

**Testimony**  
**Senate Bill 2365 – Department of Water Resources**  
**House Political Subdivisions Committee**  
**Representative Donald Longmuir, Chairman**  
**March 2, 2023**

Chairman Longmuir, and members of the House Political Subdivisions Committee – I am Aaron Carranza, Regulatory Division Director of the Department of Water Resources (Department). I am here today to provide general support for Senate Bill 2365, which proposes a legislative study regarding North Dakota township participation in FEMA’s National Flood Insurance Program (NFIP).

The NFIP operates on a quid pro quo standard (i.e., something for something). In exchange for a community with land use zoning authority voluntarily agreeing to adopt and manage federal and state minimum floodplain development standards, the community’s constituents gain access to federally subsidized flood insurance, supported by the full faith and trust of the U.S. government.

Constituents that live within communities that choose not to participate in the NFIP do not have access to this same federal flood insurance and therefore, if the constituents chose to buy flood insurance, it must be through a private insurance provider. Compared to the NFIP, private flood insurance can be more expensive and there is a risk of having the policy dropped due to risk exposure.

During the summer of 2022, there was an issue where some North Dakota flood insurance policyholders were found to have been issued their policies in error as their community, the land use zoning authority where their property was located, did not participate in the NFIP. The main reason for this error was due to no formal process to determine which land use zoning authority has jurisdiction at a North Dakota parcel level.

The NFIP generally portrays jurisdictional limits on flood risk mapping products at the county and municipality level. The State of North Dakota’s nationally-unique

local-first zoning authority designation, where organized townships have land use zoning authority, isn't accounted for in the current national flood risk mapping protocol. With the national mapping protocol focused on county and municipality areas of jurisdictions, there is an information gap that this study could fill.

Additionally, the Department is aware of townships that have entered into agreements to yield township land use authority to a municipality or county jurisdiction. It is the Department's understanding that there is no current policy or protocol to track such agreements. As a result, FEMA is currently studying which organized townships have an existing agreement, or the potential for an agreement, within all ND counties to transfer land use zoning authorities. This is a one-time effort to create a snapshot of what exists today.

The proposed study provides an opportunity for North Dakota to transparently articulate and disclose known jurisdictional boundaries statewide. This will benefit not only those looking to purchase or issue NFIP flood insurance policies, but will also enable a more comprehensive understanding of what jurisdictional authorities exist to foster enhanced collaboration.

Thank you for the opportunity to comment and I would be happy to answer any questions you might have.