

115TH CONGRESS
1ST SESSION

H. R. 4056

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

OCTOBER 12, 2017

Mr. KIND introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, and Ways and Means, 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 Insurance Risk Equality 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—FEDERAL PROGRAM FOR REIMBURSABLE DISASTER
RELIEF AND EMERGENCY ASSISTANCE**

Sec. 201. Findings and declarations.

Sec. 202. Waiver of administrative conditions.

Sec. 203. Emergency support teams.

Sec. 204. Reimbursement.

Sec. 205. Performance of services.

Sec. 206. Reimbursement agreements and conditions.

Sec. 207. Treatment of assistance.

Sec. 208. Liability.

Sec. 209. Advance of State expenditures.

Sec. 210. Procedure for declaration of major disaster.

Sec. 211. General Federal disaster assistance.

Sec. 212. Essential disaster assistance.

Sec. 213. Hazard mitigation.

Sec. 214. Repair, restoration, and replacement of damaged facilities.

Sec. 215. Debris removal.

Sec. 216. Temporary housing assistance.

Sec. 217. Unemployment assistance.

Sec. 218. Crisis counseling assistance and training.

Sec. 219. Community disaster loans.

Sec. 220. Emergency communications.

Sec. 221. Emergency public transportation.

Sec. 222. Fire suppression.

Sec. 223. Timber sale contracts.

Sec. 224. Simplified procedure.

Sec. 225. Appeals of assistance decisions.

Sec. 226. Procedure for declaration.

Sec. 227. Federal emergency assistance.

Sec. 228. Amount of assistance.

Sec. 229. Applicability.

TITLE III—FEDERAL-AID HIGHWAYS

Sec. 301. National standard for State participation in disaster insurance pro-
gram.

Sec. 302. Emergency relief program for repair of highways.

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 and the annual disaster
11 relief obligations of the Federal Emergency Manage-
12 ment Agency have both been steadily increasing over
13 time;

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

18 (5) an amendment to the Constitution of the
19 United States requiring a balanced Federal budget
20 would require major retrenchments in activities that
21 assist citizens of the United States in times of crises
22 and distress.

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

24 (1) to reaffirm the individual States' primary
25 responsibility for disaster relief;

1 (2) to restore the Federal Government’s role for
 2 disaster relief to one of secondary support, provided
 3 on a reimbursable basis, in unusual or special emer-
 4 gency situations that require services best provided
 5 by Federal agencies; and

6 (3) to establish a private corporation to provide
 7 risk-based insurance to the individual States to as-
 8 sist the States in meeting their obligations in dis-
 9 aster relief.

10 **TITLE I—NATIONAL DISASTER** 11 **INSURANCE PROGRAM**

12 **SEC. 101. DISASTER INSURANCE PROGRAM.**

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

16 **“TITLE VIII—DISASTER** 17 **INSURANCE PROGRAM**

18 **“Subtitle A—Insurance Program**

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

20 “The National Disaster Insurance Corporation estab-
 21 lished under subtitle B shall establish and carry out an
 22 insurance program under this subtitle to provide coverage
 23 to States against certain losses and costs arising from dis-
 24 asters, which shall be funded solely by State premiums

1 and payments and shall operate on an actuarially sound
2 basis.

3 **“SEC. 802. TERMS AND CONDITIONS OF INSURANCE PRO-**
4 **GRAM.**

5 “(a) IN GENERAL.—The Corporation shall establish
6 the terms and conditions for the provision of disaster in-
7 surance under the disaster insurance program of the Cor-
8 poration, which shall include—

9 “(1) the general terms and conditions of insur-
10 ance coverage;

11 “(2) limitations on the scope and amounts of
12 coverage provided;

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

15 “(4) appropriate loss deductibles; and

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

18 “(b) OBJECTIVES.—In establishing the terms and
19 conditions under this section, the Corporation shall ensure
20 that the insurance program accomplishes the following ob-
21 jectives:

22 “(1) RECOVERY FROM DISASTERS.—The
23 amount of coverage provided under the program
24 shall be sufficient to provide State participants with
25 amounts adequate for recovery from disasters.

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

4 “(3) **PARTICIPATION.**—Participation in the pro-
5 gram by all States shall be encouraged.

6 “(c) **ASSISTANCE.**—The terms and conditions of the
7 insurance program shall be established in consultation
8 with the Administrator of the Federal Emergency Man-
9 agement Agency, the Disaster Insurance Advisory Com-
10 mittee under section 826, and other relevant Federal
11 agencies and shall be effective only if approved by the Ad-
12 ministrators and the Advisory Committee.

13 **“SEC. 803. COVERAGE.**

14 “(a) **IN GENERAL.**—The insurance program shall
15 provide insurance coverage under this subtitle for each
16 participant in the Corporation. The initial coverage avail-
17 able under the program shall take effect on October 1,
18 2019.

19 “(b) **ELIGIBLE INSURED.**—The insurance program
20 may provide insurance coverage only to participants and
21 each State shall be eligible to become a participant pursu-
22 ant to the requirements of section 821(d).

