

# Congressman Mike Thompson

Representing California's 5<sup>th</sup> Congressional District

## P R E S S   R E L E A S E

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### **REP. THOMPSON INTRODUCES LEGISLATION TO ENCOURAGE EARTHQUAKE-READY HOMES**

**WASHINGTON, D.C.** – U.S. Rep. Mike Thompson (CA-5) introduced the Earthquake Mitigation Tax Incentive Act (H.R. 5610) with Rep. Paul Cook (R-CA), bipartisan legislation to exclude earthquake mitigation incentives from being taxed at the federal level. California has already made these incentives tax free at the state level.

The California Earthquake Authority (CEA) and the Governor's Office of Emergency Services established the California Residential Mitigation Program (CRMP) to help Californians strengthen their homes against damage from earthquakes. As the first program developed by CRMP, the Earthquake Brace + Bolt (EBB) Program provides grants of up to \$3,000 to help homeowners pay for code-compliant retrofits, which cost an average of about \$5,000. A residential seismic retrofit strengthens an existing house, making it more resistant to earthquake activity by bolting the house to its foundation and adding bracing around the perimeter of the crawl space. In order to maximize the value of the incentive, H.R. 5610 would make the incentive tax free at the federal level.

**“After the South-Napa earthquake damaged more than 1,500 homes in 2014, we need to do everything possible to ensure that our homes are better prepared to withstand the next earthquake,”** said Rep. Thompson. **“By ensuring that homeowners can take advantage of seismic retrofits without being taxed, this bipartisan legislation will help encourage more homeowners to take preventive measures to strengthen their homes against earthquake damage.”**

**“This bill will bring federal tax law into sync with California law to encourage residents in earthquake-prone regions to take preventative measures to safeguard their homes,”** said Rep. Paul Cook. **“Current federal law penalizes Californians with taxes, which leaves families and structures less safe. We have to change this, and these tax incentives are a step in the right direction.”**

**“We've designed this incentive program to help Californians make their homes safer,”** said Glenn Pomeroy, CEO of the California Earthquake Authority. **“That's why this legislation is so important, because people who do the right thing by taking advantage of this program shouldn't be penalized with a tax. California fixed the problem at the state level, and now it's time for the federal government to do the same.”**

On August 24, 2014, a magnitude-6.0 earthquake struck the Napa, Solano and Sonoma County area at approximately 3:20 a.m. According to the U.S. Geological Survey, the epicenter was three miles from American Canyon, six miles from Napa, and eight miles from Sonoma. The earthquake was the largest to hit the Bay Area in 25 years. The earthquake damaged more than 1,500 homes and caused an estimated \$362 million in damage to private homes and commercial properties, according to Napa County and the City of Napa.

Following the earthquake, Rep. Thompson helped secure Presidential approval of Federal Emergency Management Agency (FEMA) Individual Assistance (IA) disaster funds and Public Assistance (PA) disaster funds as well as Small Business Administration (SBA) loans.

*Congressman Mike Thompson is proud to represent California's 5<sup>th</sup> Congressional District, which includes all or part of Contra Costa, Lake, Napa, Solano and Sonoma Counties. He is a senior member of the House Ways and Means Committee. Rep. Thompson is also a member of the fiscally conservative Blue Dog Coalition and chairs the bipartisan, bicameral Congressional Wine Caucus.*

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