

championed the idea and saw it signed into law in Michigan in 1975.

To his continuing credit, Michigan's experiment was so successful, it served as the model for the federal government when it passed the nationwide act in 1993—a full 18 years after Michigan. It is an association, an accomplishment and a legacy that has bettered this great nation, and it is a fitting tribute to one of Michigan's finest public servants.

Richard is in a better place now. He is survived by his wife of 61 years, Ida, and their daughter. He will be sorely missed by all. Good bye Richard and God Bless you.

INTRODUCING THE REPETITIVE
FLOOD LOSS REDUCTION ACT OF
2001

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 2001

Mr. BENTSEN. Mr. Speaker, I rise to introduce legislation, the Repetitive Flood Loss Reduction Act of 2001, to reform the National Flood Insurance Program (NFIP) at a very critical time. The Bush administration has proposed the most severe NFIP reduction policy seen in years. According to the FY 2002 budget, "flood insurance will no longer be available for several thousand 'repetitive loss' properties," but does not provide a definition. My proposal reforms the program by improving pre-disaster mitigation and facilitating voluntary buyouts of repetitively flooded properties and defines such properties as those with cumulative losses exceeding fair market value. I am confident that an effective pre-disaster mitigation and buyout program will both reduce costs to taxpayers, protect residents in flood-prone areas, and avoid writing off thousands of families' most valuable asset—their home.

I have long championed removing repetitive loss properties from the NFIP, and I drafted my legislation in consultation with the Federal Emergency Management Agency and the Harris County, Texas, Flood Control District, one of the nation's most experienced and most innovative flood control districts. I consider this legislation to be a superior alternative to the Administration's proposal, and I look forward to working with the Administration, my colleagues, constituents, and other interested parties so that fair NFIP reform can be reached.

The need for this legislation was underscored by the 1999 Higher Ground report by the National Wildlife Federation (NWF) that the NFIP has made flood insurance payments exceeding the value of the properties involved to thousands of repetitively flooded properties around the nation. This report, found that from 1978 to 1995, 5,629 repetitively flooded homes had received \$416.4 million in payments, far in excess of their market value of \$307.5 million. My state of Texas led the nation in the volume of such payments, with more than \$144 million, or \$44 million more than the market value, paid to 1,305 repetitively flooded homes. The Houston/Harris County area, which I represent, had 132 of the 200 properties that generated the largest flood insurance payments beyond their actual value.

These include one property in South Houston that received a total of \$929,680 in flood insurance payments from 17 flooding incidents, and another property near the San Jacinto River that received \$806,591 for 16 flooding incidents, about seven times the actual value of the home.

Other areas of the country with large numbers of such properties include New Orleans and Orleans Parish, LA; St. Charles County, MO; Jefferson Parish, LA; East Baton Rouge Parish, LA; and Puerto Rico. Altogether, according to the NWF report, although repetitive loss properties represent only two percent of all properties insured by the National Flood Insurance Program, they claimed 40 percent of all NFIP payments during the period studied.

Since its creation in 1968, the NFIP has filled an essential need in offering low-cost flood insurance to homeowners who live inside 100-year flood plains, and the program has helped to limit the exposure of taxpayers to disaster costs associated with flooding. Insurance minimizes risk and liability; it goes hand in hand with economic growth. However, the NWF report clearly points out the need to improve the NFIP to address the problem of repetitive loss properties.

Furthermore, continued losses to the NFIP has increased the call by some of my colleagues, and now the Bush Administration, to increase premiums and reduce the federal subsidy for all homeowners in the flood plain, not just those that suffer from repetitive flooding, in order to reduce federal budget outlays, or to drop homeowners who have filed limited claims against the NFIP. The latest Administration NFIP proposal drops undefined "repetitive loss properties" out of NFIP after the next claim. Under the Bush proposal, a homeowner who filed a single claim, regardless of the size, would be dropped from the program. Without long-term comprehensive reform of the NFIP, I am concerned that in the future Congress may follow through with the Administration's proposal or other proposals to double or triple flood insurance premiums for all flood-prone homeowners, as was proposed in 1995 and 1996.

While the Administration is pushing people out of the NFIP, it also proposes to reduce the federal share of hazard mitigation grants from 75% to 50%, reducing funds available for flood prevention by \$83 million. The administration also proposes to eliminate FEMA's Project Impact, which helps communities protect themselves from the devastating effects of natural disasters. In addition, the 2002 budget cuts the Army Corps of Engineers by \$600 million. Of that cut, \$451 million comes from Construction General funds, which fund flood control and navigation projects. A policy of reducing flood prevention efforts while reducing insurance will compound the safety risk and financial pain for homeowners in the floodplain.

Instead of stripping away homeowners' flood insurance, my legislation takes a three-pronged approach to addressing this issue: a comprehensive pre-disaster mitigation program; an enhanced repetitive substantial loss property buyout program with consistent criteria and procedures; and improved coordination between FEMA and local governments:

Pre-disaster mitigation: The legislation directs the FEMA director to carry out a program to mitigate repetitive flood losses by providing financial assistance in the form of grants to the States, local governments, and

local flood management agencies for planning and carrying out activities designed to reduce expenditures from the NFIP. Eligible mitigation activities include elevation, relocation, demolition, floodproofing, and acquisition by States and communities of properties and structures located in flood-risk areas. Grants would be provided on a cost-shared basis, with the Federal government providing no more than 75 percent of the total cost of the mitigation activities, as is the case with traditional watershed management programs.

Repetitive Loss Property Buyout Program: The legislation authorizes the FEMA director, upon determining that an insured property is a repetitive substantial loss property, to offer to purchase the property at fair market value (including structures) at the time of the offer. This offer would remain open as long as the property is covered by the NFIP. The State or local flood management agency may coordinate and carry out the purchase at FEMA's direction. Any property so acquired would have to be used in a way compatible with open space, recreational, or wetlands management practices, providing both environmental and flood management benefits. The legislation establishes a firm damage standard of repetitive flood losses in excess of 125 percent of the value of the property (or structures) to become subject to and receive priority for buyout offers. It also provides incentives for acceptance of buyout offers by establishing increased NFIP premiums and deductibles for owners of substantial repetitive loss properties who decline buyout offers.

Intergovernmental Coordination: The legislation directs the FEMA director, in consultation with regional flood plain administrators, to develop and periodically update a list of repetitive flood lost properties, which will provide a consistent data base for all levels of government. This consistent approach to assessing, ranking, and reporting of repetitive loss properties will result in better targeting of assistance to areas of greatest need.

This legislation authorizes the appropriation of \$100 million for fiscal year 2000 to carry out the pre-disaster mitigation and repetitive flood loss property buyout program. I believe this is a cost-effective investment that will reduce the financial exposure of the American taxpayer by better protecting or removing the highest risk properties from the National Flood Insurance Program.

HONORING COLORADO MOUNTAIN
COLLEGE'S "COMMUNITY AD-
JUNCT FACULTY OF THE YEAR"

HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 2001

Mr. MCINNIS. Mr. Speaker, it is my great pleasure to ask that this Congress recognize and say thank you to Colorado Mountain College's "Adjunct Faculty of the Year" Marcia Hund. Marcia was selected from 1,000 community faculty members for her ability to teach and for her understanding of students. For that, Marcia deserves the recognition of this body.

Marcia teaches the fundamentals of math, and is an instructor in the CMC's Rifle Center Learning Lab. And after school she volunteers