

APPENDIX E

Measures That Could Be Taken by the Federal Government to Reduce the Damage Caused by Shoreline Recession (Skidaway Institute of Oceanography 1985):

1. End all federal expenditures, direct or indirect, in support of private coastal development. Require private coastal development to pay its full cost.
2. Replace economic incentives for private development in high risk areas with incentives to relocate and build in other areas.
3. Acquire undeveloped areas to preserve natural features or the recreational beaches important to the public.
4. Discontinue government backed insurance programs for new development and substantial rebuilding and require flood insurance for existing structures to be actuarially sound. Also condition the use of insurance receipts or disaster payments on rebuilding outside coastal hazard areas.
5. Permit the use of offshore sand supplies for beach nourishment only where the value and extent of development outweighs other values and where nourishment would not deprive other communities of natural sand supplies.
6. Encourage research in new technologies for managing beach areas, especially inlets and navigation channels, without disturbing natural processes.
7. Provide special tax incentives and disincentives to limit development in the units of the Coastal Barriers Resources System and V Zones, including the following:
 - a. Remove the limits on deductions for gifts of land to government or conservation groups if the land is in a threatened area.
 - b. Allow tax deductible gifts with the right of the owner to use improvements until damaged by erosion or storms.
 - c. Eliminate casualty loss tax deductions for properties in high risk zones purchased or built after adoption of a new policy.
 - d. Eliminate Accelerated Cost Recovery System for property in high risk zones.
 - e. Treat gains on property in high risk areas as ordinary income, rather than as capital gains.

f. Put businesses and homeowners on an equal footing by disallowing as business expenses the costs of draining, filling, or building protective measures on properties in the high risk zone.

g. Repeal the deduction for interest paid on loans for properties in the high risk zones.

h. Allow tax exempt financing for the financing of public acquisition of properties in the hazard areas.

I. Give preferential tax treatment to profits made on sales to public bodies or conservation groups.

8. Amend the Interstate Land Sales Act to require the disclosure of the possible consequences of buying or building in hazard zones.
9. Stimulate full disclosure by removing the "private offering" exemption in Section 4(2) of the Securities Act of 1933 for proposed private investment and development in units of the Coastal Barrier Resources System and in V Zones identified by the National Flood Insurance Program.
10. Establish a firm policy that all usable (compatible) sand material from navigation projects be placed on adjacent beaches.