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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/09  
 LAST UPDATED 03/12/09    **HB**

SPONSOR Cravens

SHORT TITLE FEMA Flood Insurance Rate Maps    **SJM** 57/aSJC

ANALYST Weber

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.0		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Regulation commission (PRC)

Department of Homeland Security and Emergency Management (DHSEM)

### SUMMARY

#### Synopsis of SJC Amendment

1. On page 2, line 1 strike “which is the county seat for the town of Bernalillo;”.

This is a technical correction that does not change the substance of the Joint Memorial.

#### Synopsis of Bill

Senate Joint Memorial 57 requests that Congressmen Heinrich and Lujan and Senators Bingaman and Udall lobby the Federal Emergency Management Agency (FEMA) to undo its recent revisions to its flood plan maps and flood insurance rates for the town of Bernalillo and other affected areas of New Mexico. The joint memorial attributes that the revisions to FEMA’s flood maps and rates are in reaction to the breach of New Orleans’ levees during Hurricane Katrina and are inappropriate for flood risks in New Mexico, and furthermore that these revisions are prompting mortgage lenders for several hundred homes in Bernalillo and elsewhere to require those homeowners to purchase flood insurance at an annual premium ranging from \$400 to \$4,000.

**FISCAL IMPLICATIONS**

There are no fiscal implications to the general fund.

**SIGNIFICANT ISSUES**

PRC reports that according to FEMA, its flood maps for the Bernalillo area were revised because levee owners in that area failed to provide FEMA with maintenance records and other documentation needed to certify the degree of safety of those levees. If this is true, then this is an important consideration that the joint memorial does not mention.

PRC continues that the joint memorial is correct in asserting that mortgaged homes in areas designated as flood plains by FEMA are required to purchase flood insurance from the National Flood Insurance Plan. The range of premium costs for flood insurance mentioned in the joint memorial also appears to be reasonably accurate.

DHSEM contributes that since Hurricane Katrina in August of 2005, the Army Corps of Engineers has been conducting levee certification surveys throughout the country. When levees are decertified, surrounding areas are considered to be at a higher probability for flooding, therefore requiring effected homeowners to purchase expensive flood insurance when such insurance was not previously required. An alternative to seeking a reversion to pre-2008 Flood Insurance Rate Maps (FIRM) for Sandoval County is to commission a map revision study. Such a study would require technical, scientific, engineering data to support a letter of map revision in order to change effected areas of Sandoval County from a Zone D (requiring flood insurance) to Zone X (not requiring flood insurance). However, a new study could have the opposite effect and show the area to be in a higher risk Zone.

MW/svb