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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to require the President to establish an individual household disaster mitigation program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to require the President to establish an individual household disaster mitigation program, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Disaster Resiliency and
5 Coverage Act of 2024”.

1 **SEC. 2. INDIVIDUAL HOUSEHOLD DISASTER MITIGATION**
2 **PROGRAM.**

3 Title II of the Robert T. Stafford Disaster Relief and
4 Emergency Assistance Act (42 U.S.C. 5131 et seq.) is
5 amended by adding at the end the following:

6 **“SEC. 206. INDIVIDUAL HOUSEHOLD DISASTER MITIGATION**
7 **PROGRAM.**

8 “(a) ESTABLISHMENT.—The President shall estab-
9 lish a program to provide grants to States and Indian trib-
10 al governments for qualifying pre-disaster mitigation ac-
11 tivities on individual residential households that are at risk
12 of being damaged by a major disaster.

13 “(b) ESTABLISHMENT OF ELIGIBLE DISASTER
14 AREAS.—In carrying out the program under this section,
15 the President shall—

16 “(1) establish eligible disaster areas, in con-
17 sultation with States, that the President determines
18 to be at risk of a natural hazard, including—

19 “(A) a description of the type, likelihood,
20 and severity of each potential natural hazard
21 affecting each such risk area; and

22 “(B) by taking into account previously de-
23 clared major disasters impacting such areas;
24 and

25 “(2) provide technical assistance to the States
26 or Indian tribal governments in developing the plan

1 described in subsection (c) and administering grants
2 provided for individual households under the pro-
3 gram.

4 “(c) PLAN FOR ELIGIBLE ACTIVITIES.—To be eligi-
5 ble for a grant under this section, a State or Indian tribal
6 government shall submit to the President a plan that in-
7 cludes—

8 “(1) each disaster risk area established by the
9 President under subsection (b) in which the State or
10 Indian tribal government proposes to provide funds
11 under the program;

12 “(2) an assessment of the status of the avail-
13 ability and affordability of homeowner insurance cov-
14 erage in each such risk area;

15 “(3) a list of each qualifying mitigation activity
16 that is eligible for funds in each such risk area;

17 “(4) the criteria by which a State or Indian
18 tribal government will evaluate applicants, which
19 shall include consideration of the household income
20 of the applicant and whether the residence is located
21 in a Community Disaster Resilience Zone; and

22 “(5) a financial plan that includes maximum
23 amounts available to a household for each qualifying
24 mitigation activity.

1 “(d) CONSULTATION.—In establishing the program
2 under this section, the President shall consult with the Di-
3 rector of the Federal Insurance Office to determine what
4 qualifying mitigation activities are likely to incentivize
5 homeowner insurance companies to offer, or increase cov-
6 erage of, homeowners insurance to households located in
7 eligible disaster areas.

8 “(e) LIMITATIONS.—

9 “(1) HIGH-RISK AREAS.—Funds provided under
10 this section may only be used in eligible disaster
11 areas that the State or Indian tribal government de-
12 termines are at a high risk of experiencing a major
13 disaster for the major disaster that presents such a
14 risk.

15 “(2) LIMITATION BASED ON ADJUSTED GROSS
16 INCOME.—An individual shall not be eligible to re-
17 ceive a grant under this section if the adjusted gross
18 income of such individual exceeds \$250,000
19 (\$500,000 in the case of a joint tax return) for the
20 taxable year ending in the calendar year immediately
21 preceding the calendar year with respect to which a
22 grant application is filed.

23 “(3) DEFINITION OF ADJUSTED GROSS IN-
24 COME.—In this section, the term ‘adjusted gross in-

1 come’ has the meaning given such term in section
2 62(a) of the Internal Revenue Code of 1986.

3 “(f) MULTI-TIERED MITIGATION STANDARDS.—

4 “(1) IN GENERAL.—The President, acting
5 through the Administrator of the Federal Emer-
6 gency Management Agency, shall establish mitiga-
7 tion standards for individual households that carry
8 out each type of qualifying mitigation activity eligi-
9 ble for funds under the program, which may include
10 a multi-tiered standard.

