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LC000546

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

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

Introduced By: Senators Euer, and DiMario

Date Introduced: March 04, 2021

Referred To: Senate 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 extreme
8 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,
14 is 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 thereon.

18 (5) The special study commission created by resolution No. 392 passed by the house of
19 representatives at its January session A.D. 2015, and approved June 17, 2015, entitled "House

1 Resolution Creating the Rhode Island House Commission on Economic Risk Due to Flooding and
2 Sea Rise" has determined:

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

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

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

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

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

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

17 **45-69-2. Definitions.**

18 (a) As used in this chapter the following words shall have the following meanings:

19 (1) "Demolition" means to completely destroy or raze a building in cases in which a
20 building is so severely damaged that it cannot be elevated, floodproofed, or relocated, or the
21 building is in such poor condition and not worth the additional investment required to elevate,
22 floodproof, or relocate. It is not technically feasible or cost effective to elevate or relocate some
23 types of buildings, such as certain slab-on-grade buildings or masonry-type buildings.

24 (2) "Dry floodproofing of residential structures" means a structure is made watertight
25 below the level that needs flood protection to prevent floodwaters from entering. Making the
26 structure watertight requires sealing the walls with waterproof coatings, impermeable membranes,
27 or a supplemental layer of masonry or concrete

28 (3) "Levees and floodwalls" means a long, narrow embankment usually built to protect
29 land from flooding. If built of concrete or masonry the structure is usually referred to as a floodwall.
30 Levees and floodwalls confine streamflow within a specified area to prevent flooding.

31 (4) "Relocation" means moving an entire building to another location on the same lot or to
32 another lot, usually outside the floodplain. Relocation is a mitigation measure that can offer the
33 greatest protection from future flooding.

34 (5) "Structural elevation" means various techniques used to raise the existing building to

1 or above the base flood elevation (BFE). Elevation is a common technique for protecting an existing
2 building in the special flood hazard area (SFHA).

3 (6) "Wet floodproofing" means a design method that allows water to move in the enclosed
4 parts of a home's lower area, such as the crawlspace or an unoccupied area, and then out when
5 water recedes.

6 (b) In interpreting the definitions listed in subsection (a) of this section to the tax
7 assessments improvement exemption provided in this chapter, these definitions shall be applied
8 consistent with the interpretation and meaning contained in the February 27, 2015 edition of the
9 Hazard Mitigation Assistance Guidance manual published by the Federal Emergency Management
10 Agency (FEMA), and any subsequent amendments or revisions to the manual, or as otherwise
11 issued by FEMA, whichever is most current. The National Flood Insurance Program operated by
12 FEMA may also be utilized for further clarification of these words.

13 **45-69-3. Coastal and riverine resilience - Tax assessment improvement exemption.**

14 (a) The various cities and towns may provide by ordinance for an exemption on the
15 increased assessed value of a property relating to improvements to protect against coastal and
16 riverine flooding. Such exemption on improvements shall be as determined by the tax assessor after
17 verification that the property is in an area that the (CRMC) has determined is susceptible to
18 flooding and which will require or has required rehabilitation or renovation as a result of the damage
19 caused by, or is at risk of damage from storm surge, sea level rise, riverine flooding and extreme
20 precipitation, and that such improvements will result in reduced susceptibility to flood damage.
21 Such coastal and riverine flooding improvement exemption shall apply until the next full
22 reevaluation of property in the city or town. Prior to receiving this exemption the local building
23 inspector shall inspect and approve the plans to incorporate flood mitigation measures to the
24 property.

25 (b) The tax exemption 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 exemption
29 formula for issuing tax exemptions pursuant to this section by assessing the cost of sustainability
30 and resiliency measures a taxpayer has performed to repair damage, or are necessary to prevent
31 future damage, and may employ whatever services necessary including, but not limited to, real
32 estate appraisers, construction professionals, or any other professional in property valuation, in
33 determining the amount of the tax exemption pursuant to this chapter.

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

1 in which the rehabilitation or renovation occurs.

2 (d) If the amount of the tax exemption exceeds the taxpayer's total tax liability for the year
3 in which the rehabilitation or renovation work occurred, the amount that exceeds the taxpayer's tax
4 liability may be carried forward for exemption against the taxes imposed for the next full property
5 evaluation, or until the full exemption is used, whichever occurs first for the tax exemptions.

6 (e) The municipality implementing a tax exemption for property located in a coastal or
7 riverine area shall determine what resilience measures it deems qualifying for tax exemptions
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, as defined in § 45-69-2:

11 (1) Demolition;

12 (2) Dry floodproofing of residential structures;

13 (3) Levees and floodwalls;

14 (4) Relocation;

15 (5) Structural elevation;

16 (6) Wet floodproofing;

17 (7) Relocation or elevation of utility equipment from a basement that may become flooded;

18 and

19 (8) Any additional measures the Rhode Island emergency management agency believes are
20 imperative to preserving the coastal or riverine property and residential structures and which are
21 reasonably expected to achieve their purpose.

22 **45-69-4. Severability.**

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

30 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 a tax exemption to individuals who take
2 resiliency measures to rehabilitate their property because of flood hazards.

3 This act would take effect upon passage.

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