

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2874
OFFERED BY MR. PALLONE OF NEW JERSEY**

Strike section 403 and insert the following:

1 SEC. 403. ICC EXPANSION.

2 (a) INCREASE OF LIMITATION ON LIABILITY.—Not
3 later than 180 days after the date of enactment of this
4 Act, the Administrator shall amend the Standard Flood
5 Insurance Policy to increase the limitation on liability re-
6 lating to “Coverage D—Increased Cost of Compliance”
7 from \$30,000 to \$100,000.

8 (b) EXPANSION OF ELIGIBILITY; CLARIFICATION
9 WITH RESPECT TO COVERAGE LIMITS; NON-FEDERAL
10 MATCH.—

11 (1) IN GENERAL.—Section 1304(b) of the Na-
12 tional Flood Insurance Act of 1968 (42 U.S.C.
13 4011(b)) is amended—

14 (A) in paragraph (4), by redesignating
15 subparagraphs (A) through (D) as clauses (i)
16 through (iv), respectively, and adjusting the
17 margins accordingly;

18 (B) by redesignating paragraphs (1)
19 through (4) as subparagraphs (A) through (D),

1 respectively, and adjusting the margins accord-
2 ingly;

3 (C) in the matter preceding subparagraph
4 (A), as so redesignated, by striking “The na-
5 tional” and inserting the following:

6 “(1) IN GENERAL.—The national”;

7 (D) in paragraph (1), as so designated—

8 (i) in subparagraph (A), as so redesign-
9 ated, by inserting “, without regard to
10 whether the property is in an area having
11 special flood hazards” after “loss struc-
12 tures”;

13 (ii) in subparagraph (C), as so redesi-
14 gnated, by striking the period at the end
15 and inserting “; and”;

16 (iii) in subparagraph (D), as so redesi-
17 gnated—

18 (I) in the matter preceding clause
19 (ii), as so redesignated, by inserting
20 “subject to paragraph (2),” before
21 “properties for which”;

22 (II) in clause (iii), as so redesi-
23 gnated, by striking “and” at the end;

1 (III) in clause (iv), as so redesignated,
2 nated, by striking the period at the
3 end and inserting “; and”; and

4 (IV) by adding at the end the following:
5

6 “(v) a property outside an area having special flood
7 hazards if the community, under section 1361, has established
8 land use and control measures for the area in which
9 the property is located.”;

10 (E) in the flush text following paragraph
11 (1)(D)(v), as added by subparagraph (D) of
12 this paragraph, by striking “The Administrator”
13 and inserting the following:

14 “(3) SURCHARGES.—The Administrator”; and

15 (F) by inserting after paragraph (1), as so
16 designated by subparagraph (A) of this paragraph,
17 the following:

18 “(2) USE OF FUNDS FOR MITIGATION
19 PROJECTS.—The Administrator shall allow a policyholder
20 to use insurance purchased under this subsection
21 for any eligible project costs under a program
22 described in clause (i), (ii), or (iii) of paragraph
23 (1)(D) of an acquisition, demolition, elevation,
24 relocation, or small structural project funded under
25 that program, including—

1 “(A) asbestos remediation;

2 “(B) the demolition of a driveway or side-
3 walk when a structure is acquired; and

4 “(C) the addition of a lift, ramp, or other
5 device that is necessary for a homeowner or oc-
6 cupant with a physical limitation or disability to
7 safely access a home that has been elevated.”.

8 (2) MANDATORY NATURE OF ICC STATUTE.—

9 (A) FINDING.—Congress finds that, al-
10 though section 1304(b) of the National Flood
11 Insurance Act of 1968 (42 U.S.C. 4011(b)), as
12 in effect on the day before the date of enact-
13 ment of this Act, requires the Administrator to
14 offer increased cost of compliance (commonly
15 known as “ICC”) coverage to each type of
16 property described in paragraphs (1) through
17 (4) of that section, the Administrator has im-
18 plemented that section by effectively only offer-
19 ing ICC coverage to properties described in
20 paragraph (2) of that section.

21 (B) RULE OF CONSTRUCTION.—Nothing in
22 section 1304(b) of the National Flood Insur-
23 ance Act of 1968 (42 U.S.C. 4011(b)), as
24 amended by paragraph (1), shall be construed
25 to permit the Administrator to choose which

1 types of properties described in paragraphs (1)
2 through (5) of such section 1304(b) should be
3 eligible for ICC insurance rather than offering
4 ICC insurance to all such types of properties as
5 required under such section 1304(b).