11 “(2) CONSIDERATION.—In establishing the
12 mitigation standards under paragraph (1), the
13 President, acting through the Administrator—

14 “(A) may consider any standards estab-
15 lished by—

16 “(i) Insurance Institute for Business
17 and Home Safety; and

18 “(ii) any other standard-issuing entity
19 determined appropriate; and

20 “(B) may—

21 “(i) adopt a standard considered
22 under subparagraph (A); or

23 “(ii) establish alternative standards.

24 “(g) GUIDANCE TO INSURANCE PROVIDERS.—To be
25 eligible for a grant under the program under this section,

1 a State or Indian tribal government shall establish, and
2 make available to the public, guidance to insurance pro-
3 viders that includes suggested incentives for households
4 that carry out disaster mitigation activities under the pro-
5 gram, including—

6 “(1) the mitigation standards established under
7 subsection (f);

8 “(2) increased eligibility for insurance coverage;
9 and

10 “(3) discounts for households that carry out
11 such mitigation activities.

12 “(h) MAXIMUM AMOUNTS.—A State or Indian tribal
13 government may not provide more than an amount of
14 \$10,000, not to exceed the actual cost of mitigation activi-
15 ties, to any individual household under the program. Such
16 amount shall be increased yearly to reflect any increase
17 in the Consumer Price Index.

18 “(i) GROSS INCOME.—For purposes of the Internal
19 Revenue Code of 1986, gross income shall not include
20 amounts provided under this section.

21 “(j) DEFINITION OF QUALIFYING MITIGATION AC-
22 TIVITY.—In this section, the term ‘qualifying mitigation
23 activity’ means an activity relating to a housing unit—

24 “(1) for property to—

1 “(A) improve the strength of a roof deck
2 attachment;

3 “(B) create a secondary water barrier to
4 prevent water intrusion or mitigate against po-
5 tential water intrusion from wind-driven rain;

6 “(C) improve the durability, impact resist-
7 ance (not less than class 3 or 4 rating), or fire
8 resistance (not less than class A rating) of a
9 roof covering;

10 “(D) brace gable-end walls;

11 “(E) reinforce the connection between a
12 roof and supporting wall;

13 “(F) protect openings from penetration by
14 wind-borne debris;

15 “(G) protect exterior doors and garages
16 from natural hazards;

17 “(H) complete measures contained in the
18 publication of the Federal Emergency Manage-
19 ment Agency entitled ‘Wind Retrofit Guide for
20 Residential Buildings’ (P-804);

21 “(I) elevate the qualified dwelling unit, as
22 well as utilities, machinery, or equipment, above
23 the base flood elevation or other applicable min-
24 imum elevation requirement;

1 “(J) seal walls in the basement of the
2 qualified dwelling unit using waterproofing com-
3 pounds; or

4 “(K) protect propane tanks or other exter-
5 nal fuel sources;

6 “(2) to install—

7 “(A) check valves to prevent flood water
8 from backing up into drains;

9 “(B) flood vents, breakaway walls or open
10 lattice for homes located in V zones;

11 “(C) a stormwater drainage system or im-
12 prove an existing system;

13 “(D) natural or nature-based features for
14 flood control, including living shorelines;

15 “(E) roof coverings, sheathing, flashing,
16 roof and attic vents, eaves, or gutters that con-
17 form to ignition-resistant construction stand-
18 ards;

19 “(F) wall components for wall assemblies
20 that conform to ignition-resistant construction
21 standards;

22 “(G) a wall-to-foundation anchor or con-
23 nector, or a shear transfer anchor or connector;

24 “(H) wood structural panel sheathing for
25 strengthening cripple walls;

1 “(I) anchorage of the masonry chimney to
2 the framing;

3 “(J) prefabricated lateral resisting sys-
4 tems;

5 “(K) a standby generator system con-
6 sisting of a standby generator and an automatic
7 transfer switch;

8 “(L) a storm shelter that meets the design
9 and construction standards established by the
10 International Code Council and the National
11 Storm Shelter Association (ICC-500), or a safe
12 room that satisfies the criteria contained in—

