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COMMITTEE REPORT

February 9, 2017

**S. 11**

Introduced by Senator Davis

S. Printed 2/9/17--S.

Read the first time January 10, 2017.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 11) to amend Section 38‑75‑485, Code of Laws of South Carolina, 1976, relating to the South Carolina Hurricane Damage Mitigation Program, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

RONNIE W. CROMER for Committee.

**A** **BILL**

TO AMEND SECTION 38‑75‑485, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE SOUTH CAROLINA HURRICANE DAMAGE MITIGATION PROGRAM, SO AS TO EXPAND THE PROGRAM TO INCLUDE FLOOD DAMAGE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑75‑485 of the 1976 Code is amended to read:

“Section 38‑75‑485. (A) There is established within the Department of Insurance, the South Carolina Hurricane and Flood Damage Mitigation Program. The advisory council, established pursuant to Section 38‑75‑470, shall provide advice and assistance to the program administrator with regard to his administration of the program.

(B) This section does not create an entitlement for property owners or obligate the State in any way to fund the inspection or retrofitting of residential property in this State. Implementation of this program is subject to annual legislative appropriations.

(C) The program shall develop and implement a comprehensive and coordinated approach for hurricane and flood damage mitigation that includes the following:

(1) The program administrator shall apply for financial grants to be used to assist single‑family, site‑built or manufactured or modular, owner‑occupied, residential property owners to retrofit their properties to make them less vulnerable to hurricane or flood damage.

(a) To be eligible for a grant, a residential property must:

(i) have been granted a homestead exemption;

(ii) be a dwelling with an insured value of three hundred thousand dollars or less; and

(iii) have undergone an acceptable wind certification and hurricane mitigation inspection or flood inspection.

(b) All grants must be matched on a dollar‑for‑dollar basis for a total of ten thousand dollars for the mitigation project with the state’s contribution not to exceed five thousand dollars.

(c) The program must create a process in which mitigation contractors agree to participate and seek reimbursement from the State and homeowners selected from a list of participating contractors. All mitigation must be based upon the securing of all required local permits and inspections. Mitigation projects are subject to random reinspection of up to at least ten percent of all projects.

(d) Matching fund grants also must be made available to local governments and nonprofit entities for projects that reduce hurricane or flood damage to single‑family, site‑built or manufactured or modular owner‑occupied, residential property.

(e) Grants may be used for the following improvements:

(i) roof deck attachment;

(ii) secondary water barrier;

(iii) roof covering;

(iv) brace gable ends;

(v) reinforce roof‑to‑wall connections;

(vi) opening protection;

(vii) exterior doors, including garage doors;

(viii) tie downs;

(ix) problems associated with weakened trusses, studs, and other structural components;

(x) inspection and repair or replacement of manufactured home piers, anchors, and tiedown straps; ~~and~~

(xi) raise the dwelling above the minimum required elevation standards;

(xii) add vents to enclosures;

(xiii) install breakaway walls;

(xiv) relocate the dwelling further from the flood source, if possible; and

(xv) any other mitigation techniques approved by the advisory committee.

(f)(i) Low‑income homeowners, who otherwise meet the requirements of subitems (a) and (c) are eligible for a grant of up to five thousand dollars and are not required to provide a matching amount to receive the grant. These grants must be used to retrofit single‑family, site‑built or manufactured or modular, owner‑occupied, residential properties, valued at one hundred fifty thousand dollars or less, in order to make them less vulnerable to hurricane or flood damage.

(ii) For purposes of this item, ‘low‑income persons’ means one or more natural persons or a family, the total annual adjusted gross household income of which does not exceed eighty percent of the median annual adjusted gross income for households within the county in which the person or family resides, whichever is greater.

(2) The department shall define by regulation the details of the mitigation measures necessary to qualify for the grants or public assistance described in this section.

(3) Multimedia public education, awareness, and advertising efforts designed to specifically address mitigation techniques must be employed, as well as a component to support ongoing consumer resources and referral services.

(4) The department shall use its best efforts to obtain grants or funds from the federal government to supplement the financial resources of the program. In addition to state appropriations, if any, this program must be implemented by the department through the use of the premium taxes due to this State by the South Carolina Wind and Hail Underwriting Association, and ~~one~~ three percent of the premium taxes collected annually and remitted to the Department of Insurance.

(5) The director or his designee may promulgate regulations necessary to implement the provisions of this article.”

SECTION 2. This act takes effect upon approval by the Governor.

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