

2018 -- H 8033

LC005005

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO TOWNS AND CITIES -- COASTAL AND RIVERINE HOME PROTECTION

Introduced By: Representatives Carson, and Shekarchi

Date Introduced: March 30, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 69

4 COASTAL AND RIVERINE HOME PROTECTION

5 **45-69-1. Findings.**

6 (1) It is declared to be a public benefit to encourage the rehabilitation and renovation of
7 structures in a municipality by increasing their resilience to storm surge, sea level rise and
8 extreme precipitation.

9 (2) Flooding and storm-related erosion is causing problems for land owners on our open
10 ocean coastline and rivers.

11 (3) Rhode Island has a strong coastal resources management program that has historically
12 been very protective of natural shorelines.

13 (4) The coastal resource management council (CRMC) created by chapter 23 of title 46 is
14 the principal mechanism for management of the state's coastal resources. CRMC's efforts are
15 essential to secure the rights of the people of Rhode Island to the use and enjoyment of the natural
16 resources of the state as well as the maintenance of property values located on our shorelines and
17 rivers and the depreciating effect coastal and riverine flooding has on the property located
18 thereon.

19 (5) The special study commission created by resolution No. 392 passed by the house of

1 representatives at its January session A.D. 2015, and approved June 17, 2015 entitled "House
2 Resolution Creating the Rhode Island House Commission on Economic Risk Due to Flooding
3 and Sea Rise" has determined:

4 (i) That one of the best ways to prevent property damage due to sea level rise and
5 flooding is to fortify vulnerable assets;

6 (ii) That the state needs to develop an approach and develop a philosophy of resilience;

7 (iii) That the state uncover vulnerabilities and understand the economic value at risk
8 using statistic and probability based models for sea level rise; and

9 (iv) That policymakers need to protect homeowners by incentivizing resilience thereby
10 insuring our assets.

11 (6) A tax relief program for coastal and riverine properties subject to storm surge, sea
12 level rise, riverine flooding and extreme precipitation is needed for sustainability and resiliency,
13 stabilization of property values and the municipal tax base, as well as community revitalization to
14 those communities which are determined by CRMC to be in an area likely to be affected by
15 flooding.

16 (7) Or any other adaptation measure by CRMC as being appropriate to reduce damage
17 from the risks of storm surge, sea level rise and extreme precipitation.

18 **45-69-2. Coastal and riverine resilience - Tax credit.**

19 (a) The various cities and towns may provide, by ordinance, a tax credit to be provided in
20 this chapter against any tax imposed pursuant to the general laws to the valuation of any parcel of
21 real property as defined in § 45-31-8 which is located in an area determined by the coastal
22 resource management council to be susceptible to flooding and which will or has required
23 rehabilitation or renovation as a result of the damage caused by, or risk of damage from storm
24 surge, sea level rise, riverine flooding and extreme precipitation.

25 (b) The tax credit amount pursuant to this chapter shall be determined by the local tax
26 assessors and based on the severity of the risk to the property and/or the amount of damage done
27 to the property which is within an area determined by CRMC to be susceptible to flooding. The
28 local tax assessors of the various cities and towns shall be authorized to develop a tax credit
29 formula for issuing tax credits pursuant to this section by assessing the cost of sustainability and
30 resiliency measures a taxpayer has performed to repair damage or are necessary to prevent future
31 damage and may employ whatever services necessary including, but not limited to, real estate
32 appraisers, construction professionals, or any other professional in property valuation, in
33 determined the amount of the tax credit pursuant to this chapter.

34 (c) Tax credits allowed pursuant to this chapter shall be allowed for the taxable year in

1 which the rehabilitation or renovation occurs.

2 (d) If the amount of the tax credit exceeds the taxpayers total tax liability for the year in
3 which the rehabilitation or renovation work occurred, the amount that exceeds the taxpayer's tax
4 liability may be carried forward for credit against the taxes imposed for the succeeding ten (10)
5 years, or until the full credit is used, whichever occurs first for the tax credits.

6 (e) The municipality implementing a tax credit for property located in a coastal or
7 riverine area shall determine what resilience measures it deems qualifying for tax credits
8 including, but not limited to, the following provisions derived from the Hazard Mitigation
9 Assistance Unified Guidance publication issued by the Federal Emergency Management Agency
10 Department of Homeland Security:

11 (1) Dry flood proofing of residential structures;

12 (2) Infrastructure retrofit;

13 (3) Mitigation reconstruction;

14 (4) Soil stabilization;

15 (5) Structural elevation;

16 (6) Structural retrofitting of existing buildings and facilities;

17 (7) Wind retrofit; and

18 (8) Any additional measures the Rhode Island Emergency Management Agency believes
19 are imperative to preserving the coastal or riverine property and residential structures and which
20 are reasonably expected to achieve their purpose.

21 **45-69-3. Severability.**

22 If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any
23 clause, sentence, paragraph, section or part of this chapter or the application of it to any person or
24 circumstance, the adjudication shall not affect, impair, invalidate or nullify the remainder of this
25 chapter, or the applications of this chapter, which can be given effect without the invalid
26 provision application, but the effect of the court's adjudication shall be confined to the clause,
27 sentence, paragraph, or section or part of this chapter, or application of it, which can be given
28 effect without the invalid provision or application so adjudged to be invalid or unconstitutional.

29 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TOWNS AND CITIES -- COASTAL AND RIVERINE HOME PROTECTION

- 1 This act would enable cities and towns to provide property tax relief to individuals who
- 2 take resiliency measures to rehabilitate their property because of flood hazards.
- 3 This act would take effect upon passage.

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