC. 101. DISASTER INSURANCE PROGRAM.**

21 The Robert T. Stafford Disaster Relief and Emer-
22 gency Assistance Act (42 U.S.C. 5121 et seq.) is amended
23 by adding at the end the following new title:

1 **“TITLE VIII—DISASTER**
2 **INSURANCE PROGRAM**
3 **“Subtitle A—Insurance Program**

4 **“SEC. 801. ESTABLISHMENT OF INSURANCE PROGRAM.**

5 “The National Disaster Insurance Corporation estab-
6 lished under subtitle B shall establish and carry out an
7 insurance program under this subtitle to provide coverage
8 to States against certain losses and costs arising from dis-
9 asters, which shall be funded solely by State premiums
10 and payments and shall operate on an actuarially sound
11 basis.

12 **“SEC. 802. TERMS AND CONDITIONS OF INSURANCE PRO-**
13 **GRAM.**

14 “(a) IN GENERAL.—The Corporation shall establish
15 the terms and conditions for the provision of disaster in-
16 surance under the disaster insurance program of the Cor-
17 poration, which shall include—

18 “(1) the general terms and conditions of insur-
19 ance coverage;

20 “(2) limitations on the scope and amounts of
21 coverage provided;

22 “(3) the establishment, under section 804, of
23 appropriate annual premium charges;

24 “(4) appropriate loss deductibles; and

1 “(5) the methods by which proved and approved
2 claims for losses shall be adjusted and paid.

3 “(b) OBJECTIVES.—In establishing the terms and
4 conditions under this section, the Corporation shall ensure
5 that the insurance program accomplishes the following ob-
6 jectives:

7 “(1) RECOVERY FROM DISASTERS.—The
8 amount of coverage provided under the program
9 shall be sufficient to provide State participants with
10 amounts adequate for recovery from disasters.

11 “(2) EQUITABLE DISTRIBUTION OF RISKS AND
12 COSTS.—The risks and costs of disasters shall be eq-
13 uitably distributed among the State participants.

14 “(3) PARTICIPATION.—Participation in the pro-
15 gram by all States shall be encouraged.

16 “(c) ASSISTANCE.—The terms and conditions of the
17 insurance program shall be established in consultation
18 with the Director of the Federal Emergency Management
19 Agency, the Disaster Insurance Advisory Committee under
20 section 826, and other relevant Federal agencies and shall
21 be effective only if approved by the Director and the Advi-
22 sory Committee.

23 **“SEC. 803. COVERAGE.**

24 “(a) IN GENERAL.—The insurance program shall
25 provide insurance coverage under this subtitle for each

1 participant in the Corporation. The initial coverage avail-
2 able under the program shall take effect on October 1,
3 1998.

4 “(b) ELIGIBLE INSUREDS.—The insurance program
5 may provide insurance coverage only to participants and
6 each State shall be eligible to become a participant pursu-
7 ant to the requirements of section 821(d).

8 “(c) SCOPE OF COVERAGE.—The insurance program
9 may provide coverage only for the following losses and
10 costs to a participant that arise from a disaster:

11 “(1) LIFESAVING MEASURES.—Costs of per-
12 forming any work or services essential to saving lives
13 and protecting and preserving property or public
14 health and safety, including—

15 “(A) removing debris and wreckage;

16 “(B) conducting search and rescue, and
17 providing emergency medical care, emergency
18 mass care, emergency shelter, food, water, med-
19 icine, and other essential needs, including move-
20 ment of supplies or persons;

21 “(C) clearing roads and constructing tem-
22 porary bridges necessary to the performance of
23 emergency tasks and essential community serv-
24 ices;

1 “(D) providing temporary facilities for
2 schools and other essential community services;

3 “(E) demolishing unsafe structures that
4 endanger the public;

5 “(F) warning of further risks and hazards;

6 “(G) disseminating of public information
7 and assistance regarding health and safety
8 measures; and

9 “(H) reducing immediate threats to life,
10 property, and public health and safety.

11 “(2) DISTRIBUTION OF FOOD AND MEDICAL AS-
12 SISTANCE.—Costs of distributing or rendering food,
13 medicine, and other consumable supplies, and other
14 services and assistance to victims of the disaster.

15 “(3) COORDINATION.—Costs of coordinating re-
16 lief efforts.

17 “(4) TECHNICAL ADVICE.—Costs of obtaining
18 technical advice regarding—

19 “(A) disaster management and control;

20 “(B) performing essential community serv-
21 ices; and

22 “(C) disseminating information regarding
23 public health and safety, issuing warnings of
24 risks and hazards.

1 “(5) HAZARD MITIGATION.—Costs of conduct-
2 ing hazard mitigation measures that the Corporation
3 determines to be cost-effective and that will substan-
4 tially reduce the risk of future damage, hardship,
5 loss, or suffering in any area affected by the disas-
6 ter.

7 “(6) REPAIR AND REPLACEMENT OF DAMAGED
8 FACILITIES AND RESIDENCES.—Costs for the repair,
9 restoration, reconstruction, or replacement of facili-
10 ties (including public, private, and private nonprofit
11 facilities, and commercial and agricultural facilities)
12 and residences that are damaged or destroyed by the
13 disaster and for associated expenses incurred by the
14 owners of the facilities and residences, and losses
15 from damage or destruction to such facilities and
16 residences.

17 “(7) TEMPORARY HOUSING.—Costs of provid-
18 ing, by purchase or lease, temporary housing (in-
19 cluding unoccupied habitable dwellings), suitable
20 rental housing, mobile homes, or other readily fab-
21 ricated dwellings to persons who, as a result of the
22 disaster, require temporary housing.

23 “(8) TEMPORARY MORTGAGE AND RENTAL PAY-
24 MENTS.—Costs of providing assistance on a tem-
25 porary basis in the form of mortgage or rental pay-

1 ments to or on behalf of individuals and families
2 who, as a result of financial hardship caused by the
3 disaster, have received written notice of disposses-
4 sion or eviction from a residence by reason of a fore-
5 closure of any mortgage or lien, cancellation of any
6 contract of sale, or termination of any lease, entered
7 into prior to such disaster, except that such costs
8 may not cover assistance provided for a duration ex-
9 ceeding the period of financial hardship or 18
10 months, whichever is less.

11 “(9) COUNSELING.—Costs of professional coun-
12 seling services to victims of the disaster to relieve
13 mental health problems caused or aggravated by the
14 disaster or its aftermath.

