

1 Introduced October 26, 2004, by
2 Councilman Cusimano, seconded by
3 Councilwoman Williams

4 **RESOLUTION R04-35**

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6 A resolution requesting the United States Congress to enact legislation to
7 provide tax relief to property owners who participate in the Federal Emergency
8 Management Agency (FEMA) hazard mitigation project.

9 WHEREAS, FEMA provides grants through state and local governments to
10 alleviate potential damage from future natural hazards; and

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12 WHEREAS, FEMA has funded community mitigation projects affecting
13 individual properties for over fifteen years and participating property owners generally have
14 not paid taxes on mitigation funding; and

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17 WHEREAS, on July 30, 2004, the IRS determined that the construction costs
18 of a FEMA mitigation project represent income to property owners; and

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20 WHEREAS, there is concern that owners of at-risk properties might decline to
21 participate because of the potential tax obligation; and

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23 WHEREAS, some property owners already bear a portion of the project cost
24 to cover the required non-federal share; and

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27 WHEREAS, including mitigation project construction costs as taxable income
28 presents a potential impediment to the policy Congress sought to implement through these
29 hazard mitigation grant programs; and


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32 WHEREAS, property owners who are unable to mitigate the risk to their
33 properties due to the tax obligation remain in harm's way, and will continue to drain the
34 National Flood Insurance Fund and the Disaster Relief Fund; and


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4 WHEREAS, an amendment to the Tax Code to exclude FEMA mitigation
5 grants from income would provide relief to owners of homes and other property in hazard-
6 prone areas and would ensure that the objective of reducing disaster damages is
7 accomplished.
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11 NOW THEREFORE BE IT RESOLVED by the Slidell City Council that it does
12 hereby urge the U.S. Congress to enact legislation to exclude FEMA mitigation grants from
13 income for property owners who participate in FEMA hazard mitigation projects.
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16 **ADOPTED** this 26th day of October, 2004.

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18 
19 Elsie Burkhalter
20 President of the Council
21 Councilwoman, District A

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24 Shawn B. McManus, CMC
25 Clerk of the Council
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