

Washington, D.C. — The House Committee on Financial Services today approved legislation authored by Congressman Earl Blumenauer (D-Ore.) and Congressman Doug Bereuter (R-Neb.) to reauthorize the National Flood Insurance Program (NFIP). H.R.253, the “Two Floods and You Are Out of the Taxpayer’s Pocket” bill would address the excessive costs NFIP of repeatedly flooded properties.

“This legislation will stop the federal government from subsidizing people to live where Mother Nature repeatedly shows they are not wanted,” Blumenauer said. “It will benefit federal taxpayers, local communities and our environment and help get families out of harm’s way.”

The National Flood Insurance Program expires this year and must be reauthorized by Congress. The “Two Floods” bill reauthorizes and reforms the NFIP to provide a disincentive to property owners to live in repetitively flooded areas. Under the bill, the NFIP would provide repeatedly flooded homeowners assistance in either elevating or moving their homes away from floodwaters, rather than rebuild in harm’s way. Those who refuse mitigation assistance would pay the full actuarial costs for choosing to live in a risky area. Repetitive loss properties are those which have sustained two or more flood losses of at least \$1,000 each in any 10-year period.

The goal of the Blumenauer-Bereuter bill is to avoid injury, death and damage before it occurs, and to give property owners the option of moving to less hazardous areas. The bill would also save the federal government millions of dollars in avoided flood damage-inspired disaster relief. Finally, the bill would benefit the environment, by encouraging non-structural approaches to flood control, such as removing structures from floodplains.

According to FEMA, existing mitigation and building standards have resulted in over \$1 billion annually in reduced flood losses. H.R.253 would significantly increase these savings by increasing funding for FEMA’s mitigation grant assistance program.

According to the National Wildlife Federation, the federal government spent more than \$38 billion between 1960 and 2000 in an attempt to control flooding in flood plains or wetlands. Despite that spending, flood losses have nearly tripled since the 1950s, before the federal government made its investments. Repetitive loss properties are a drain on the National Flood Insurance Program. Although they represent less than one percent of all properties insured by the NFIP, they account for an average of 25% of NFIP’s flood loss dollars each year.

The legislation must now be approved by the full House of Representatives as well as the United States Senate.