13 “(i) the publication of the Federal
14 Emergency Management Agency entitled
15 ‘Safe Rooms for Tornadoes and Hurri-
16 canes’ (P-361); or

17 “(ii) the publication of the Federal
18 Emergency Management Agency entitled
19 ‘Taking Shelter from the Storm’ (P-320);

20 “(M) a lightning protection system;

21 “(N) exterior walls, doors, windows, or
22 other exterior dwelling unit elements that con-
23 form to ignition-resistant construction stand-
24 ards;

1 “(O) exterior deck or fence components
2 that conform to ignition-resistant construction
3 standards;

4 “(P) structure-specific water hydration
5 systems, including fire mitigation systems such
6 as interior and exterior sprinkler systems;

7 “(Q) flood openings for fully enclosed
8 areas below the lowest floor of the dwelling
9 unit;

10 “(R) lateral bracing for wall elements,
11 foundation elements, and garage doors or other
12 large openings to resist seismic loads; or

13 “(S) automatic shutoff valves for water
14 and gas lines; or

15 “(3) for services or equipment to—

16 “(A) create buffers around the qualified
17 dwelling unit through the removal or reduction
18 of flammable vegetation, including vertical
19 clearance of tree branches;

20 “(B) create buffers around the dwelling
21 unit through—

22 “(i) the removal of exterior deck or
23 fence components or ignition-prone land-
24 scape features; or

1 “(ii) replacement of the components
2 or features described in clause (i) with
3 components or features that conform to ig-
4 nition-resistant construction standards;

5 “(C) perform fire maintenance procedures
6 identified by the Federal Emergency Manage-
7 ment Agency or the United States Forest Serv-
8 ice, including fuel management techniques such
9 as creating fuel and fire breaks; or

10 “(D) replace flammable vegetation with
11 less flammable species.

12 “(4) for property relating to satisfying the
13 standards required for receipt of a FORTIFIED
14 designation from the Insurance Institute for Busi-
15 ness and Home Safety, provided that the qualified
16 dwelling unit receives such designation following in-
17 stallation of such property; or

18 “(5) for any other hazard mitigation activity
19 which has been identified by the President, in con-
20 sultation with the Administrator of the Federal
21 Emergency Management Agency, for mitigation of a
22 natural hazard.”.

1 **SEC. 3. EXCLUSION OF AMOUNTS RECEIVED FROM STATE-**
2 **BASED CATASTROPHE LOSS MITIGATION**
3 **PROGRAMS.**

4 (a) IN GENERAL.—Section 139 of the Internal Rev-
5 enue Code of 1986 is amended by redesignating subsection
6 (h) as subsection (i) and by inserting after subsection (g)
7 the following new subsection:

8 “(h) STATE-BASED CATASTROPHE LOSS MITIGATION
9 PROGRAMS.—

10 “(1) IN GENERAL.—Gross income shall not in-
11 clude any amount received by an individual as a
12 qualified catastrophe loss mitigation payment under
13 a program established or administered by a State, or
14 a political subdivision or instrumentality thereof, for
15 the purpose of making such payments.

16 “(2) QUALIFIED CATASTROPHE LOSS MITIGA-
17 TION PAYMENT.—For purposes of this section, the
18 term ‘qualified catastrophe loss mitigation payment’
19 means any amount which is received by an indi-
20 vidual to make improvements to such individual’s
21 residence for the sole purpose of hazard mitigation
22 with respect to such residence.

23 “(3) NO INCREASE IN BASIS.—Rules similar to
24 the rules of subsection (g)(3) shall apply in the case
25 of this subsection.”.

26 (b) CONFORMING AMENDMENTS.—

1 paid for qualifying mitigation activities paid or incurred
2 by the taxpayer during such taxable year with respect to
3 real property owned or leased by the taxpayer.

4 “(b) QUALIFIED DISASTER MITIGATION ACTIVI-
5 TIES.—For purposes of this section—

6 “(1) QUALIFYING MITIGATION ACTIVITY.—The
7 term ‘qualifying mitigation activity’ has the meaning
8 given such term in section 206(j) of the Robert T.
9 Stafford Disaster Relief and Emergency Assistance
10 Act.