15 “(10) LOST REVENUE.—Loss to a participant
16 of a substantial portion of tax and other revenues,
17 but only if the participant demonstrates a need for
18 reimbursement of such losses to perform its govern-
19 mental functions.

20 “(11) TEMPORARY COMMUNICATIONS.—Costs
21 of establishing temporary communications systems
22 in the area affected by the disaster.

23 “(12) TEMPORARY PUBLIC TRANSPORTATION.—
24 Costs of providing temporary public transportation
25 service in the area affected by the disaster to meet

1 emergency needs and to provide transportation to
2 governmental offices, supply centers, stores, post of-
3 fices, schools, major employment centers, and such
4 other places as may be necessary in order to enable
5 the community to resume its normal pattern of life
6 as soon as possible.

7 “(13) FIRE SUPPRESSION.—Costs of equip-
8 ment, supplies, and personnel for the suppression of
9 any fire on publicly or privately owned forest or
10 grassland.

11 “(14) LOAN AND ASSISTANCE PROGRAMS.—
12 Losses and costs associated with providing the fol-
13 lowing assistance:

14 “(A) SMALL BUSINESS LOANS.—Loans
15 for—

16 “(i) the repair, rehabilitation, or re-
17 placement of properties of small business
18 concerns that are damaged or destroyed as
19 a result of the disaster;

20 “(ii) refinancing mortgages or other
21 liens against residences and properties of
22 small business concerns that are destroyed
23 or substantially damaged as a result of the
24 disaster; and

1 “(iii) assisting small business concerns
2 that suffer substantial economic injury as
3 a result of the disaster.

4 “(B) FARM LOANS.—Emergency loans to
5 persons whose farming, ranching, or aqua-
6 culture operations have been substantially af-
7 fected by a disaster.

8 “(C) HIGHWAY REPAIR.—Assistance for
9 the repair or reconstruction of highways, roads,
10 and trails that suffer serious damage as the re-
11 sult of the disaster.

12 “(D) INSURANCE OF LOANS FOR SINGLE
13 FAMILY HOMES.—Insurance for mortgages and
14 rehabilitation loans for 1- to 4-family residences
15 of mortgagors and borrowers whose residences
16 are destroyed or damaged as a result of the dis-
17 aster.

18 “(15) OTHER.—Any other costs or losses sus-
19 tained in providing disaster relief in the State, that
20 are determined by the Corporation to be appropriate
21 and which are not inconsistent with the provisions of
22 this subtitle.

23 “(d) PROHIBITED COVERAGE.—The insurance pro-
24 gram may not provide coverage for the following losses
25 and costs:

1 “(1) NONDISASTER LOSSES.—Any losses or
2 costs not arising from a disaster.

3 “(2) FEDERAL FACILITIES.—Any losses or
4 costs sustained by or relating to Federal facilities.

5 **“SEC. 804. ANNUAL PREMIUM CHARGES.**

6 “(a) GENERAL AUTHORITY.—The Corporation shall
7 require each State, as a condition of participation in the
8 Corporation and coverage under the insurance program
9 during any fiscal year, to make a premium payment to
10 the Corporation for such fiscal year in an amount deter-
11 mined in accordance with this section. The Corporation
12 shall annually review the premium payments charged to
13 each participant and, if appropriate, adjust such payment
14 amounts.

15 “(b) ESTABLISHMENT OF CHARGES.—The premium
16 payments established under this section shall be—

17 “(1) established using generally accepted actu-
18 arial principles;

19 “(2) to the maximum extent practicable, based
20 on a consideration of the respective risks involved,
21 including differences in—

22 “(A) the risk of occurrence of disasters;

23 “(B) hazard mitigation measures in place,
24 including any disaster preparedness plan of the

1 participant for mitigation, warning, emergency
2 operations, rehabilitation, and recovery;

3 “(C) anticipated covered losses and costs
4 in the event of a disaster; and

5 “(D) the extent to which other sources of
6 insurance or assistance will cover costs and
7 losses for types of property and activities cov-
8 ered in a State; and

9 “(3) adequate, on the basis of generally accept-
10 ed actuarial principles, to provide—

11 “(A) amounts in the reserve account of the
12 Corporation under section 823 for anticipated
13 claims; and

14 “(B) for any administrative and operating
15 expenses of the Corporation in carrying out the
16 insurance program.

17 “(c) CERTIFICATION OF PREMIUM CHARGES.—The
18 Corporation may not assess any premium charges estab-
19 lished under this section before the charges have been cer-
20 tified as actuarially sound by the Disaster Insurance Advi-
21 sory Commission established by section 826.

22 “(d) CREDIT FOR INITIAL CONTRIBUTIONS.—The
23 Corporation shall credit the amount of the payment made
24 by a State pursuant to section 821(d)(1) toward any pre-
25 mium charges under this section owed by the State.

1 **“SEC. 805. CLAIMS.**

2 “(a) PROCEDURE.—The Corporation shall adjust and
3 pay all claims for proved and approved losses and costs
4 covered by insurance provided under this subtitle.

5 “(b) EFFECT OF DUPLICATIVE COVERAGE.—The
6 amount of any claim paid for losses or costs under the
7 insurance program may not include any amount for any
8 portion of such losses or costs covered by amounts pro-
9 vided under any other source of insurance or financial as-
10 sistance.

11 “(c) EFFECT OF FLOOD INSURANCE COVERAGE.—

12 “(1) REDUCTION OF FEDERAL ASSISTANCE.—If
13 a facility or residence located in a special flood haz-
14 ard area identified for more than 1 year by the Di-
15 rector pursuant to the National Flood Insurance Act
16 of 1968 is damaged or destroyed by flooding in a
17 disaster and such facility or residence is not covered
18 on the date of such flooding by flood insurance, the
19 amount of a claim for coverage under this subtitle
20 which would otherwise be paid under the insurance
21 program under this subtitle for costs of repair, res-
22 toration, reconstruction, and replacement of such fa-
23 cility or residence and associated expenses shall be
24 reduced in accordance with paragraph (2).

1 “(2) AMOUNT OF REDUCTION.—The amount of
2 the reduction in a claim for a facility or residence
3 pursuant to paragraph (1) shall be the lesser of—

4 (A) the value of such facility or residence
5 on the date of the flood damage or destruction;
6 or

7 (B) the maximum amount of insurance
8 proceeds which would have been payable with
9 respect to such facility or residence if such fa-
10 cility had been covered by flood insurance under
11 the National Flood Insurance Act of 1968 on
12 such date.