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

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

5 “(A) removing debris and wreckage;

6 “(B) conducting search and rescue, and
7 providing emergency medical care, emergency
8 mass care, emergency shelter, food, water, med-
9 icine, and other essential needs, including move-
10 ment of supplies or persons;

11 “(C) clearing roads and constructing tem-
12 porary bridges necessary to the performance of
13 emergency tasks and essential community serv-
14 ices;

15 “(D) providing temporary facilities for
16 schools and other essential community services;

17 “(E) demolishing unsafe structures that
18 endanger the public;

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

20 “(G) disseminating of public information
21 and assistance regarding health and safety
22 measures; and

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

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

5 “(3) COORDINATION.—Costs of coordinating re-
6 lief efforts.

7 “(4) TECHNICAL ADVICE.—Costs of obtaining
8 technical advice regarding—

9 “(A) disaster management and control;

10 “(B) performing essential community serv-
11 ices; and

12 “(C) disseminating information regarding
13 public health and safety, issuing warnings of
14 risks and hazards.

15 “(5) HAZARD MITIGATION.—Costs of con-
16 ducting hazard mitigation measures that the Cor-
17 poration determines to be cost-effective and that will
18 substantially reduce the risk of future damage, hard-
19 ship, loss, or suffering in any area affected by the
20 disaster.

21 “(6) REPAIR AND REPLACEMENT OF DAMAGED
22 FACILITIES AND RESIDENCES.—Costs for the repair,
23 restoration, reconstruction, or replacement of facili-
24 ties (including public, private, and private nonprofit
25 facilities, and commercial and agricultural facilities)

1 and residences that are damaged or destroyed by the
2 disaster and for associated expenses incurred by the
3 owners of the facilities and residences, and losses
4 from damage or destruction to such facilities and
5 residences.

6 “(7) TEMPORARY HOUSING.—Costs of pro-
7 viding, by purchase or lease, temporary housing (in-
8 cluding unoccupied habitable dwellings), suitable
9 rental housing, mobile homes, or other readily fab-
10 ricated dwellings to persons who, as a result of the
11 disaster, require temporary housing.

12 “(8) TEMPORARY MORTGAGE AND RENTAL PAY-
13 MENTS.—Costs of providing assistance on a tem-
14 porary basis in the form of mortgage or rental pay-
15 ments to or on behalf of individuals and families
16 who, as a result of financial hardship caused by the
17 disaster, have received written notice of disposses-
18 sion or eviction from a residence by reason of a fore-
19 closure of any mortgage or lien, cancellation of any
20 contract of sale, or termination of any lease, entered
21 into prior to such disaster, except that such costs
22 may not cover assistance provided for a duration ex-
23 ceeding the period of financial hardship or 18
24 months, whichever is less.

1 “(9) COUNSELING.—Costs of professional coun-
2 seling services to victims of the disaster to relieve
3 mental health problems caused or aggravated by the
4 disaster or its aftermath.

5 “(10) LOST REVENUE.—Loss to a participant
6 of a substantial portion of tax and other revenues,
7 but only if the participant demonstrates a need for
8 reimbursement of such losses to perform its govern-
9 mental functions.

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

13 “(12) TEMPORARY PUBLIC TRANSPORTATION.—
14 Costs of providing temporary public transportation
15 service in the area affected by the disaster to meet
16 emergency needs and to provide transportation to
17 governmental offices, supply centers, stores, post of-
18 fices, schools, major employment centers, and such
19 other places as may be necessary in order to enable
20 the community to resume its normal pattern of life
21 as soon as possible.

22 “(13) FIRE SUPPRESSION.—Costs of equip-
23 ment, supplies, and personnel for the suppression of
24 any fire on publicly or privately owned forest or
25 grassland.

1 “(14) LOAN AND ASSISTANCE PROGRAMS.—
2 Losses and costs associated with providing the fol-
3 lowing assistance:

4 “(A) SMALL BUSINESS LOANS.—Loans
5 for—

6 “(i) the repair, rehabilitation, or re-
7 placement of properties of small business
8 concerns that are damaged or destroyed as
9 a result of the disaster;

10 “(ii) refinancing mortgages or other
11 liens against residences and properties of
12 small business concerns that are destroyed
13 or substantially damaged as a result of the
14 disaster; and

15 “(iii) assisting small business concerns
16 that suffer substantial economic injury as
17 a result of the disaster.

18 “(B) FARM LOANS.—Emergency loans to
19 persons whose farming, ranching, or aqua-
20 culture operations have been substantially af-
21 fected by a disaster.

22 “(C) HIGHWAY REPAIR.—Assistance for
23 the repair or reconstruction of highways, roads,
24 and trails that suffer serious damage as the re-
25 sult of the disaster.

1 “(D) INSURANCE OF LOANS FOR SINGLE
2 FAMILY HOMES.—Insurance for mortgages and
3 rehabilitation loans for 1- to 4-family residences
4 of mortgagors and borrowers whose residences
5 are destroyed or damaged as a result of the dis-
6 aster.

7 “(15) OTHER.—Any other costs or losses sus-
8 tained in providing disaster relief in the State, that
9 are determined by the Corporation to be appropriate
10 and which are not inconsistent with the provisions of
11 this subtitle.

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

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

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

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

20 “(a) GENERAL AUTHORITY.—The Corporation shall
21 require each State, as a condition of participation in the
22 Corporation and coverage under the insurance program
23 during any fiscal year, to make a premium payment to
24 the Corporation for such fiscal year in an amount deter-
25 mined in accordance with this section. The Corporation

1 shall annually review the premium payments charged to
2 each participant and, if appropriate, adjust such payment
3 amounts.

