

By Senator Diaz-Balart

37-1521-98

1 A bill to be entitled
 2 An act relating to hurricane loss mitigation;
 3 creating s. 215.559, F.S.; creating the
 4 Hurricane Loss Mitigation Clearing Trust Fund;
 5 providing for administration; specifying moneys
 6 to be credited to the fund; requiring
 7 appropriation of moneys in the fund; providing
 8 purposes; specifying uses of such moneys by
 9 specified officers and agencies; providing
 10 allocations; requiring reports; providing that
 11 fund balances carry over to future years;
 12 amending s. 215.555, F.S.; requiring the State
 13 Board of Administration annually to transfer
 14 specified amounts from the Florida Hurricane
 15 Catastrophe Fund to the Hurricane Loss
 16 Mitigation Clearing Trust Fund; providing an
 17 effective date.

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 19 Be It Enacted by the Legislature of the State of Florida:

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 21 Section 1. Section 215.559, Florida Statutes, is
 22 created to read:

23 215.559 Hurricane Loss Mitigation Clearing Trust
 24 Fund.--

25 (1) There is created a clearing fund under the
 26 administration of the Comptroller, to be known as the
 27 Hurricane Loss Mitigation Clearing Trust Fund. Funds to be
 28 credited to the trust fund shall consist of moneys transferred
 29 from the Florida Hurricane Catastrophe Fund under s.
 30 215.555(7)(c). The Legislature shall annually appropriate the
 31 moneys in the fund for the purposes set forth in this section.

1 (2) Moneys in the fund must be used to provide funding
2 for local governments, state agencies, public and private
3 educational institutions, and nonprofit organizations to
4 support programs intended to improve hurricane preparedness,
5 reduce potential losses in the event of a hurricane, provide
6 research into means to reduce such losses, educate or inform
7 the public as to means to reduce hurricane losses, assist the
8 public in determining the appropriateness of particular
9 upgrades to structures or in the financing of such upgrades,
10 or protect local infrastructure from potential damage from a
11 hurricane.

12 (3) In any fiscal year, moneys from the trust fund
13 shall be allocated as follows:

14 (a)1. The Comptroller shall annually transfer 85
15 percent of the moneys in the fund to the Grants and Donations
16 Trust Fund of the Department of Community Affairs, to be used
17 by the Department of Community Affairs for programs to improve
18 the wind resistance of residences, including loan subsidies,
19 grants, and demonstration projects; cooperative programs with
20 local governments, the Federal Government, and the Institute
21 for Business and Home Safety; and other efforts to prevent or
22 reduce losses or reduce the cost of rebuilding after a
23 disaster.

24 2. Eligibility for loan subsidies and other forms of
25 direct assistance to property owners is limited to
26 policyholders of the Florida Windstorm Underwriting
27 Association. Actions taken by a property owner pursuant to
28 such loan subsidies and direct assistance qualify the
29 policyholder for premium discounts as filed by the association
30 and approved by the Department of Insurance and do not
31 constitute changes, additions, or improvements to homestead

1 property within the meaning of chapter 193. No more than 25
2 percent of the total value of such loan subsidies and direct
3 assistance may be awarded on the basis of the income of the
4 recipient. At least 10 percent of the total value of such
5 loan subsidies and direct assistance must be used for mobile
6 homes, including programs to inspect and improve tie-downs.

7 3. The Department of Community Affairs shall develop
8 the programs in consultation with an advisory council
9 consisting of representatives of the Department of Insurance,
10 the Residential Property and Casualty Joint Underwriting
11 Association, the Florida Windstorm Underwriting Association,
12 mortgage lenders, home builders, building officials, insurance
13 companies, the Institute for Business and Home Safety, the
14 Federation of Mobile Home Owners, a code development agency,
15 and the Federal Emergency Management Agency; the Insurance
16 Consumer Advocate; and the Chief Operating Officer of the
17 Florida Hurricane Catastrophe Fund.

18 4. Moneys provided to the Department of Community
19 Affairs under this paragraph are intended to supplement other
20 funding sources of the Department of Community Affairs and may
21 not supplant other funding sources of the Department of
22 Community Affairs.

23 (b) The Comptroller shall annually transfer 5 percent
24 of the moneys in the fund to the Insurance Commissioner's
25 Regulatory Trust Fund, to be used by the office of the
26 Insurance Consumer Advocate of the Department of Insurance for
27 the purpose of consumer education, information, and outreach
28 to encourage consumers to take actions that will reduce their
29 property insurance costs, including a statewide media public
30 awareness campaign using television and radio, provided that
31 the funding for the media campaign must be matched by at least

1 an equal amount of in-kind services, with a goal of three
2 times the funds being matched by in-kind services. The
3 Insurance Consumer Advocate shall consult with the Department
4 of Community Affairs before expending moneys provided under
5 this paragraph. Moneys provided to the Insurance Consumer
6 Advocate under this paragraph are intended to supplement other
7 funding sources of the Insurance Consumer Advocate and may not
8 supplant other funding sources of the Insurance Consumer
9 Advocate.

