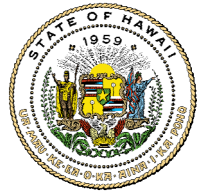


The Unintended Consequences of Hawaii Revised Statutes (HRS) § 46-88 FREQUENTLY ASKED QUESTIONS



In the upcoming 2017 Hawaii Legislative Session, the Department of Land and Natural Resources (DLNR), as the State Coordinating Agency for the National Flood Insurance Program (NFIP), will propose critical amendments to HRS §46-88 necessary to ensure the State of Hawaii's continued eligibility in the NFIP.

What is HRS §46-88?

- ◆ As currently enacted, HRS §46-88, provides broad exemptions from building permit and building code requirements for certain types of agricultural buildings, structures, and appurtenances.

Why is it necessary for HRS §46-88 to be amended?

- ◆ The State of Hawaii and the four major counties are "Participating Communities" in the NFIP. Participating communities must enter into an agreement with the Federal Emergency Management Agency (FEMA) to adopt and enforce floodplain management ordinances that meet or exceeds the minimum regulations set forth in Title 44 of the Code of Federal Regulations Section 60.3.
- ◆ The building permit exemptions, in accordance with HRS §46-88, is in conflict with the State and Local participating community's agreement with FEMA to maintain floodplain management regulations consistent with 44CFR§60.3. Consequently, HRS §46-88 impedes participating communities from properly administering and enforcing their floodplain management regulations.
- ◆ **FEMA will suspend** the State of Hawaii and all Local participating communities from the NFIP, if HRS §46-88 is not amended to restore building permit requirements for proposed development in a Special Flood Hazard Area (SFHA) and other areas as regulated through local floodplain management regulations by July 31, 2017.

Why is the National Flood Insurance Program (NFIP) important to the State of Hawaii?

- ◆ The State of Hawaii has been a participating NFIP community for over 35 years. The partnership has reduced flood risk through floodplain management and financial protection with the availability of flood insurance. Property owners with a 30 year mortgage have over a 25% chance of flooding in SFHAs.
- ◆ The NFIP calls for sound floodplain development to protect lives and investments from flooding with the overall goal of reducing the community's vulnerability and exposure to flood related damages.
- ◆ State and Local participating communities are afforded the sale of federally-backed flood insurance through the NFIP.

What are the potential impacts if the State of Hawaii is suspended from the NFIP?

- ◆ Federally-backed Flood Insurance will no longer be available for sale in the State of Hawaii;

Statewide Policy Count ¹ :	60,199
Total Insurance In-Force ¹ :	\$13,422,059,200
Total Insurance Paid Out To-Date ¹ :	\$87,418,025

- ◆ State and Local participating communities are eligible for Federal Disaster Assistance in the event of a Presidential Disaster Declaration; If the State of Hawaii is no longer participating in the NFIP, certain forms of Federal Disaster Assistance may not be available to government, businesses, and individuals to aid in recovery; It is estimated that Federal Disaster Assistance made available to the State of Hawaii since 1980, has totaled over \$400 million dollars.
- ◆ Pursuant to the Flood Disaster Protection Act of 1973, Federally regulated lending institutions are mandated to require the purchase of flood insurance for the protection of improved real property located in SFHAs; If federally-backed flood insurance is no longer available, lenders may recall current mortgages in these high risk flood areas.
- ◆ In the State of Hawaii, approximately 109,582² acres are in a SFHA. New federally backed mortgages may not be issued in these area if flood insurance is not available.

For more information, contact the State of Hawaii, Department of Land and Natural Resources, Engineering Division, NFIP Program at (808) 587-0230 or dlnr@hawaii.gov. To download a copy of this flyer, visit: <http://bit.ly/HRS46-88FAQ>

¹ Source: FEMA's Community Information System as of 3/31/2016; ;

² Source: FEMA's effective and preliminary Digital Flood Insurance Rate Maps (DFIRM)