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

6 “(1) established using generally accepted actu-
7 arial principles;

8 “(2) to the maximum extent practicable, based
9 on a consideration of the respective risks involved,
10 including differences in—

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

12 “(B) hazard mitigation measures in place,
13 including any disaster preparedness plan of the
14 participant for mitigation, warning, emergency
15 operations, rehabilitation, and recovery;

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

18 “(D) the extent to which other sources of
19 insurance or assistance will cover costs and
20 losses for types of property and activities cov-
21 ered in a State; and

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

1 “(A) amounts in the reserve account of the
2 Corporation under section 823 for anticipated
3 claims; and

4 “(B) for any administrative and operating
5 expenses of the Corporation in carrying out the
6 insurance program.

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

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

16 “(e) FEDERAL CONTRIBUTION.—

17 “(1) CREDIT TOWARD PREMIUMS.—For each
18 fiscal year, the amount of the premium charges owed
19 for such fiscal year by each State that is partici-
20 pating in the Corporation and the insurance pro-
21 gram under this subtitle shall be reduced by the
22 amount determined for such State under paragraph
23 (2).

24 “(2) AMOUNT.—For a fiscal year, the amount
25 determined under this paragraph for each State that

1 is a participant shall be the amount that bears the
2 same percentage to the full premium charges owed
3 by such State for such fiscal year as the total
4 amount appropriated pursuant to paragraph (3) for
5 such fiscal year bears to the sum of all premium
6 charges owed by all participating States for such fis-
7 cal year.

8 “(3) AUTHORIZATION OF APPROPRIATIONS.—

9 There is authorized to be appropriated to the Cor-
10 poration for each fiscal year an amount equal to 10
11 percent of the sum of all premium charges owed by
12 all States participating in the Corporation and the
13 insurance program under this subtitle for such fiscal
14 year.

15 **“SEC. 805. CLAIMS.**

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

19 “(b) EFFECT OF DUPLICATIVE COVERAGE.—The
20 amount of any claim paid for losses or costs under the
21 insurance program may not include any amount for any
22 portion of such losses or costs covered by amounts pro-
23 vided under any other source of insurance or financial as-
24 sistance.

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

1 “(1) REDUCTION OF FEDERAL ASSISTANCE.—If
2 a facility or residence located in a special flood haz-
3 ard area identified for more than 1 year by the Ad-
4 ministrator pursuant to the National Flood Insur-
5 ance Act of 1968 is damaged or destroyed by flood-
6 ing in a disaster and such facility or residence is not
7 covered on the date of such flooding by flood insur-
8 ance, the amount of a claim for coverage under this
9 subtitle which would otherwise be paid under the in-
10 surance program under this subtitle for costs of re-
11 pair, restoration, reconstruction, and replacement of
12 such facility or residence and associated expenses
13 shall be reduced in accordance with paragraph (2).

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

17 “(A) the value of such facility or residence
18 on the date of the flood damage or destruction;
19 or

20 “(B) the maximum amount of insurance
21 proceeds which would have been payable with
22 respect to such facility or residence if such fa-
23 cility had been covered by flood insurance under
24 the National Flood Insurance Act of 1968 on
25 such date.

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

7 “(d) CAUSE OF ACTION.—If the Corporation dis-
 8 allows a claim or the claimant refuses to accept the
 9 amount allowed upon any claim, the claimant may, before
 10 the expiration of the 1-year period beginning upon the
 11 claimant’s receipt of written notice of the disallowance or
 12 partial disallowance of the claim, institute an action on
 13 such claim against the Corporation in the United States
 14 District Court for the District of Columbia. Original exclu-
 15 sive jurisdiction is hereby conferred upon such Court to
 16 hear and determine such action without regard to the
 17 amount in controversy.

18 **“Subtitle B—National Disaster In-**
 19 **surance Corporation and Dis-**
 20 **aster Insurance Advisory Com-**
 21 **mission**

22 **“SEC. 821. NATIONAL DISASTER INSURANCE CORPORA-**
 23 **TION.**

24 “(a) ESTABLISHMENT.—There is authorized to be es-
 25 tablished a body corporate to be known as the National

1 Disaster Insurance Corporation, which shall be subject to
2 the provisions of this title. The Corporation shall not be
3 an agency or establishment of the Federal Government.
4 The principal office of the Corporation shall be located in
5 the District of Columbia or the metropolitan area thereof.

6 “(b) FUNCTION.—The purpose of the Corporation
7 shall be to carry out the insurance program under subtitle
8 A.

9 “(c) GOVERNANCE.—

10 “(1) BOARD OF DIRECTORS.—The Corporation
11 shall be under the direction of a board of directors
12 who shall be elected by the participants in the Cor-
13 poration. Members of the board shall not be consid-
14 ered, by reason of such membership, to be employees
15 of the Federal Government.

16 “(2) INITIAL BOARD.—Except as otherwise pro-
17 vided by the Corporation pursuant to section
18 822(2)—

19 “(A) the board shall be composed of 7
20 members, selected by a majority of the partici-
21 pants in the Corporation through an election (i)
22 that shall take place at the initial organiza-
23 tional meeting of the Corporation held pursuant
24 to subsection (e)(1), and (ii) in which each of
25 the participants shall have 1 vote; and

1 “(B) the term of each member of the
2 board shall be 5 years.

