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TO: The Honorable Jeff Barker, Chair
House Committee on Business and Labor

FROM: Sadie Carney, Policy Analyst
Department of Land Conservation and Development

RE: House Bill 2312



DLCD is the coordinating agency for the National Flood Insurance Program (NFIP), which was made more effective through the National Flood Insurance Reform Act of 1994. As a coordinating agency, we work with FEMA and participating local governments to help administer this program. We understand the intent of the HB 2312 is to include more information on property disclosure forms in relation to flood insurance. A home buyers understanding of the value and the purpose of flood insurance as it relates to private property ownership is an important element of making the NFIP successful. It is important to note that the department is not taking a position on this bill, but would like the committee to consider the following information.

We have noticed slight ambiguities in the way the proposed language amends the disclosure questions and would like to offer our expertise to make sure that property disclosure forms include information that is clear, easy to understand, and achieves what is intended by HB 2312.

Specifically, the term "floodplain," used in question 9.D, does not have a precise statutory definition, "Special Flood Hazard Area" is more precise.

The new question, 9.E about flood insurance could provide a potential buyer with important information about requirements to purchase flood insurance. This will allow buyers to make informed decisions, and reduce the number of new owners to inadvertently fail to purchase flood insurance. In this question, we recommend removing the phrase, "under a local ordinance or" because local ordinances do not require flood insurance. The legal requirement to purchase flood insurance only comes from federal law.

For disclosure question 9.D. (page 8, line 19), we recommend a minor rewording to "identified on" rather than "identified in".

Thank you for this opportunity to provide you with information about HB 2312. If committee members have questions about this testimony, I can be reached at 503-373-0036 or by email at sadie.carney@state.or.us.