13 “(3) EXCEPTION.—Paragraphs (1) and (2)
14 shall not apply to a private nonprofit facility or resi-
15 dence that is not covered by flood insurance solely
16 because of the local government’s failure to partici-
17 pate in the flood insurance program under the Na-
18 tional Flood Insurance Act of 1968.

19 “(d) CAUSE OF ACTION.—If the Corporation dis-
20 allows a claim or the claimant refuses to accept the
21 amount allowed upon any claim, the claimant may, before
22 the expiration of the 1-year period beginning upon the
23 claimant’s receipt of written notice of the disallowance or
24 partial disallowance of the claim, institute an action on
25 such claim against the Corporation in the United States

1 District Court for the District of Columbia. Original exclu-
2 sive jurisdiction is hereby conferred upon such Court to
3 hear and determine such action without regard to the
4 amount in controversy.

5 **“Subtitle B—National Disaster In-**
6 **surance Corporation and Disas-**
7 **ter Insurance Advisory Commis-**
8 **sion**

9 **“SEC. 821. NATIONAL DISASTER INSURANCE CORPORA-**
10 **TION.**

11 “(a) ESTABLISHMENT.—There is authorized to be es-
12 tablished a body corporate to be known as the National
13 Disaster Insurance Corporation, which shall be subject to
14 the provisions of this title. The Corporation shall not be
15 an agency or establishment of the Federal Government.
16 The principal office of the Corporation shall be located in
17 the District of Columbia or the metropolitan area thereof.

18 “(b) FUNCTION.—The purpose of the Corporation
19 shall be to carry out the insurance program under
20 subtitle A.

21 “(c) GOVERNANCE.—

22 “(1) BOARD OF DIRECTORS.—The Corporation
23 shall be under the direction of a board of directors
24 who shall be elected by the participants in the Cor-
25 poration. Members of the board shall not be consid-

1 ered, by reason of such membership, to be employees
2 of the Federal Government.

3 “(2) INITIAL BOARD.—Except as otherwise pro-
4 vided by the Corporation pursuant to section
5 822(2)—

6 “(A) the board shall be composed of 7
7 members, selected by a majority of the partici-
8 pants in the Corporation through an election (i)
9 that shall take place at the initial organiza-
10 tional meeting of the Corporation held pursuant
11 to subsection (e)(1), and (ii) in which each of
12 the participants shall have 1 vote; and

13 “(B) the term of each member of the
14 board shall be 5 years.

15 “(d) PARTICIPANTS.—A State shall be considered as
16 a participant in the Corporation for purposes of this title
17 only if the State complies with the following requirements:

18 “(1) INITIAL CONTRIBUTION.—The State has
19 made a payment to the Corporation (or to the Direc-
20 tor pursuant to subsection (e)(2)) in an amount
21 equal to 1 percent of the aggregate amount of Fed-
22 eral financial assistance provided, during fiscal years
23 1988 through 1997, to the State (or to or on behalf
24 of persons or property located in the State) for dis-
25 aster relief relating to a major disaster or emergency

1 declared under this Act, as determined by the Direc-
2 tor. For purposes of this paragraph, the term ‘Fed-
3 eral financial assistance’ shall include any grant,
4 payment, subsidy, or loan provided by any agency
5 of the Federal Government, and the amount of as-
6 sistance provided under a loan shall be considered
7 to be an amount equal to the principal obligation
8 under the loan.

9 “(2) PAYMENT OF PREMIUM CHARGES.—The
10 State has paid any premium charges assessed for
11 such State pursuant to section 804, in accordance
12 with the requirements established by the Corpora-
13 tion for payment of such charges.

14 For purposes of the organizational meeting under
15 subsection (e)(1), any State that complies with paragraph
16 (1) of this subsection shall be considered as a participant.

17 “(e) INITIAL ORGANIZATION.—

18 “(1) ORGANIZATIONAL MEETING.—The Direc-
19 tor shall call an organizational meeting for the Cor-
20 poration to be held not later than August 31, 1998,
21 at which the participants shall elect the initial mem-
22 bers of the board of directors and shall take such
23 other actions as may be necessary to establish the
24 Corporation in accordance with this title. The Direc-
25 tor shall notify each State of the meeting and the

1 purposes of the meeting and shall organize and chair
2 the meeting.

3 “(2) COLLECTION OF INITIAL CONTRIBU-
4 TIONS.—Before the organization of the Corporation
5 pursuant to paragraph (1), the Director shall collect
6 payments under subsection (d)(1) on behalf of the
7 Corporation.

8 “(f) OWNERSHIP.—The Corporation shall be pri-
9 vately owned by the participants in the insurance pro-
10 gram. Obligations and indebtedness of the Corporation
11 shall not be considered obligations and indebtedness of the
12 Federal Government or guaranteed by the Federal Gov-
13 ernment.

14 “(g) OFFICERS AND EMPLOYEES.—The Corporation
15 may appoint and hire officers and employees at the discre-
16 tion of the Corporation, but may not pay any officer or
17 employee at a rate exceeding the rate of basic pay payable
18 for level IV of the Executive Schedule. Any such officers
19 and employees shall not be considered officers or employ-
20 ees of the Federal Government and shall not be subject
21 to the provisions of title 5, United States Code.

22 “(h) POWERS.—The Corporation shall have the
23 power—

24 “(1) to adopt, alter, and use a corporate seal;

1 “(2) to make and enforce contracts and agree-
2 ments appropriate to carry out this title;

3 “(3) to settle, adjust, compromise, and release
4 claims against the corporation;

5 “(4) to sue and be sued;

6 “(5) to acquire, hold, and own, and deal with
7 and dispose of real and personal property to the ex-
8 tent appropriate to carry out this title;

9 “(6) to have succession until dissolved by Act of
10 Congress; and

11 “(7) to exercise all other lawful powers nec-
12 essary or appropriate to carry out this title.

13 **“SEC. 822. STRUCTURE AND OPERATIONS.**

14 “After consultation with the Director and other ap-
15 propriate Federal agencies, the Corporation shall establish
16 appropriate guidelines for the structure and operation of
17 the Corporation and the insurance program, which—

18 “(1) shall include standards relating to the va-
19 cancies, bylaws, and powers of the board;

20 “(2) may include provisions, applicable only
21 after October 1, 1998, establishing the composition
22 of the board and the terms of office of the members
23 of the board other than as provided for in section
24 821(c)(2); and

1 “(3) shall include a minimum capital require-
2 ment pursuant to section 823(d).

