



FEMA

R8-MT

March 1, 2017

John E. Tubbs
Director, Department of Natural Resources and Conservation
1625 11th Avenue
P.O. Box 201601
Helena, Montana 59620-1601

Dear Director Tubbs:

I would like to call your attention to several concerns we have regarding pending legislation in the Montana State Legislature. The potential impacts of Montana Senate Bill No. 313 to communities participating in the National Flood Insurance Program (NFIP) may be significant. S.B. 313 creates exemptions from floodplain permitting for stream restoration projects, potentially putting it in direct conflict with local NFIP ordinances and federal regulations implementing the NFIP.

As you are aware, the NFIP is a voluntary program whereby the federal government makes affordable flood insurance available in communities that adopt local floodplain management ordinances addressing floodplain development. The ordinances must be consistent with federal regulations designed to minimize the risk of flood and its associated impacts. FEMA is prohibited from making flood insurance available in a community unless that community adopts floodplain management measures that meet or exceed FEMA's minimum floodplain management regulations, including effective enforcement provisions. Currently, the State of Montana has 136 participating communities providing nearly 5,000 flood insurance policies that insure \$998 million dollars of property.

The language of the bill recognizes that flooding causes significant damage to infrastructure and property, and the bill appears to be an attempt to foster projects that will return waterways to their natural condition. Unfortunately, there are several provisions in the bill that could possibly cause unintended harm to Montana's floodplains.

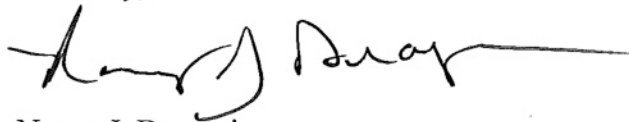
FEMA anticipates the bill may create program deficiencies for your participating communities, potentially resulting in each community's suspension from the program because they would be unable to comply with their local ordinances and federal program regulations. Suspension from the NFIP would result in the loss of NFIP flood insurance coverage for Montana communities. Furthermore, all federal agencies would be prohibited by statute from making grants, loans, or guarantees for the acquisition or construction of structures located in the Special Flood Hazard Area (SFHA) in suspended communities (42 U.S.C. § 4106). This restriction applies to assistance from the Federal Housing Administration, Veterans Administration, and the Small Business Administration, among others. If a flood disaster were to occur in a suspended community, most

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types of federal disaster assistance would not be available for acquisition, construction, or repair of insurable structures within the SFHA, including federal assistance to individuals and households for housing and personal property (42 U.S.C. § 4106).

If you have any questions or would like to discuss this matter further, please feel free to contact Jeanine Petterson, Mitigation Division Director, at (303) 235-4610. It is my hope that together we can help the citizens of Montana achieve sound floodplain management.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy J. Dragani", with a long horizontal flourish extending to the right.

Nancy J. Dragani
Acting Regional Administrator

cc: Delilah Bruno, Director, Montana Department of Emergency Services
Nadine Wadsworth, State Hazard Mitigation Officer