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

6 “(1) INITIAL CONTRIBUTION.—The State has
7 made a payment to the Corporation (or to the Ad-
8 ministrator pursuant to subsection (e)(2)) in an
9 amount equal to 1 percent of the aggregate amount
10 of Federal financial assistance provided, during fis-
11 cal years 2009 through 2018, to the State (or to or
12 on behalf of persons or property located in the
13 State) for disaster relief relating to a major disaster
14 or emergency declared under this Act, as determined
15 by the Administrator. For purposes of this para-
16 graph, the term ‘Federal financial assistance’ shall
17 include any grant, payment, subsidy, or loan pro-
18 vided by any agency of the Federal Government, and
19 the amount of assistance provided under a loan shall
20 be considered to be an amount equal to the principal
21 obligation under the loan.

22 “(2) PAYMENT OF PREMIUM CHARGES.—The
23 State has paid any premium charges assessed for
24 such State pursuant to section 804, in accordance

1 with the requirements established by the Corpora-
2 tion for payment of such charges.

3 For purposes of the organizational meeting under sub-
4 section (e)(1), any State that complies with paragraph (1)
5 of this subsection shall be considered as a participant.

6 “(e) INITIAL ORGANIZATION.—

7 “(1) ORGANIZATIONAL MEETING.—The Admin-
8 istrator shall call an organizational meeting for the
9 Corporation to be held not later than August 31,
10 2019, at which the participants shall elect the initial
11 members of the board of directors and shall take
12 such other actions as may be necessary to establish
13 the Corporation in accordance with this title. The
14 Administrator shall notify each State of the meeting
15 and the purposes of the meeting and shall organize
16 and chair the meeting.

17 “(2) COLLECTION OF INITIAL CONTRIBU-
18 TIONS.—Before the organization of the Corporation
19 pursuant to paragraph (1), the Administrator shall
20 collect payments under subsection (d)(1) on behalf
21 of the Corporation.

22 “(f) OWNERSHIP.—The Corporation shall be pri-
23 vately owned by the participants in the insurance pro-
24 gram. Obligations and indebtedness of the Corporation
25 shall not be considered obligations and indebtedness of the

1 Federal Government or guaranteed by the Federal Gov-
2 ernment.

3 “(g) OFFICERS AND EMPLOYEES.—The Corporation
4 may appoint and hire officers and employees at the discre-
5 tion of the Corporation, but may not pay any officer or
6 employee at a rate exceeding the rate of basic pay payable
7 for level IV of the Executive Schedule. Any such officers
8 and employees shall not be considered officers or employ-
9 ees of the Federal Government and shall not be subject
10 to the provisions of title 5, United States Code.

11 “(h) POWERS.—The Corporation shall have the
12 power—

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

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

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

18 “(4) to sue and be sued;

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

22 “(6) to have succession until dissolved by an
23 Act of Congress; and

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

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

2 “After consultation with the Administrator and other
3 appropriate Federal agencies, the Corporation shall estab-
4 lish appropriate guidelines for the structure and operation
5 of the Corporation and the insurance program, which—

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

8 “(2) may include provisions, applicable only
9 after October 1, 2019, establishing the composition
10 of the board and the terms of office of the members
11 of the board other than as provided for in section
12 821(c)(2); and

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

15 **“SEC. 823. RESERVE ACCOUNT.**

16 “(a) ESTABLISHMENT.—The Corporation shall estab-
17 lish and manage a reserve account for the operation of
18 the insurance program.

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

21 “(1) any premium charges under section 804
22 collected by the Corporation;

23 “(2) any amounts appropriated for the Cor-
24 poration pursuant to sections 804(e)(3) and 825(a);
25 and

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

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

5 “(1) for payment of qualifying claims under the
6 insurance program of participants, consistent with
7 the terms and conditions established under section
8 802(a);

9 “(2) to the extent that the Corporation deter-
10 mines that such amounts are in excess of current
11 needs and the amount required to be held in the re-
12 serve account pursuant to subsection (d), for invest-
13 ment as the Corporation considers appropriate;

14 “(3) for covering the costs of the Corporation
15 and administering and operating the insurance pro-
16 gram; and

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

20 “(d) MINIMUM CAPITAL REQUIREMENT.—

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

1 “(2) ESTABLISHMENT OF CAPITAL LEVELS.—

2 The Corporation shall establish a series of minimum
3 capital levels appropriate to ensure sufficient capital-
4 ization of the Corporation based on the nature and
5 extent of the underwriting, investment, and other
6 risks assumed by the Corporation. The capital levels
7 shall not be effective unless approved by the Admin-
8 istrator.

9 “(e) TAX-EXEMPT STATUS.—Any amounts deposited
10 in the reserve account, including income derived from the
11 investment of amounts under subsection (c)(2), shall be
12 exempt from all taxation now or hereafter imposed by the
13 United States, or by any State, county, municipality, or
14 local taxing authority.

15 **“SEC. 824. BORROWING AUTHORITY.**

16 “(a) IN GENERAL.—To the extent that the amounts
17 in the reserve fund are insufficient to pay claims and ex-
18 penses of the Corporation and maintain amounts in ac-
19 cordance with the requirements under section 823(d), the
20 Corporation may issue to the Secretary of the Treasury
21 notes and other obligations to cover the insufficiency.