3 **“SEC. 823. RESERVE ACCOUNT.**

4 “(a) ESTABLISHMENT.—The Corporation shall estab-
5 lish and manage a reserve account for the operation of
6 the insurance program.

7 “(b) CREDITS.—The reserve account of the Corpora-
8 tion shall be credited with—

9 “(1) any premium charges under section 804
10 collected by the Corporation;

11 “(2) any amounts appropriated for the Cor-
12 poration pursuant to section 825(a); and

13 “(3) any interest earned on investments of the
14 Corporation pursuant to subsection (c)(2).

15 “(c) USE.—Amounts in the reserve account of the
16 Corporation shall be available—

17 “(1) for payment of qualifying claims under the
18 insurance program of participants, consistent with
19 the terms and conditions established under section
20 802(a);

21 “(2) to the extent that the Corporation deter-
22 mines that such amounts are in excess of current
23 needs and the amount required to be held in the re-
24 serve account pursuant to subsection (d), for invest-
25 ment as the Corporation considers appropriate;

1 “(3) for covering the costs of the Corporation
2 and administering and operating the insurance pro-
3 gram; and

4 “(4) for covering travel expenses of members of
5 the Disaster Insurance Advisory Commission estab-
6 lished by section 826.

7 “(d) MINIMUM CAPITAL REQUIREMENT.—

8 “(1) IN GENERAL.—The Corporation shall at
9 all times maintain amounts in the reserve account
10 equal to or in excess of the applicable minimum cap-
11 ital level determined under paragraph (2).

12 “(2) ESTABLISHMENT OF CAPITAL LEVELS.—

13 The Corporation shall establish a series of minimum
14 capital levels appropriate to ensure sufficient capital-
15 ization of the Corporation based on the nature and
16 extent of the underwriting, investment, and other
17 risks assumed by the Corporation. The capital levels
18 shall not be effective unless approved by the Direc-
19 tor.

20 “(e) TAX-EXEMPT STATUS.—Any amounts deposited
21 in the reserve account, including income derived from the
22 investment of amounts under subsection (c)(2), shall be
23 exempt from all taxation now or hereafter imposed by the
24 United States, or by any State, county, municipality, or
25 local taxing authority.

1 **“SEC. 824. BORROWING AUTHORITY.**

2 “(a) IN GENERAL.—To the extent that the amounts
3 in the reserve fund are insufficient to pay claims and ex-
4 penses of the Corporation and maintain amounts in ac-
5 cordance with the requirements under section 823(d), the
6 Corporation may issue to the Secretary of the Treasury
7 notes and other obligations to cover the insufficiency.

8 “(b) TERMS OF BORROWING.—The Secretary may
9 purchase obligations issued under subsection (a) only if
10 the President determines that the financial condition of
11 the Corporation is adequate to ensure repayment of the
12 obligations. Such obligations shall have terms and condi-
13 tions as determined by the Secretary of the Treasury.

14 **“SEC. 825. INITIAL FEDERAL CONTRIBUTION AND PROHIBI-**
15 **TION OF ADDITIONAL FEDERAL ASSISTANCE.**

16 “(a) AUTHORIZATION OF APPROPRIATIONS.—For
17 purposes of carrying out this title, there is authorized to
18 be appropriated to the Corporation an amount equal to
19 the difference between—

20 “(1) the sum of any balances remaining, at the
21 end of September 30, 1998, in the Disaster Relief
22 appropriation and the Disaster Assistance Direct
23 Loan Program Account of the Federal Emergency
24 Management Agency; and

25 “(2) the amounts determined by the Director to
26 be necessary to reserve from such appropriation and

1 in such Account for purposes of providing assistance
2 pursuant to any major disaster or emergency that
3 commences or occurs (or is declared or determined
4 to have commenced or occurred) on or before Sep-
5 tember 30, 1998.

6 “(b) PROHIBITION OF FEDERAL ASSISTANCE.—Ex-
7 cept as provided in subsection (a) and section 824, no
8 Federal funds may be authorized, appropriated, or used
9 to fund any activity of the Corporation.

10 **“SEC. 826. DISASTER INSURANCE ADVISORY COMMISSION.**

11 “(a) ESTABLISHMENT.—There is hereby established
12 a commission to be known as the Disaster Insurance Advi-
13 sory Commission (in this section referred to as the “Com-
14 mission”).

15 “(b) MEMBERSHIP.—

16 “(1) APPOINTMENT.—The Commission shall be
17 composed of 11 members appointed by the Presi-
18 dent, in consultation with the Director. Of the mem-
19 bers of the Commission, not less than 6 shall be in-
20 dividuals who have been nominated for such appoint-
21 ment by States that are participants in the Corpora-
22 tion, except that (to the extent possible) not more
23 than one such member may be appointed to the
24 Commission pursuant to the nomination of any sin-
25 gle State. Each member of the Commission shall

1 have experience or expertise in at least one of the
2 areas described in subparagraphs (A) through (D) of
3 paragraph (2).

4 “(2) EXPERTISE.—The membership of the
5 Commission shall, at all times, include—

6 “(A) not less than 1 individual who has ex-
7 perience or expertise in actuarial issues relating
8 to disaster insurance;

9 “(B) not less than 1 individual who has ex-
10 perience or expertise in the management of in-
11 surance companies;

12 “(C) not less than 1 individual who has ex-
13 perience or expertise in the regulation of insur-
14 ance companies; and

15 “(D) not less than 1 individual who has
16 experience or expertise in disaster relief.

17 “(3) TERMS.—

18 “(A) IN GENERAL.—Each member of the
19 Commission shall be appointed for a term of 4
20 years, except as provided in subparagraph (B).

21 “(B) INITIAL APPOINTEES.—As designated
22 by the President at the time of appointment, of
23 the members first appointed to the Commis-
24 sion—

1 “(i) 5 shall be appointed for terms of
2 6 years; and

3 “(ii) 6 shall be appointed for terms of
4 4 years.

5 “(4) CHAIRPERSON.—The President shall des-
6 ignate a chairperson of the Commission from among
7 members appointed to the Commission.

8 “(c) PROHIBITION OF PAY.—Members of the Com-
9 mission shall serve without pay.

10 “(d) TRAVEL EXPENSES.—Each member of the
11 Commission shall receive travel expenses, including per
12 diem in lieu of subsistence, in accordance with sections
13 5702 and 5703 of title 5, United States Code, except that
14 such expenses shall be paid by the Corporation.

