

At a Glance

H.R. 5490, BEACH Act

As ordered reported by the House Committee on Natural Resources on December 6, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	1	11	16

Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and -\$500,000.

The bill would

- Authorize appropriations for the U.S. Fish and Wildlife Service to administer the Coastal Barrier Resources System (CBRS)
- Codify 195 updated or new maps that define the boundaries of areas for incorporation into the CBRS
- Remove some private residential structures from the CBRS, allowing owners of those properties to purchase federal flood insurance under the National Flood Insurance Program
- Impose intergovernmental and private-sector mandates by requiring owners or lessors to notify prospective buyers or lessees that a property is located within the CBRS

Estimated budgetary effects would mainly stem from

- Amounts authorized to be appropriated
- Increasing the number of properties that are eligible for federal flood insurance coverage

Areas of significant uncertainty include

- Determining how many properties would be located inside or outside the boundaries of the CBRS and how many property owners would purchase flood insurance

Detailed estimate begins on the next page.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

Bill Summary

H.R. 5490 would authorize the appropriation of \$2 million annually through 2031 for the U.S. Fish and Wildlife Service (USFWS) to administer the Coastal Barrier Resources System (CBRS) and to map new coastal areas to add to the system. The bill also would codify 195 updated or new maps that define the boundaries of several areas for incorporation into the CBRS. By changing those boundaries, the bill would, on net, add about 277,000 acres to the system (increasing the size of the CBRS by 8 percent).

Estimated Federal Cost

The estimated budgetary effect of H.R. 5490 is shown in Table 1. The costs of the legislation fall within budget functions 300 (natural resources and environment) and 450 (community and regional development).

Table 1. Estimated Budgetary Effects of H.R. 5490													
By Fiscal Year, Millions of Dollars												2024-2029	2024-2034
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034			
Increases in Spending Subject to Appropriation													
Authorization	2	2	2	2	2	2	2	2	0	0	0	12	16
Estimated Outlays	1	2	2	2	2	2	2	2	1	*	*	11	16

* = between zero and \$500,000.

CBO also estimates that enacting H.R. 5490 would reduce direct spending by an insignificant amount over the 2024-2034 period.

Basis of Estimate

For this estimate, CBO assumes that H.R. 5490 will be enacted near the middle of fiscal year 2024 and that the specified amounts will be appropriated each year.

Spending Subject to Appropriation

H.R. 5490 would authorize the appropriation of \$2 million annually through 2031 for USFWS to administer the CBRS program and to correct and update existing CBRS maps. In 2023, USFWS allocated \$1 million to administer the system.

Using information from USFWS and based on historical spending patterns for similar activities, CBO estimates that implementing H.R. 5490 would cost \$11 million over the 2024-2029 period and \$5 million after 2029, assuming appropriation of the authorized amounts.

Some areas within the CBRS have limited eligibility for other federal assistance, including that provided by the Department of Transportation for highways and airports and by the



Army Corps of Engineers for navigation or flood protection projects. CBO expects that under the bill, federal funding that might have been allocated to projects within the new additions to the CBRS would be reallocated to other projects; thus, increasing the amount of land in the CBRS would, on net, have no effect on spending from those programs.

Direct Spending

Under current law, federal financial assistance—including the sale of flood insurance—for properties and infrastructure within the CBRS is generally restricted. By expanding the geographic coverage of the CBRS, the bill would reduce, relative to CBO’s projections under current law, the number of properties in those new areas that would be eligible for coverage under the National Flood Insurance Program (NFIP).

H.R. 5490 also would increase the number of properties that could newly purchase flood insurance because the map changes would remove about 900 existing residential structures from the CBRS. On net, and using information from the Federal Emergency Management Agency, CBO estimates that the number of properties participating in the NFIP would increase slightly under the bill. As a result, collections of fees and premiums for the NFIP would increase by less than \$500,000 annually. Those collections, which are recorded as reductions in direct spending, would mostly be offset by increases in mandatory spending for underwriting, administrative expenses, and new flood insurance claims. CBO estimates that enacting H.R. 5490 would reduce net direct spending by an insignificant amount over the 2024-2034 period.

Uncertainty

CBO’s estimates of the number of property owners who would become eligible for federal flood insurance under the bill and the portion of those owners who would purchase insurance from the NFIP are uncertain. Additionally, CBO cannot predict with certainty how many structures will be built in the future within areas that would be added to the CBRS; owners of those structures generally would be ineligible for flood insurance. The effect on direct spending could be higher or lower than CBO estimates depending on the number of properties affected and the decisions made by those property owners.

Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that enacting the bill would decrease direct spending by less than \$500,000 over the 2024-2034 period.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 5490 would not increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2035.



Mandates

H.R. 5490 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would require owners or lessors of property within the CBRS to notify prospective buyers or lessees that a property is located within the system—a provision of the bill that CBO assumes would apply to publicly owned and privately owned land. Because maps of the CBRS are readily available, CBO estimates that the cost of the mandates would be under the thresholds established in UMRA for intergovernmental and private-sector mandates (\$100 million and \$200 million in 2024, respectively, adjusted annually for inflation).

Previous CBO Estimate

On March 18, 2024, CBO transmitted a [cost estimate for S. 2958](#), the Strengthening Coastal Communities Act of 2023, as reported by the Senate Committee on Environment and Public Works on September 27, 2023. The two bills are similar and CBO's estimates of their effects on direct spending are the same. Differences between the estimated cost of spending subject to appropriation reflect differences in the amounts authorized to be appropriated in each bill.

Estimate Prepared By

Federal Costs:

Willow Latham-Proença (for the U.S. Fish and Wildlife Service)

Jon Sperl (for the Federal Emergency Management Agency)

Mandates: Grace Watson



Estimate Reviewed By

Justin Humphrey
Chief, Finance, Housing, and Education Cost Estimates Unit

Robert Reese
Chief, Natural and Physical Resources Cost Estimates Unit

Kathleen FitzGerald
Chief, Public and Private Mandates Unit

H. Samuel Papenfuss
Deputy Director of Budget Analysis

Estimate Approved By

A handwritten signature in black ink, appearing to read "Phillip L. Swagel". The signature is fluid and cursive, with a long, sweeping tail.

Phillip L. Swagel
Director, Congressional Budget Office