22 “(b) TERMS OF BORROWING.—The Secretary may
23 purchase obligations issued under subsection (a) only if
24 the President determines that the financial condition of
25 the Corporation is adequate to ensure repayment of the

1 obligations. Such obligations shall have terms and condi-
2 tions as determined by the Secretary of the Treasury.

3 **“SEC. 825. INITIAL FEDERAL CONTRIBUTION AND PROHIBI-**
4 **TION OF ADDITIONAL FEDERAL ASSISTANCE.**

5 “(a) AUTHORIZATION OF APPROPRIATIONS.—For
6 purposes of carrying out this title, there is authorized to
7 be appropriated to the Corporation an amount equal to
8 the difference between—

9 “(1) the sum of any balances remaining, at the
10 end of September 30, 2019, in the Disaster Relief
11 appropriation and the Disaster Assistance Direct
12 Loan Program Account of the Federal Emergency
13 Management Agency; and

14 “(2) the amounts determined by the Adminis-
15 trator to be necessary to reserve from such appro-
16 priation and in such Account,
17 for purposes of providing assistance pursuant to any
18 major disaster or emergency that commences or occurs (or
19 is declared or determined to have commenced or occurred)
20 on or before September 30, 2019.

21 “(b) PROHIBITION OF FEDERAL ASSISTANCE.—Ex-
22 cept as provided in subsection (a), section 804(e), and sec-
23 tion 824, no Federal funds may be authorized, appro-
24 priated, or used to fund any activity of the Corporation.

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

2 “(a) ESTABLISHMENT.—There is hereby established
3 a commission to be known as the Disaster Insurance Advi-
4 sory Commission (in this section referred to as the ‘Com-
5 mission’).

6 “(b) MEMBERSHIP.—

7 “(1) APPOINTMENT.—The Commission shall be
8 composed of 11 members appointed by the Presi-
9 dent, in consultation with the Administrator. Of the
10 members of the Commission, not less than 6 shall be
11 individuals who have been nominated for such ap-
12 pointment by States that are participants in the
13 Corporation, except that (to the extent possible) not
14 more than one such member may be appointed to
15 the Commission pursuant to the nomination of any
16 single State. Each member of the Commission shall
17 have experience or expertise in at least one of the
18 areas described in subparagraphs (A) through (D) of
19 paragraph (2).

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

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

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

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

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

9 “(3) TERMS.—

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

13 “(B) INITIAL APPOINTEES.—As designated
 14 by the President at the time of appointment, of
 15 the members first appointed to the Commis-
 16 sion—

17 “(i) 5 shall be appointed for terms of
 18 6 years; and

19 “(ii) 6 shall be appointed for terms of
 20 4 years.

21 “(4) CHAIRPERSON.—The President shall des-
 22 ignate a chairperson of the Commission from among
 23 members appointed to the Commission.

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

1 “(d) TRAVEL EXPENSES.—Each member of the
2 Commission shall receive travel expenses, including per
3 diem in lieu of subsistence, in accordance with sections
4 5702 and 5703 of title 5, United States Code, except that
5 such expenses shall be paid by the Corporation.

6 “(e) DUTIES.—The Commission shall—

7 “(1) in coordination with the Administrator, as-
8 sist the Corporation in establishing the terms and
9 conditions of the insurance program under subtitle
10 A, review such terms and conditions, and approve or
11 disapprove such terms and conditions as appropriate
12 to carry out this title; and

13 “(2) review the annual premium charges estab-
14 lished under section 804 by the Corporation to de-
15 termine whether such charges are established in
16 compliance with the requirements of such section,
17 and if so, certify such compliance to the Corpora-
18 tion.

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

23 **“SEC. 827. GAO AUDIT.**

24 “(a) INITIAL AUDIT.—As soon as practicable after
25 October 1, 2019, the Comptroller General of the United

1 States shall audit the activities of the Corporation and the
 2 Disaster Insurance Advisory Commission established by
 3 section 826 to ensure that such entities are complying
 4 with the provisions of this title.

5 “(b) SUCCESSIVE AUDITS.—After the completion of
 6 the audit described in subsection (a), the Comptroller Gen-
 7 eral shall conduct similar audits not less than once every
 8 3 years.

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

12 **“Subtitle C—General Provisions**

13 **“SEC. 851. DEFINITIONS.**

14 “For purposes of this title:

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

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

19 “(3) ADMINISTRATOR.—The term ‘Adminis-
 20 trator’ means the Administrator of the Federal
 21 Emergency Management Agency.

22 “(4) DISASTER.—The term ‘disaster’ means
 23 any natural catastrophe (including any hurricane,
 24 tornado, storm, high water, winddriven water, tidal
 25 wave, tsunami, earthquake, volcanic eruption, land-

1 slide, mudslide, snowstorm, or drought), or, regard-
 2 less of cause, any fire, flood, serious accident, or ex-
 3 plosion, in or affecting any State or part of a State.

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

8 **TITLE II—FEDERAL PROGRAM** 9 **FOR REIMBURSABLE DIS-** 10 **ASTER RELIEF AND EMER-** 11 **GENCY ASSISTANCE**

12 **SEC. 201. FINDINGS AND DECLARATIONS.**

13 (a) FINDINGS.—Section 101(a) of the Robert T.
 14 Stafford Disaster Relief and Emergency Assistance Act
 15 (42 U.S.C. 5121 note) is amended by striking “The” and
 16 inserting “FINDINGS.—Recognizing the importance of re-
 17 ducing the Federal deficit and allowing the individual
 18 States to regain responsibility for management of activi-
 19 ties within their borders, the”.