15 “(e) DUTIES.—The Commission shall—

16 “(1) in coordination with the Director, assist
17 the Corporation in establishing the terms and condi-
18 tions of the insurance program under subtitle A, re-
19 view such terms and conditions, and approve or dis-
20 approve such terms and conditions as appropriate to
21 carry out this title; and

22 “(2) review the annual premium charges estab-
23 lished under section 804 by the Corporation to de-
24 termine whether such charges are established in
25 compliance with the requirements of such section,

1 and if so, certify such compliance to the Corpora-
2 tion.

3 “(f) CONTINUATION.—Section 14(a)(2)(B) of the
4 Federal Advisory Committee Act (5 U.S.C. App.; relating
5 to the termination of advisory committees) shall not apply
6 to the Commission.

7 **“SEC. 827. GAO AUDIT.**

8 “(a) INITIAL AUDIT.—As soon as practicable after
9 October 1, 1998, the Comptroller General of the United
10 States shall audit the activities of the Corporation and the
11 Disaster Insurance Advisory Commission established by
12 section 826 to ensure that such entities are complying
13 with the provisions of this title.

14 “(b) SUCCESSIVE AUDITS.—After the completion of
15 the audit described in subsection (a), the Comptroller Gen-
16 eral shall conduct similar audits not less than once every
17 3 years.

18 “(c) REPORTS.—The Comptroller General shall sub-
19 mit reports of the audits performed under this section to
20 the Congress.

21 **“Subtitle C—General Provisions**

22 **“SEC. 851. DEFINITIONS.**

23 “For purposes of this title:

24 “(1) BOARD.—The term ‘board’ means the
25 board of directors of the Corporation.

1 “(2) CORPORATION.—The term ‘Corporation’
2 means the National Disaster Insurance Corporation.

3 “(3) DIRECTOR.—The term ‘Director’ means
4 the Director of the Federal Emergency Management
5 Agency.

6 “(4) DISASTER.—The term ‘disaster’ means
7 any natural catastrophe (including any hurricane,
8 tornado, storm, high water, winddriven water, tidal
9 wave, tsunami, earthquake, volcanic eruption, land-
10 slide, mudslide, snowstorm, or drought), or, regard-
11 less of cause, any fire, flood, serious accident, or ex-
12 plosion, in or affecting any State or part of a State.

13 “(5) INSURANCE PROGRAM.—The term ‘insur-
14 ance program’ means the program established under
15 this title by the Corporation for disaster insurance
16 coverage.”.

17 **TITLE II—TERMINATION OF FED-**
18 **ERAL DISASTER LOAN PRO-**
19 **GRAMS**

20 **SEC. 201. TERMINATION OF SMALL BUSINESS ADMINISTRA-**
21 **TION DISASTER LOAN PROGRAM.**

22 (a) IN GENERAL.—The Administrator of the Small
23 Business Administration may not make any loan, or enter
24 into an agreement to participate in any loan, under section

1 7(b) of the Small Business Act after the effective date of
2 this title.

3 (b) SAVINGS PROVISION.—Nothing in this section
4 may be construed to affect the validity of any right, duty,
5 or obligation of the United States or any other person
6 arising under or pursuant to any loan or other agreement
7 entered into under section 7(b) of the Small Business Act
8 before the effective date of this title.

9 (c) AUTHORITY TO DISCHARGE OBLIGATIONS.—In
10 discharging obligations of the Small Business Administra-
11 tion, and collecting loans and other obligations owed to
12 the Administration, under section 7(b) of the Small Busi-
13 ness Act, the Administrator of the Small Business Admin-
14 istration is authorized to exercise any authority provided
15 to the Administrator under the Small Business Act, as in
16 effect on the day before the effective date of this title.

17 (d) CONFORMING AMENDMENTS.—

18 (1) REPEALS.—The following provisions of the
19 Small Business Act (15 U.S.C. 631 et seq.) are re-
20 pealed:

21 (A) Section 2(g).

22 (B) Section 3(j).

23 (C) Section 3(k).

24 (D) Paragraphs (8) and (9) of section
25 5(b).

1 (E) Section 7(b).

2 (F) Paragraphs (2) through (7) of section
3 7(c).

4 (G) Section 7(f).

5 (H) Section 23.

6 (2) OTHER CONFORMING AMENDMENTS.—The
7 Small Business Act (15 U.S.C. 631 et seq.) is
8 amended—

9 (A) in section 4(c)(1)—

10 (i) by striking “are hereby estab-
11 lished” and inserting “is established”; and

12 (ii) by striking “the following re-
13 volving funds:” and all that follows
14 through “; and (B)”;

15 (B) in section 4(c)(2) by striking “(A) pur-
16 suant to” and all that follows through “and
17 (B)”;

18 (C) in section 4(c)(3) by striking “the
19 funds” and inserting “the fund”;

20 (D) in section 4(c)(4) by striking “each of
21 the funds” both places it appears and inserting
22 “the fund”;

23 (E) in section 4(c)(5)(A)—

24 (i) by striking “the revolving funds”
25 and inserting “the revolving fund”; and

1 (ii) by striking “out of the funds” and
2 inserting “out of the fund”;

3 (F) in section 4(c)(5)(B)(i) by striking
4 “the funds” and inserting “the fund”;

5 (G) in section 4(c)(5)(B)(ii) by striking
6 “or are made from amounts appropriated from
7 the disaster loan fund after October 1, 1980 or
8 are made from repayments of principal of loans
9 made from funds appropriated to the disaster
10 fund,”;

11 (H) in section 5(b)(5) by striking “and
12 7(b)”;

13 (I) in section 10(a) by striking “disaster
14 relief”.

15 **SEC. 202. REPEAL OF CONSOLIDATED FARM SERVICE**
16 **AGENCY EMERGENCY LOAN PROGRAM.**

17 (a) IN GENERAL.—Subtitle C of the Consolidated
18 Farm and Rural Development Act (7 U.S.C. 1961–1970)
19 is amended by striking sections 321, 322, 323, 324, 326,
20 and 329.

21 (b) CONFORMING AMENDMENTS.—(1) Section 327 of
22 the Consolidated Farm and Rural Development Act (7
23 U.S.C. 1967) is amended—

24 (A) by striking “(a)”;

25 (B) by striking subsection (b).

