

# **RCP 115-50 (HR 4667 with modifications) [Emergency Disaster Aid Package]**

## **Summary**

The bill provides \$81 billion in emergency funding for disasters caused by Hurricanes Harvey, Irma, and Maria, as well as California wildfires. This emergency funding will continue the efforts to recover, rebuild, and reduce the impact of future natural disasters. The two previous disaster supplemental bills enacted into law provided critical funding for immediate life-saving response and recovery efforts in the aftermath of the hurricanes and wildfires. Funding in the Emergency Disaster Aid Package provides additional funding for recovery efforts across the country to rebuild affected communities.

### **Federal Emergency Management Administration - \$27.6 billion**

- *FEMA Disaster Relief Fund*: \$27.5 billion to provide critical funding to assist the ongoing federal disaster response
  - Allows up to \$4 billion to be provided for Community Disaster Loans (CDLs)

### **Transportation, Housing and Urban Development - \$ 27.8 billion**

- *Community Development Block Grants Disaster Recovery (CDBG-DR)*: \$26.1 billion for housing and infrastructure needs
  - \$13.56 billion for grants to states, tribes, and territories for unmet housing needs and business losses
  - \$12.5 billion for mitigation efforts to help communities protect against future disasters. This funding can provide for housing elevation, buyouts in the flood plain, water/sewer infrastructure enhancements, public infrastructure hardening (e.g. storm proofing public buildings), etc.
  - Increases oversight, accountability, and transparency of CDBG funds
- *Federal Highway Administration's Emergency Relief*: \$1.4 billion to address all current damages to federal highways caused by designated disasters

### **Army Corps of Engineers - \$12.11 billion**

- \$12.11 billion to repair existing damages by natural disasters and for studies and projects to reduce the risk of future natural disasters
  - \$10.5 billion for repairs to ongoing construction projects, and to expedite construction projects that will help mitigate future disaster damage;
  - \$370 million to repair damages along the Mississippi River and its tributaries;
  - \$608 million for Operation and Maintenance to repair damages, such as dredging of navigation channels;
  - \$537 million for Flood Control and Coastal Emergencies to repair damages; and
  - \$75 million to expedite studies to help mitigate future disaster damage.

### **Labor, HHS, Education - \$3.99 billion**

- *Hurricane Education Recovery*: \$2.9 billion to help displaced students get back to school
  - Funding can be used for both public and private schools
- Provides additional funding for public health response activities

### **Agriculture - \$3.8 billion**

- *Crops*: \$2.6 billion in agriculture assistance, including citrus

- *Emergency Watershed Protection*: \$541 million for watershed and flood prevention efforts
- *Emergency Conservation*: \$400 million
- *Rural Development*: \$165 million for rural water and waste disposal systems

#### **Small Business Administration Disaster Loans - \$1.66 billion**

- To assist small businesses and homeowners repair or replace real estate, personal property, machinery and equipment, and inventory and business assets.

#### **Defense Facilities – \$1.5 billion**

- Repairs Army, Navy, Marine Corps, Air Force, Reserve, National Guard, Coast Guard, and medical military facilities

#### **Additional Provisions**

- Seed cotton is made eligible for the farm safety net
  - This is a budget-neutral solution that provides a measure of certainty to cotton farmers, including many who are still struggling to recover from the recent disasters, as they prepare for the upcoming crop year
- Eliminates the caps of crop insurance policies for livestock producers
  - This will allow for the development of crop insurance policies for livestock producers, (including dairy farmers), ensuring that adequate risk management tools are available the next time disaster strikes
- Requires the Governor of Puerto Rico to submit to Congress a Recovery Plan that was developed in coordination and certified by the Oversight Board describing the Commonwealth's 12- and 24-month economic and disaster recovery plan
- Provides disaster related tax relief to CA Wildfires and other communities affected by hurricanes. They are identical to the provisions enacted covering disaster areas in Texas, Florida, Puerto Rico, and the USVI. This language also includes a provision to ensure all of the areas receiving disaster declarations from the hurricanes have access to relief. A summary of the provisions follows:
  - **Casualty Loss Deduction** - this provision provides a non-itemized deduction for uninsured casualty losses resulting from a declared disaster.
  - **Retirement Account Provisions** - the provisions provide for penalty free withdrawals from tax preferred retirement accounts to fund post-disaster rebuilding. The bill also allows individuals to take larger loans against their retirement accounts than under normal circumstances, and provide flexibility for individuals repaying such loans.
  - **Earned Income Tax Credit** - this provisions allows individuals in disaster areas who are affected by the disaster to use the previous year's income to meet minimum eligibility requirements for the EITC
  - **Retention Credit** - this provision provides a credit for employers whose businesses are forced to suspend operations as a result of the declared disaster and who continue to pay employees from the disaster area. The credit covers up to 40% of an employee's wages up to \$6000 in wages.
  - **Charitable Giving** - this provision temporarily suspends limitations on charitable contributions associated with wildfire relief made before December 31, 2017.
- Treats Puerto Rico low-income communities as a qualified opportunity zone
- Disaster Recovery Reform Act – makes critical reforms to FEMA's disaster response and recovery program to ensure communities are more resilient to disasters and addresses wildfire prevention, building code enforcement, and eligibility for disaster assistance:

- Will reduce federal expenditures as \$1 in mitigation measures returns \$4-8 in savings
- H.R. 4460 was passed by the T&I Committee on November 30, 2017