10 (c) The Comptroller shall annually transfer 10 percent
11 of the moneys in the fund to the Operations and Maintenance
12 Trust Fund of the Board of Regents-General Office, to be used
13 by the State University System to support programs of research
14 and development, including demonstration projects, with regard
15 to hurricane loss reduction devices and techniques for
16 residences and mobile homes and with regard to the development
17 of creditable data on potential loss reductions. The funding
18 of research and development programs must be matched by at
19 least an equal amount of funds or in-kind services from
20 entities other than the State University System. The State
21 University System shall consult with the Department of
22 Community Affairs prior to expending moneys provided under
23 this paragraph.

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25 On January 1, 2000, and annually thereafter, the Department of
26 Community Affairs shall provide a full report and accounting
27 of activities under this subsection and an evaluation of such
28 activities to the President of the Senate, the Speaker of the
29 House of Representatives, and the Majority and Minority
30 Leaders of the Senate and the House of Representatives.

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1 (4) Notwithstanding the provisions of s. 216.301 and
2 pursuant to s. 216.351, any balance in the trust fund at the
3 end of any fiscal year must remain in the trust fund at the
4 end of the year and must be available for carrying out the
5 purposes of the trust fund.

6 Section 2. Paragraph (c) of subsection (7) of section
7 215.555, Florida Statutes, is amended to read:

8 215.555 Florida Hurricane Catastrophe Fund.--

9 (7) ADDITIONAL POWERS AND DUTIES.--

10 (c) Beginning with the 1998-1999 fiscal year, on the
11 first day of each fiscal year, the board shall transfer a
12 portion of the investment income of the Florida Hurricane
13 Catastrophe Fund to the Hurricane Loss Mitigation Clearing
14 Trust Fund created by s. 215.559. The amount of the annual
15 transfer shall consist of \$10 million, plus an additional
16 amount such that the total amount transferred equals 35
17 percent of the investment income of the Florida Hurricane
18 Catastrophe Fund for the prior fiscal year; however, the board
19 shall limit the transfer to \$10 million if the board ~~Each~~
20 ~~fiscal year, the Legislature shall appropriate from the~~
21 ~~investment income of the Florida Hurricane Catastrophe Fund an~~
22 ~~amount no less than \$10 million and no more than 35 percent of~~
23 ~~the investment income from the prior fiscal year for the~~
24 ~~purpose of providing funding for local governments, state~~
25 ~~agencies, public and private educational institutions, and~~
26 ~~nonprofit organizations to support programs intended to~~
27 ~~improve hurricane preparedness, reduce potential losses in the~~
28 ~~event of a hurricane, provide research into means to reduce~~
29 ~~such losses, educate or inform the public as to means to~~
30 ~~reduce hurricane losses, assist the public in determining the~~
31 ~~appropriateness of particular upgrades to structures or in the~~

1 ~~financing of such upgrades, or protect local infrastructure~~
2 ~~from potential damage from a hurricane. Moneys shall first be~~
3 ~~available for appropriation under this paragraph in fiscal~~
4 ~~year 1997-1998. Moneys in excess of the \$10 million specified~~
5 ~~in this paragraph shall not be available for appropriation~~
6 ~~under this paragraph if the State Board of Administration~~
7 ~~finds that an appropriation of an amount of investment income~~
8 ~~in excess of \$10 million from the fund would jeopardize the~~
9 ~~actuarial soundness of the fund, based on the assumptions that~~
10 ~~are contained in the premium formula approved for that year,~~
11 ~~or would have an adverse impact on rates.~~

12 Section 3. This act shall take effect upon becoming a
13 law.

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16 SENATE SUMMARY

17 Creates the Hurricane Loss Mitigation Clearing Trust Fund to
18 be administered by the Comptroller. Specifies uses of moneys
19 in the fund. Specifies officers and agencies to receive such
20 moneys. Requires the Legislature to appropriate money in the
21 fund for purposes specified. Requires reports to the
22 Legislature. Requires the State Board of Administration to
23 annually transfer specified amounts from the Florida Hurricane
24 Catastrophe Fund to the Hurricane Loss Mitigation Clearing
25 Trust Fund.

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