

MEMORANDUM

Agenda Item No. 11(A)(12)

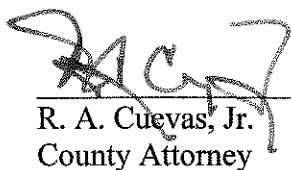
TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 22, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution urging Congress to
enact legislation to prevent flood
insurance premium rate increases
on homeowners mandated by the
Biggert-Waters Flood Insurance
Reform Act of 2012

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Chairwoman Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/smm



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 22, 2013

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County Attorney

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Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor

Agenda Item No. 11(A)(12)

Veto _____

10-22-13

Override _____

RESOLUTION NO. _____

RESOLUTION URGING CONGRESS TO ENACT LEGISLATION TO PREVENT FLOOD INSURANCE PREMIUM RATE INCREASES ON HOMEOWNERS MANDATED BY THE BIGGERT-WATERS FLOOD INSURANCE REFORM ACT OF 2012; URGING CONGRESS TO ENACT THE FLOOD INSURANCE IMPLEMENTATION REFORM ACT OF 2013, H.R. 2199 OR SIMILAR LEGISLATION DELAYING THE PENDING PREMIUM RATE INCREASES ON HOMEOWNERS UNDER THE BIGGERT-WATERS FLOOD INSURANCE REFORM ACT OF 2012

WHEREAS, under the National Flood Insurance Program, all property owners with federally insured mortgages in high risk of flooding areas are required to purchase flood insurance; and

WHEREAS, over 5.5 million people in the United States currently hold flood insurance policies; and

WHEREAS, 37 percent of the nation's National Flood Insurance Program policies are held by Florida property owners; and

WHEREAS, 268,648 flood insurance policies in Florida are currently subsidized; and

WHEREAS, Florida homeowners have supported the National Flood Insurance Program with more than \$16 billion in payments in the past three decades while claiming only \$3.7 billion; and

WHEREAS, Congress passed the Biggert-Waters Flood Insurance Reform Act of 2012 in July of 2012 to address the financial instability of the National Flood Insurance Program by raising flood insurance premiums; and

WHEREAS, without action by Congress, the implementation of the subsidy reforms included in the Biggert-Waters Flood Insurance Reform Act of 2012 would have the effect of raising flood insurance premiums by 25 percent each year until premiums reflect full risk rates for owners of:

1. Primary residences with subsidized premiums to reflect the full risk rate upon the sale of the property, lapse of the current policy, repeated flooding, or purchase of a new policy;
2. Business properties with subsidized premiums;
3. Severe repetitive loss properties;
4. Any property that has incurred flood-related damage in which the cumulative amounts of claims payments exceeded the fair market value of such property; and

WHEREAS, economists agree that increased flood insurance premiums can cause property values to drop, bank mortgages to go into default, and local tax bases to erode; and

WHEREAS, stagnant home sales and depressed home values were two of the leading causes of the most recent recession in the United States; and

WHEREAS, housing prices in Miami-Dade County have only recently started to recover from the housing market collapse that began in 2007; and

WHEREAS, the South Florida housing market remains fragile; and

WHEREAS, according to the Federal Emergency Management Agency (FEMA), insurance companies that service National Flood Insurance policies retain 12.5 percent to 13.4 percent of premiums for their internal expenses; and

WHEREAS, the requirement in the Biggert-Waters Flood Insurance Reform Act of 2012 that FEMA conduct an affordability study of methods for establishing an affordability framework for flood insurance has not been satisfied; and

WHEREAS, Congressman Cedrick Richmond (D – Louisiana) has sponsored H.R. 2199, the Flood Insurance Implementation Reform Act of 2013, to delay implementation of certain provisions of the Biggert-Waters Flood Insurance Reform Act; and

WHEREAS, the Flood Insurance Implementation Reform Act of 2013 would delay, for three years, the increase in premiums on properties whose current premiums do not reflect full risk rates; and

WHEREAS, this legislation would also provide FEMA with greater means to conduct an affordability study of the National Flood Insurance Program; and

WHEREAS, this Board would like to express its support for H.R. 2199,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges Congress to enact legislation to prevent flood insurance premium rate increases on homeowners mandated by the Biggert-Waters Flood Insurance Reform Act of 2012.

Section 2. Urges Congress to enact the Flood Insurance Implementation Reform Act of 2013, H.R. 2199 or similar legislation delaying the pending premium rate increases under the Biggert-Waters Flood Insurance Reform Act of 2012.

Section 3. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Florida Congressional Delegation, Senator David Vitter,



Senator Mary Landrieu, U.S. Representative Michael Grimm, U.S. Representative, Steven Palazzo and U.S. Representative Steve Stockman.

Section 4. Directs the County’s federal lobbyists to advocate for the passage of the legislation set forth in Sections 1 and 2 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2013 Federal Legislative Package to include this item and to include this item in the 2014 Federal Legislative Package when it is presented to the Board.

The Prime Sponsor of the foregoing resolution is Chairwoman Rebeca Sosa. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 22nd day of October, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

MMP

Matthew M. Papkin