11 “(2) TREATMENT OF REIMBURSEMENTS.—Any
12 amount originally paid or incurred by the taxpayer
13 which is reimbursed by a State under a qualified
14 State disaster mitigation program shall be treated as
15 paid by such State (and not by such taxpayer).

16 “(c) APPLICATION WITH OTHER CREDITS.—

17 “(1) BUSINESS CREDIT TREATED AS PART OF
18 GENERAL BUSINESS CREDIT.—So much of the credit
19 which would be allowed under subsection (a) for any
20 taxable year (determined without regard to this sub-
21 section) that is attributable to expenditures made in
22 the ordinary course of the taxpayer’s trade or busi-
23 ness (or, in the case of expenditures made by a
24 State, would have been expenditures made in the or-
25 dinary course of the taxpayer’s trade or business if

1 made by the taxpayer) shall be treated as a credit
2 listed in section 38(b) for taxable year (and not al-
3 lowed under subsection (a)).

4 “(2) PERSONAL CREDIT.—For purposes of this
5 title, the credit allowed under subsection (a) for any
6 taxable year (determined after application of para-
7 graph (1)) shall be treated as a credit allowable
8 under subpart A for such taxable year.

9 “(d) REDUCTION OF CREDIT PERCENTAGE WHERE
10 TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

11 “(1) IN GENERAL.—If the expenditure percent-
12 age with respect to any item of expenditure de-
13 scribed under subsection (a) is less than 30 percent,
14 subsection (a) shall be applied by substituting ‘the
15 expenditure percentage’ for ‘30 percent’ with respect
16 to such item of expenditure.

17 “(2) EXPENDITURE PERCENTAGE.—For pur-
18 poses of this section, the term ‘expenditure percent-
19 age’ means, with respect to any item of expenditure
20 described under subsection (a) any portion of which
21 is paid or incurred by a State, the ratio (expressed
22 as a percentage) of—

23 “(A) the taxpayer’s expenditure for such
24 item, divided by

1 “(B) the sum of the taxpayer’s and such
2 State’s expenditures for such item.

3 “(e) SPECIAL RULES.—

4 “(1) TREATMENT OF EXPENDITURES RELATED
5 TO MARKETABLE TIMBER.—An expenditure shall not
6 be taken into account for purposes of this section
7 (whether made by the taxpayer or a State) if such
8 expenditure is properly allocable to timber which is
9 sold or exchanged by the taxpayer. The preceding
10 sentence shall not apply to the extent that such
11 amount exceeds the gain on such sale or exchange.

12 “(2) BASIS REDUCTION.—For purposes of this
13 subtitle, if the basis of any property would (but for
14 this paragraph) be determined by taking into ac-
15 count any expenditure described under subsection
16 (a), the basis of such property shall be reduced by
17 the amount of the credit allowed under subsection
18 (a) with respect to such expenditure (determined
19 without regard to subsection (c)).

20 “(3) DENIAL OF DOUBLE BENEFIT.—The
21 amount of any deduction or other credit allowable
22 under this chapter for any expenditure for which a
23 credit is allowable under subsection (a) shall be re-
24 duced by the amount of credit allowed under such

1 subsection for such expenditure (determined without
2 regard to subsection (c)).”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) of such Code is amended by
5 striking “plus” at the end of paragraph (40), by
6 striking the period at the end of paragraph (41) and
7 inserting “, plus”, and by adding at the end the fol-
8 lowing new paragraph:

9 “(42) the portion of the disaster mitigation ex-
10 penditures credit to which section 28(c)(1) applies.”.

11 (2) Section 1016(a) of such Code is amended
12 by redesignating paragraphs (35) through (38) as
13 paragraphs (36) through (39), respectively, and by
14 inserting after paragraph (34) the following new
15 paragraph:

16 “(35) to the extent provided in section
17 28(e)(2),”.

18 (3) The table of sections for subpart B of part
19 IV of subchapter A of chapter 1 of such Code is
20 amended by inserting after the item relating to sec-
21 tion 27 the following new item:

“Sec. 28. Qualified disaster mitigation expenditures.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to expenditures paid or incurred
24 after the date of the enactment of this Act, in taxable
25 years ending after such date.