



**CONGRESSIONAL BUDGET OFFICE  
PAY-AS-YOU-GO ESTIMATE**

October 25, 2000

**H.R. 707**

**Disaster Mitigation Act of 2000**

*As cleared by the Congress on October 10, 2000*

H.R. 707 would amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a predisaster mitigation program and make changes to the existing disaster relief program. CBO estimates that H.R. 707 would increase direct spending and revenues by less than \$500,000 annually.

H.R. 707 would allow the Federal Emergency Management Agency (FEMA) to retain and spend future proceeds from the sale of temporary housing. Under current law, receipts from the sale of such properties are deposited into the general fund of the Treasury and are not available for spending. CBO estimates that allowing FEMA to retain and spend these receipts would increase net direct spending by less than \$500,000 a year, and that any increase in offsetting receipts would be offset by an equivalent increase in spending.

H.R. 707 also would allow FEMA to accept and spend gifts to the new Predisaster Mitigation Fund. CBO estimates that such gifts would be less than \$200,000 annually, and that any increase in revenues would again be offset by an equivalent increase in spending.

Finally, H.R. 707 would not allow FEMA to consider certain lands in Sycamore, Illinois as having special flood hazards. Because buildings in a special flood hazard area must be covered by flood insurance, enactment of this provision would decrease premiums collected under the National Flood Insurance Program. CBO estimates that, as a result, net spending for the program would increase by \$100,000 each year.

The CBO staff contact for this estimate is Rachel Applebaum. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.