1 (2) Section 309(g)(1) of the Consolidated Farm and
2 Rural Development Act (7 U.S.C. 1929(g)(1)) is amended
3 by inserting “(as in effect on September 30, 1998)” after
4 “326”.

5 (3) Section 343(a)(10) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 1991(a)(10)) is amend-
7 ed by striking “emergency loan (EM) under section 321,”.

8 (4) Section 371(b) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 2008f(b)) is amended—

10 (A) by adding “and” at the end of paragraph
11 (1);

12 (B) by striking “; and” at the end of paragraph
13 (2) and inserting a period; and

14 (C) by striking paragraph (3).

15 (c) **TRANSITION RULE.**—The amendments made by
16 this section shall not be construed to permit the violation
17 of any contract entered into before the effective date of
18 this title.

19 **SEC. 203. REPEAL OF EMERGENCY RELIEF PROGRAM FOR**
20 **REPAIR OF HIGHWAYS.**

21 Section 125 of title 23, United States Code, is re-
22 pealed.

1 **SEC. 204. TERMINATION OF HUD MORTGAGE INSURANCE**
2 **PROGRAMS FOR DISASTER VICTIMS.**

3 (a) SINGLE FAMILY HOME MORTGAGE INSUR-
4 ANCE.—Section 203(h) of the National Housing Act (12
5 U.S.C. 1709(h)) is amended by adding at the end the fol-
6 lowing new sentence: “Notwithstanding any other provi-
7 sion of law, no mortgage may be insured under this sub-
8 section after the effective date of title II of the Disaster
9 Relief Partnership Act, except pursuant to a commitment
10 to insure entered into before such date.”.

11 (b) INSURANCE FOR REHABILITATION LOANS.—Sec-
12 tion 203(k)(6) of the National Housing Act (12 U.S.C.
13 1709(h)) is amended by adding at the end the following
14 new sentence: “Notwithstanding any other provision of
15 law, no mortgage may be insured pursuant to this para-
16 graph after the effective date of title II of the Disaster
17 Relief Partnership Act, except pursuant to a commitment
18 to insure entered into before such date.”.

19 **SEC. 205. APPLICABILITY.**

20 (a) EFFECTIVE DATE OF AMENDMENTS.—The
21 amendments under this title shall be made on October 1,
22 1998, and shall apply on and after such date, except to
23 the extent provided in subsection (b).

24 (b) INAPPLICABILITY TO DISASTERS DECLARED BE-
25 FORE EFFECTIVE DATE.—The provisions of law amended
26 by this title, as in effect on the day before the date re-

1 referred to in subsection (a), shall continue to apply with
2 respect to any major disaster, natural disaster, disaster,
3 emergency, or catastrophic failure that commences or oc-
4 curs (or is declared or determined to have commenced or
5 occurred), before the date referred in subsection (a).

6 **TITLE III—FEDERAL PROGRAM**
7 **FOR REIMBURSABLE DISAS-**
8 **TER RELIEF AND EMER-**
9 **GENCY ASSISTANCE**

10 **SEC. 301. AMENDMENT OF ROBERT T. STAFFORD DISASTER**
11 **RELIEF AND EMERGENCY ASSISTANCE ACT.**

12 Except as otherwise expressly provided, whenever in
13 this title an amendment or repeal is expressed in terms
14 of an amendment to, or repeal of, a section or other provi-
15 sion, the reference shall be considered to be made to a
16 section or other provision of The Robert T. Stafford Dis-
17 aster Relief and Emergency Assistance Act (42 U.S.C.
18 5121 et seq.).

19 **SEC. 302. FINDINGS AND DECLARATIONS.**

20 (a) FINDINGS.—Section 101(a) (42 U.S.C. 5121
21 note) is amended by striking “The” and inserting “FIND-
22 INGS.—Recognizing the importance of reducing the Fed-
23 eral deficit and allowing the individual States to regain
24 responsibility for management of activities within their
25 borders, the”.

1 (b) DECLARATIONS.—Section 101(b) (42 U.S.C.
2 5121 note) is amended—

3 (1) by striking “an orderly” and all that follows
4 through “their” and inserting “a mechanism which
5 will allow affected States to carry out their”;

6 (2) by striking “such”;

7 (3) by redesignating paragraphs (1) through
8 (6) as paragraphs (2) through (7), respectively;

9 (4) by inserting before paragraph (2) (as so re-
10 designated) the following:

11 “(1) establishing a private corporation which
12 will make available insurance to assist the States in
13 meeting their responsibilities for disaster relief;”;

14 (5) in paragraph (2) (as so redesignated) by
15 striking “and broadening”;

16 (6) in paragraph (5) (as so redesignated) by
17 striking “supplement or”; and

18 (7) in paragraph (7) (as so redesignated) by in-
19 serting “reimbursable” before “assistance”.

20 **SEC. 303. WAIVER OF ADMINISTRATIVE CONDITIONS.**

21 Section 301 (42 U.S.C. 5141) is amended by striking
22 “Any” and inserting “Except as otherwise provided in this
23 title, any”.

1 **SEC. 304. EMERGENCY SUPPORT TEAMS.**

2 Section 303 (42 U.S.C. 5144) is amended by striking
3 “on either” and all that follows through “President,”.

4 **SEC. 305. REIMBURSEMENT.**

5 Section 304 (42 U.S.C. 5147) is amended—

6 (1) by striking “may” and inserting “shall”;

7 and

8 (2) by striking “under this Act” and all that
9 follows through the period at the end of the first
10 sentence and inserting “made under this Act with
11 respect to a major disaster or emergency by the
12 State or States affected by the disaster or emer-
13 gency.”.

14 **SEC. 306. PERFORMANCE OF SERVICES.**

15 Section 306(b) (42 U.S.C. 5149(b)) is amended—

16 (1) by inserting before the first comma “with
17 respect to a major disaster or emergency”; and

18 (2) by striking “. Such obligations” and insert-
19 ing a semicolon and the following:

20 “if the Federal Government has entered into an agreement
21 with the State or States affected by the major disaster
22 or emergency for reimbursement of all costs incurred by
23 the United States with respect to such compensation, em-
24 ployment, and obligations. Such obligations”.