20 (b) DECLARATIONS.—Section 101(b) of the Robert
 21 T. Stafford Disaster Relief and Emergency Assistance Act
 22 (42 U.S.C. 5121 note) is amended—

23 (1) in the matter preceding paragraph (1)—

24 (A) by striking “an orderly” and all that
 25 follows through “their” and inserting “a mecha-

1 nism which will allow affected States to carry
2 out their”; and

3 (B) by striking “such”;

4 (2) by redesignating paragraphs (1) through
5 (6) as paragraphs (2) through (7), respectively;

6 (3) by inserting before paragraph (2) (as so re-
7 designated) the following:

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

11 (4) in paragraph (2) (as so redesignated) by
12 striking “and broadening”;

13 (5) in paragraph (5) (as so redesignated) by
14 striking “supplement or”; and

15 (6) in paragraph (7) (as so redesignated) by in-
16 serting “reimbursable” before “assistance”.

17 **SEC. 202. WAIVER OF ADMINISTRATIVE CONDITIONS.**

18 Section 301 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act (42 U.S.C. 5141) is
20 amended by striking “Any” and inserting “Except as oth-
21 erwise provided in this title, any”.

22 **SEC. 203. EMERGENCY SUPPORT TEAMS.**

23 Section 303(a) of the Robert T. Stafford Disaster Re-
24 lief and Emergency Assistance Act (42 U.S.C. 5144(a))

1 is amended by striking “on either” and all that follows
2 through “President,”.

3 **SEC. 204. REIMBURSEMENT.**

4 Section 304 of the Robert T. Stafford Disaster Relief
5 and Emergency Assistance Act (42 U.S.C. 5147) is
6 amended by striking the first sentence and inserting the
7 following: “Federal agencies shall be reimbursed for ex-
8 penditures made under this Act with respect to a major
9 disaster or emergency by the State or States affected by
10 the disaster or emergency.”.

11 **SEC. 205. PERFORMANCE OF SERVICES.**

12 Section 306 of the Robert T. Stafford Disaster Relief
13 and Emergency Assistance Act (42 U.S.C. 5149) is
14 amended—

15 (1) in subsection (b) by striking “In performing
16 any services under this Act,” and inserting “Subject
17 to subsection (c), in performing any services under
18 this Act with respect to a major disaster or emer-
19 gency”; and

20 (2) by adding at the end the following:

21 “(c) REIMBURSEMENT AGREEMENT.—A Federal
22 agency may only incur costs with respect to compensation,
23 employment, or obligations under subsection (b) in con-
24 nection with a disaster or emergency if the Federal Gov-
25 ernment has entered into an agreement with the State or

1 States affected by the major disaster or emergency for re-
2 imbursement of all such costs.”.

3 **SEC. 206. REIMBURSEMENT AGREEMENTS AND CONDI-**
4 **TIONS.**

5 Section 311 of the Robert T. Stafford Disaster Relief
6 and Emergency Assistance Act (42 U.S.C. 5154) is
7 amended to read as follows:

8 **“SEC. 311. REIMBURSEMENT AGREEMENTS AND CONDI-**
9 **TIONS.**

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

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

1 comparable to the reimbursement period of the reimburs-
2 able assistance provided.

3 “(c) REGULATIONS.—The President shall issue regu-
4 lations describing the terms and conditions under which
5 any reimbursable assistance, loan, or advance authorized
6 by this Act may be provided.”.

7 **SEC. 207. TREATMENT OF ASSISTANCE.**

8 Section 312 of the Robert T. Stafford Disaster Relief
9 and Emergency Assistance Act (42 U.S.C. 5155) is
10 amended to read as follows:

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

12 “Federal major disaster and emergency assistance
13 provided to individuals and families under this Act, and
14 comparable disaster assistance provided by States, local
15 governments, and disaster assistance organizations, shall
16 not be considered as income or a resource when deter-
17 mining eligibility for or benefit levels under federally fund-
18 ed income assistance or resource-tested benefit pro-
19 grams.”.

20 **SEC. 208. LIABILITY.**

21 Section 317 of the Robert T. Stafford Disaster Relief
22 and Emergency Assistance Act (42 U.S.C. 5160) is re-
23 pealed.

1 **SEC. 209. ADVANCE OF STATE EXPENDITURES.**

2 Section 319 of the Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act (42 U.S.C. 5162) is
4 amended to read as follows:

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

6 “The President may lend or advance to a State as-
7 sistance for which the State is responsible under section
8 403 of this Act in any case in which the President deter-
9 mines that—

10 “(1) the damages caused by a major disaster
11 are so overwhelming and severe that it is not pos-
12 sible for the State to assume immediately its finan-
13 cial responsibility under this Act; and

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

16 **SEC. 210. PROCEDURE FOR DECLARATION OF MAJOR DIS-**
17 **ASTER.**

18 Section 401(a) of the Robert T. Stafford Disaster Re-
19 lief and Emergency Assistance Act (42 U.S.C. 5170(a))
20 is amended—

21 (1) in the second sentence by inserting “reim-
22 bursable” after “Federal”;

23 (2) in the third sentence by inserting before the
24 period at the end “and shall enter into an agreement
25 to reimburse the United States for all expenses in-

1 curred in providing assistance under this Act with
2 respect to the disaster”; and

3 (3) in the fourth sentence by striking “cost-
4 sharing”.

