



Memorandum in Support of Assembly Bill 7876 – A Bill to Require Disclosure of Information Concerning Flood Insurance on Property Condition Disclosure Statements

The Waterfront Alliance and Rise to Resilience coalition write strongly in support of Assembly Bill 7876 (Senate Bill 5472), which would require disclosure of information concerning flood insurance on property condition disclosure statements. This bill would establish a long overdue flood risk “right to know” for renters and buyers. Most states in the nation have flood risk disclosure laws, 25 of which are rated higher than New York’s current law. With climate change, these risks are significantly rising.

In New York, disaster declarations due to flooding have been declared in every county in the past ten years alone. Residents are already paying the costs, and consumers should have a right to know their risks. Knowing the level of one’s risk helps change patterns of behavior related to flood insurance, increasing uptake of up to 15 percent or more.¹ This bill would rectify a current loophole through which an owner can opt-out of disclosure through paying a \$500 fee. The state of current law led to New York state’s record of receiving an “F” when rated against other states nationally for flood risk disclosure.^{2,3}

The bill would also require sellers to provide to buyers a property condition disclosure statement that states whether a property:

- Is in a Federal Emergency Management Agency (FEMA) designated flood area, such as the area subject to a 100-year flood;
- Is subject to any requirement under federal law to obtain and maintain flood insurance on the property;
- Has a FEMA elevation certificate available for it (increased prevalence of elevation certificates can improve FEMA data sets and participation in the community rating system, among other benefits); and
- Has had a claim for flood damage to the property filed with any insurance provider, including the National Flood Insurance Program.

¹ Hanek, E et al. 2011. Managing California’s Water: From Conflict to Reconciliation. Public Policy Institute of California

² Adler, D, M Burger, R Moore, J Scata. 2019. Changing the National Flood Insurance Program for a Changing Climate. Environmental Law Institute. Washington, DC.

³ Natural Resources Defense Council and Columbia University. 2019. State Disclosure Laws Leave Homebuyers in the Dark About Flood Risks.

The bill's long overdue reforms would ensure that New York home buyers and renters are fully informed about the risks of flooding so that they can protect their belongings and families.

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