1 **SEC. 307. REIMBURSEMENT AGREEMENTS AND CONDI-**
2 **TIONS.**

3 Section 311 (42 U.S.C. 5154) is amended to read as
4 follows:

5 **“SEC. 311. REIMBURSEMENT AGREEMENTS AND CONDI-**
6 **TIONS.**

7 “(a) REPAYMENT.—Assistance may only be provided
8 under this Act with respect to damage caused by a major
9 disaster or emergency within the borders of a State if a
10 State has agreed to reimburse the United States for all
11 expenses incurred by the United States in providing such
12 assistance. Such assistance, including a loan or advance
13 made under section 319, shall be repaid to the United
14 States.

15 “(b) INTEREST.—Assistance provided under this Act
16 with respect to which a State agrees to reimburse the
17 United States for all expenses incurred in providing such
18 assistance, including loans and advances made under this
19 Act, shall bear interest at a rate determined by the Sec-
20 retary of the Treasury, taking into consideration the cur-
21 rent market yields on outstanding marketable obligations
22 of the United States with remaining periods of maturity
23 comparable to the reimbursement period of the reimburs-
24 able assistance provided.

25 “(c) REGULATIONS.—The President shall issue regu-
26 lations describing the terms and conditions under which

1 any reimbursable assistance, loan, or advance authorized
2 by this Act may be provided.”.

3 **SEC. 308. TREATMENT OF ASSISTANCE.**

4 Section 312 (42 U.S.C. 5155) is amended to read as
5 follows:

6 **“SEC. 312. TREATMENT OF ASSISTANCE.**

7 “Federal major disaster and emergency assistance
8 provided to individuals and families under this Act, and
9 comparable disaster assistance provided by States, local
10 governments, and disaster assistance organizations, shall
11 not be considered as income or a resource when determin-
12 ing eligibility for or benefit levels under federally funded
13 income assistance or resource-tested benefit programs.”.

14 **SEC. 309. LIABILITY.**

15 Section 317 (42 U.S.C. 5160) is repealed.

16 **SEC. 310. ADVANCE OF STATE EXPENDITURES.**

17 Section 319 (42 U.S.C. 5162) is amended to read as
18 follows:

19 **“SEC. 319. ADVANCE OF STATE EXPENDITURES.**

20 “The President may lend or advance to a State as-
21 sistance for which the State is responsible under section
22 403 of this Act in any case in which the President deter-
23 mines that—

24 “(1) the damages caused by a major disaster
25 are so overwhelming and severe that it is not pos-

1 sible for the State to assume immediately its finan-
2 cial responsibility under this Act; and

3 “(2) the State has the ability to repay any such
4 loans or advances.”.

5 **SEC. 311. PROCEDURE FOR DECLARATION OF MAJOR DIS-**
6 **ASTER.**

7 Section 401 (42 U.S.C. 5170) is amended—

8 (1) by inserting “reimbursable” after “Fed-
9 eral”;

10 (2) by inserting before the period at the end of
11 the second sentence “and shall enter into an agree-
12 ment to reimburse the United States for all expenses
13 incurred in providing assistance under this Act with
14 respect to the disaster”; and

15 (3) by striking “cost-sharing”.

16 **SEC. 312. GENERAL FEDERAL DISASTER ASSISTANCE.**

17 Section 402 (42 U.S.C. 5170a) is amended—

18 (1) by striking “In” and inserting “(a) GEN-
19 ERAL AUTHORITY.—Subject to subsection (b), in”;

20 (2) by striking “, with or without reimburse-
21 ment,”; and

22 (3) by adding at the end the following:

23 “(b) REIMBURSEMENT AGREEMENT.—Assistance
24 may only be provided under this section if the affected

1 State agrees to reimburse the United States for all ex-
2 penses incurred in providing such assistance.”.

3 **SEC. 313. ESSENTIAL DISASTER ASSISTANCE.**

4 Section 403 (42 U.S.C. 5170b) is amended—

5 (1) in subsection (a) by striking “Federal agen-
6 cies” and inserting “Subject to subsection (b), Fed-
7 eral agencies”;

8 (2) by striking subsection (b) and inserting the
9 following:

10 “(b) REIMBURSEMENT AGREEMENT.—Assistance
11 may only be provided under this section if the affected
12 State agrees to reimburse the United States for all ex-
13 penses incurred in providing such assistance.”;

14 (3) in subsection (c)(3) by striking “out of
15 funds made available to carry out this Act” and in-
16 serting “by the State”;

17 (4) by striking paragraph (4);

18 (5) by redesignating paragraphs (5) and (6) of
19 subsection (c) as paragraphs (4) and (5), respec-
20 tively; and

21 (6) in subsection (c)(4) (as so redesignated) by
22 striking “Not later than” and all that follows
23 through “1988, the” and inserting “The”.

24 **SEC. 314. HAZARD MITIGATION.**

25 Section 404 (42 U.S.C. 5170c) is repealed.

1 **SEC. 315. REPAIR, RESTORATION, AND REPLACEMENT OF**
2 **DAMAGED FACILITIES.**

3 Section 406 (42 U.S.C. 5172) is amended to read as
4 follows:

5 **“SEC. 406. REPAIR, RESTORATION, AND REPLACEMENT OF**
6 **DAMAGED FACILITIES.**

7 “The President may provide assistance to a State—

8 “(1) for the repair, restoration, reconstruction,
9 or replacement of a public facility which is damaged
10 or destroyed by a major disaster and for associated
11 expenses incurred by the State or a local government
12 thereof; or

13 “(2) for the repair, restoration, reconstruction,
14 or replacement of a private nonprofit facility dam-
15 aged or destroyed by a major disaster and for asso-
16 ciated expenses incurred by the owner or operator of
17 such facility;

18 if the State agrees to reimburse the United States for all
19 expenses incurred in providing such assistance.”.

20 **SEC. 316. DEBRIS REMOVAL.**

21 Section 407 (42 U.S.C. 5173) is amended—

22 (1) in subsection (a)(2) by striking “make
23 grants” and all that follows through “facility” and
24 inserting “provide assistance to any State”;

1 (2) by striking the period at the end of sub-
2 section (a) and inserting a semicolon and the follow-
3 ing:

4 “if the State agrees to reimburse the United States for
5 all expenses incurred in providing such assistance.”;

6 (3) in subsection (b) by striking “or local gov-
7 ernment”; and

8 (4) by striking subsection (d).

9 **SEC. 317. TEMPORARY HOUSING ASSISTANCE.**

10 Section 408 (42 U.S.C. 5174) is amended to read as
11 follows:

12 **“SEC. 408. TEMPORARY HOUSING ASSISTANCE.**

13 “(a) PROVISION OF TEMPORARY HOUSING.—The
14 President may provide assistance to a State for the provi-
15 sion of temporary housing (including unoccupied habitable
16 dwellings), suitable rental housing, mobile homes, or other
17 readily fabricated dwellings to persons who, as a result
18 of a major disaster, require temporary housing if the State
19 agrees to reimburse the United States for all expenses in-
20 curred in providing such assistance.