5 **SEC. 211. GENERAL FEDERAL DISASTER ASSISTANCE.**

6 Section 402 of the Robert T. Stafford Disaster Relief
7 and Emergency Assistance Act (42 U.S.C. 5170a) is
8 amended—

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

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

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

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

18 **SEC. 212. ESSENTIAL DISASTER ASSISTANCE.**

19 Section 403 of the Robert T. Stafford Disaster Relief
20 and Emergency Assistance Act (42 U.S.C. 5170b) is
21 amended—

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

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

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

7 (3) in subsection (c)—

8 (A) in paragraph (3) by striking “out of
9 funds made available to carry out this Act” and
10 inserting “by the State”;

11 (B) by striking paragraph (4);

12 (C) by redesignating paragraphs (5) and
13 (6) as paragraphs (4) and (5), respectively; and

14 (D) in paragraph (4) (as so redesignated)
15 by striking “Not later than” and all that fol-
16 lows through “1988, the” and inserting “The”.

17 **SEC. 213. HAZARD MITIGATION.**

18 Section 404 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act (42 U.S.C. 5170c) is re-
20 pealed.

21 **SEC. 214. REPAIR, RESTORATION, AND REPLACEMENT OF**
22 **DAMAGED FACILITIES.**

23 Section 406 of the Robert T. Stafford Disaster Relief
24 and Emergency Assistance Act (42 U.S.C. 5172) is
25 amended to read as follows:

1 **“SEC. 406. REPAIR, RESTORATION, AND REPLACEMENT OF**
 2 **DAMAGED FACILITIES.**

3 “The President may provide assistance to a State—

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

9 “(2) for the repair, restoration, reconstruction,
 10 or replacement of a private nonprofit facility dam-
 11 aged or destroyed by a major disaster and for asso-
 12 ciated expenses incurred by the owner or operator of
 13 such facility,

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

16 **SEC. 215. DEBRIS REMOVAL.**

17 Section 407 of the Robert T. Stafford Disaster Relief
 18 and Emergency Assistance Act (42 U.S.C. 5173) is
 19 amended—

20 (1) in subsection (a)—

21 (A) in the matter preceding paragraph (1)
 22 by striking “public interest,” and inserting
 23 “public interest and if the State agrees to reim-
 24 burse the United States for all expenses in-
 25 curred in providing assistance under this sub-
 26 section,”; and

1 (B) in paragraph (2) by striking “make
2 grants” and all that follows through “facility”
3 and inserting “provide assistance to any State”;
4 (2) in subsection (b) by striking “or local gov-
5 ernment”; and
6 (3) by striking subsection (d).

7 **SEC. 216. TEMPORARY HOUSING ASSISTANCE.**

8 Section 408 of the Robert T. Stafford Disaster Relief
9 and Emergency Assistance Act (42 U.S.C. 5174) is
10 amended to read as follows:

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

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

20 “(b) MOBILE HOME SITE.—

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

1 “(A) is provided by the State or a local
2 government; and

3 “(B) has utilities provided by the State or
4 a 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. 217. UNEMPLOYMENT ASSISTANCE.**

13 Section 410 of the Robert T. Stafford Disaster Relief
14 and Emergency Assistance Act (42 U.S.C. 5177) is
15 amended—

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

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

1 **SEC. 218. CRISIS COUNSELING ASSISTANCE AND TRAINING.**

2 Section 416 of the Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act (42 U.S.C. 5183) is
4 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. 219. COMMUNITY DISASTER LOANS.**

15 Section 417 of the Robert T. Stafford Disaster Relief
16 and Emergency Assistance Act (42 U.S.C. 5184) is re-
17 pealed.

18 **SEC. 220. EMERGENCY COMMUNICATIONS.**

19 Section 418 of the Robert T. Stafford Disaster Relief
20 and Emergency Assistance Act (42 U.S.C. 5185) is
21 amended by inserting before the period at the end “if the
22 State agrees to reimburse the United States for all ex-
23 penses incurred in providing assistance under this sec-
24 tion”.

1 **SEC. 221. EMERGENCY PUBLIC TRANSPORTATION.**

2 Section 419 of the Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act (42 U.S.C. 5186) is
4 amended by inserting before the period at the end “if the
5 State agrees to reimburse the United States for all ex-
6 penses incurred in providing assistance under this sec-
7 tion”.

8 **SEC. 222. FIRE SUPPRESSION.**

9 Section 420(a) of the Robert T. Stafford Disaster Re-
10 lief and Emergency Assistance Act (42 U.S.C. 5187(a))
11 is amended—

12 (1) by striking “including grants,”; and

13 (2) by inserting before the period at the end “if
14 the State agrees to reimburse the United States for
15 all expenses incurred in providing assistance under
16 this section”.

17 **SEC. 223. TIMBER SALE CONTRACTS.**

18 Section 421(d) of the Robert T. Stafford Disaster
19 Relief and Emergency Assistance Act (42 U.S.C. 5188(d))
20 is amended—

21 (1) by striking “make grants to any State or
22 local government” and inserting “provide financial
23 assistance to any State”;

24 (2) by inserting after “major disaster” the fol-
25 lowing: “if the State agrees to reimburse the United

1 States for all expenses incurred in providing such as-
2 sistance”;

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

5 (4) by striking “such grants” and inserting
6 “assistance”.

