Congressional Budget Office
Cost Estimate

June 14, 2021

H.R. 539, Preventing Disaster Revictimization Act

As ordered reported by the House Committee on Transportation and Infrastructure on March 24, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
Direct Spending (Outlays)	0	2	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	2	0
Spending Subject to Appropriation (Outlays)	0	34	36

Statutory pay-as-you-go procedures apply?	Yes	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

Except in cases involving fraud, H.R. 539 would require the Federal Emergency Management Agency (FEMA) to waive the collection of improper payments provided to individuals or households after major disasters declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The bill also would require FEMA to report on its processes for determining the distribution of disaster assistance.

Under current law, FEMA must recoup improper payments, which can stem from errors in processing or from duplicate payments. Recouped amounts are deposited into the Disaster Relief Fund and are available to spend without further appropriation. The agency currently has limited discretion to waive debts.

CBO assumes that the bill will be enacted late in fiscal year 2021. Accordingly, the budgetary effects would begin in 2022. Using information from the agency, CBO estimates that, in nearly all eligible cases under the bill, FEMA would waive collections, which currently total $36 million. Those collections are recorded as reductions in direct spending, so waiving them would increase direct spending. However, those amounts would have been available to spend, so the bill also would reduce outlays. Because collections precede spending, enacting the bill would increase direct spending by $2 million over the 2021-2026 period but would have no net effect on direct spending over the 2021-2031 period.

The bill would not change FEMA's authority to provide disaster relief; therefore, in CBO's view H.R. 539 also would implicitly authorize the appropriation of amounts equal to the

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

forgone recoveries. Thus, CBO estimates that implementing the bill would cost $36 million over the 2021-2031 period, assuming appropriation of the necessary amounts.

CBO estimates that the cost to FEMA of reporting on the distribution of disaster assistance to individuals and households would not be significant.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those procedures are shown in Table 1.

Table 1.
CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 539, the Preventing Disaster Revictimization Act, as Ordered Reported by the House Committee on Transportation and Infrastructure on March 24, 2021

	By Fiscal Year, Millions of Dollars											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021-2026	2021-2031
	Net Increase or Decrease (-) in the Deficit												
Pay-As-You-Go Effect	0	4	0	0	-1	-1	-2	0	0	0	0	2	0

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.