21 “(b) MOBILE HOME SITE.—

22 “(1) IN GENERAL.—Any mobile home or other
23 readily fabricated dwelling provided under this sec-
24 tion shall whenever possible be located on a site
25 which—

1 “(A) is provided by the State or local gov-
2 ernment; and

3 “(B) has utilities provided by the State or
4 local government, by the owner of the site, or
5 by the occupant who was displaced by the
6 major disaster.

7 “(2) OTHER SITES.—Mobile homes and other
8 readily fabricated dwellings may be located on sites
9 provided by the President if the President deter-
10 mines that such sites would be more economical or
11 accessible than sites described in paragraph (1).”.

12 **SEC. 318. MINIMUM STANDARDS FOR PUBLIC AND PRIVATE**
13 **STRUCTURES.**

14 Section 409 (42 U.S.C. 5176) is repealed.

15 **SEC. 319. UNEMPLOYMENT ASSISTANCE.**

16 Section 410 (42 U.S.C. 5177) is amended—

17 (1) in subsection (a) by inserting before the pe-
18 riod at the end “and ensure that the United States
19 will be reimbursed by the States for all expenses in-
20 curred in providing assistance under this sub-
21 section”; and

22 (2) in subsection (b)(2) by inserting before the
23 period at the end “if the State agrees to reimburse
24 the United States for all expenses incurred in pro-
25 viding such assistance”.

1 **SEC. 320. INDIVIDUAL AND FAMILY GRANT PROGRAMS.**

2 Section 411 (42 U.S.C. 5178) is repealed.

3 **SEC. 321. CRISIS COUNSELING ASSISTANCE AND TRAINING.**

4 Section 416 (42 U.S.C. 5183) is amended—

5 (1) by striking “or local agencies or private
6 mental health organizations to provide” and insert-
7 ing “agencies to provide (or to contract with local
8 agencies or private mental health organizations for
9 the provision of)”; and

10 (2) by inserting before the period at the end “if
11 the State agrees to reimburse the United States for
12 all expenses incurred in providing such services and
13 assistance”.

14 **SEC. 322. COMMUNITY DISASTER LOANS.**

15 Section 417 (42 U.S.C. 5184) is repealed.

16 **SEC. 323. EMERGENCY COMMUNICATIONS.**

17 Section 418 (42 U.S.C. 5185) is amended by insert-
18 ing before the period at the end “if the State agrees to
19 reimburse the United States for all expenses incurred in
20 providing assistance under this section”.

21 **SEC. 324. EMERGENCY PUBLIC TRANSPORTATION.**

22 Section 419 (42 U.S.C. 5186) is amended by insert-
23 ing before the period at the end “if the State agrees to
24 reimburse the United States for all expenses incurred in
25 providing assistance under this section”.

1 **SEC. 325. FIRE SUPPRESSION.**

2 Section 420 (42 U.S.C. 5187) is amended—

3 (1) by striking the section heading and “SEC.
4 420.” and inserting the following:

5 **“SEC. 420. FIRE SUPPRESSION ASSISTANCE.”**

6 (2) by striking “, including grants,”; and

7 (3) by inserting before the period at the end “if
8 the State agrees to reimburse the United States for
9 all expenses incurred in providing assistance under
10 this section”.

11 **SEC. 326. TIMBER SALE CONTRACTS.**

12 Section 421(d) (42 U.S.C. 5188(d)) is amended—

13 (1) by striking “make grants to any State or
14 local government” and inserting “provide financial
15 assistance to any State”;

16 (2) by inserting after “major disaster” the fol-
17 lowing: “if the State agrees to reimburse the United
18 States for all expenses incurred in providing such as-
19 sistance”;

20 (3) by striking “or local government is” and in-
21 serting “is”; and

22 (4) by striking “such grants” and inserting
23 “assistance”.

24 **SEC. 327. SIMPLIFIED PROCEDURE.**

25 Section 422 (42 U.S.C. 5189) is repealed.

1 **SEC. 328. APPEALS OF ASSISTANCE DECISIONS.**

2 Section 423 (42 U.S.C. 5189a) is repealed.

3 **SEC. 329. PROCEDURE FOR DECLARATION.**

4 Section 501 (42 U.S.C. 5191) is amended—

5 (1) in subsection (a) by inserting “reimburs-
6 able” after “Federal” the first place it appears;

7 (2) by inserting before the period at the end of
8 the second sentence of subsection (a) “and shall
9 enter into an agreement to reimburse the United
10 States for all expenses incurred in providing assist-
11 ance under this Act with respect to the emergency”;
12 and

13 (3) in subsection (b) by striking “or section
14 503”.

15 **SEC. 330. FEDERAL EMERGENCY ASSISTANCE.**

16 Section 502 (42 U.S.C. 5192) is amended—

17 (1) in subsection (a) by striking “In” and in-
18 serting “Subject to subsection (c), in”;

19 (2) in subsection (a)(1) by striking “, with or
20 without reimbursement,”;

21 (3) in subsection (b) by striking “Whenever”
22 and inserting “Subject to subsection (c), whenever”;
23 and

24 (4) by adding at the end the following:

25 “(c) REIMBURSEMENT AGREEMENT.—Assistance
26 may only be provided under this section if the affected

1 State agrees to reimburse the United States for all ex-
2 penses incurred in providing such assistance.”.

3 **SEC. 331. AMOUNT OF ASSISTANCE.**

4 Section 503 (42 U.S.C. 5193) is repealed.

5 **SEC. 332. APPLICABILITY.**

6 (a) EFFECTIVE DATE OF AMENDMENTS.—The
7 amendments under this title shall be made on October 1,
8 1998, and shall apply on and after such date, except to
9 the extent provided in subsection (b).

10 (b) INAPPLICABILITY TO DISASTERS DECLARED BE-
11 FORE EFFECTIVE DATE.—The provisions of law amended
12 by this title, as in effect on the day before the date re-
13 ferred to in subsection (a), shall continue to apply with
14 respect to any major disaster or emergency that com-
15 mences or occurs (or is declared or determined to have
16 commenced or occurred) before the date referred in sub-
17 section (a).

○