7 **SEC. 224. SIMPLIFIED PROCEDURE.**

8 Section 422 of the Robert T. Stafford Disaster Relief
9 and Emergency Assistance Act (42 U.S.C. 5189) is re-
10 pealed.

11 **SEC. 225. APPEALS OF ASSISTANCE DECISIONS.**

12 Section 423 of the Robert T. Stafford Disaster Relief
13 and Emergency Assistance Act (42 U.S.C. 5189a) is re-
14 pealed.

15 **SEC. 226. PROCEDURE FOR DECLARATION.**

16 Section 501 of the Robert T. Stafford Disaster Relief
17 and Emergency Assistance Act (42 U.S.C. 5191) is
18 amended—

19 (1) in subsection (a)—

20 (A) by inserting “reimbursable” after
21 “Federal” the first place it appears; and

22 (B) by inserting “and shall enter into an
23 agreement to reimburse the United States for
24 all expenses incurred in providing assistance
25 under this Act with respect to the emergency”

1 before the period at the end of the third sen-
2 tence; and

3 (2) in subsection (b) by striking “or section
4 503”.

5 **SEC. 227. FEDERAL EMERGENCY ASSISTANCE.**

6 Section 502 of the Robert T. Stafford Disaster Relief
7 and Emergency Assistance Act (42 U.S.C. 5192) is
8 amended—

9 (1) in subsection (a)—

10 (A) in the matter preceding paragraph (1)
11 by striking “In” and inserting “Subject to sub-
12 section (d), in”; and

13 (B) in paragraph (1) by striking “, with or
14 without reimbursement,”;

15 (2) in subsection (b) by striking “Whenever”
16 and inserting “Subject to subsection (d), whenever”;
17 and

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

19 “(d) REIMBURSEMENT AGREEMENT.—Assistance
20 may only be provided under this section if the affected
21 State agrees to reimburse the United States for all ex-
22 penses incurred in providing such assistance.”.

1 **SEC. 228. AMOUNT OF ASSISTANCE.**

2 Section 503 of the Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act (42 U.S.C. 5193) is re-
4 pealed.

5 **SEC. 229. APPLICABILITY.**

6 (a) EFFECTIVE DATE OF AMENDMENTS.—The
7 amendments under this title shall be made on October 1,
8 2019, 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).

18 **TITLE III—FEDERAL-AID**
19 **HIGHWAYS**

20 **SEC. 301. NATIONAL STANDARD FOR STATE PARTICIPA-**
21 **TION IN DISASTER INSURANCE PROGRAM.**

22 (a) WITHHOLDING OF APPORTIONMENTS FOR NON-
23 COMPLIANCE.—Chapter 1 of title 23, United States Code,
24 is amended by adding at the end the following:

1 **“§ 171. National standard for State participation in**
 2 **disaster insurance program**

3 “(a) WITHHOLDING OF APPORTIONMENTS FOR NON-
 4 COMPLIANCE.—The Secretary shall withhold an amount
 5 equal to 10 percent of the amount required to be appor-
 6 tioned to a State under each of paragraphs (1) and (2)
 7 of section 104(b) on October 1, 2021, and on October 1
 8 of each fiscal year thereafter, if the State does not meet
 9 the requirement of subsection (b) on that date.

10 “(b) REQUIREMENT.—A State meets the requirement
 11 of this subsection if the State is a participant in the Na-
 12 tional Disaster Insurance Corporation, as determined pur-
 13 suant to section 821(d) of the Robert T. Stafford Disaster
 14 Relief and Emergency Assistance Act (42 U.S.C. 5121 et
 15 seq.).

16 “(c) EFFECT OF NONCOMPLIANCE.—No funds with-
 17 held under this section from apportionment to a State
 18 shall be available for apportionment to the State.”.

19 (b) CLERICAL AMENDMENT.—The analysis for chap-
 20 ter 1 of title 23, United States Code, is amended by add-
 21 ing at the end the following:

“171. National standard for State participation in disaster insurance program.”.

1 **SEC. 302. EMERGENCY RELIEF PROGRAM FOR REPAIR OF**
2 **HIGHWAYS.**

3 (a) **CONDITION ON RECEIPT OF ASSISTANCE.**—Sec-
4 tion 125 of title 23, United States Code, is amended by
5 adding at the end the following:

6 “(h) **REIMBURSEMENT AGREEMENTS.**—Assistance
7 may only be provided to a State under this section if the
8 State agrees to reimburse the United States for all ex-
9 penses incurred in providing such assistance. There are
10 hereby appropriated to the Highway Trust Fund amounts
11 equivalent to reimbursements received pursuant to this
12 subsection.”.

13 (b) **EFFECTIVE DATE.**—The amendment under sub-
14 section (a) shall be made on October 1, 2019, and shall
15 apply on and after such date, except to the extent provided
16 in subsection (c).

17 (c) **INAPPLICABILITY TO DISASTERS AND EMER-**
18 **GENCIES DECLARED BEFORE EFFECTIVE DATE.**—Sec-
19 tion 125 of title 23, United States Code, as in effect on
20 the day before the date referred to in subsection (b), shall
21 continue to apply with respect to any disaster or emer-
22 gency that commences or occurs (or is declared or deter-
23 mined to have commenced or occurred) before the date
24 referred in subsection (b).

○