

By the Committee on Community Affairs and Senator Diaz-Balart

316-2185-98

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; providing that fund balances carry
9 over to future years; amending s. 215.555,
10 F.S.; requiring the State Board of
11 Administration annually to transfer specified
12 amounts from the Florida Hurricane Catastrophe
13 Fund to the Hurricane Loss Mitigation Clearing
14 Trust Fund; providing an effective date.

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

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18 Section 1. Section 215.559, Florida Statutes, is
19 created to read:

20 215.559 Hurricane Loss Mitigation Clearing Trust
21 Fund.--

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

29 (2) Moneys in the fund must be used to provide funding
30 for local governments, state agencies, public and private
31 educational institutions, and nonprofit organizations to

1 support programs intended to improve hurricane preparedness,
2 reduce potential losses in the event of a hurricane, provide
3 research into means to reduce such losses, educate or inform
4 the public as to means to reduce hurricane losses, assist the
5 public in determining the appropriateness of particular
6 upgrades to structures or in the financing of such upgrades,
7 or protect local infrastructure from potential damage from a
8 hurricane.

9 (3) Notwithstanding the provisions of s. 216.301 and
10 pursuant to s. 216.351, any balance in the trust fund at the
11 end of any fiscal year must remain in the trust fund at the
12 end of the year and must be available for carrying out the
13 purposes of the trust fund.

14 Section 2. Paragraph (c) of subsection (7) of section
15 215.555, Florida Statutes, is amended to read:

16 215.555 Florida Hurricane Catastrophe Fund.--

17 (7) ADDITIONAL POWERS AND DUTIES.--

18 (c) Beginning with the 1998-1999 fiscal year, on the
19 first day of each fiscal year, the board shall transfer a
20 portion of the investment income of the Florida Hurricane
21 Catastrophe Fund to the Hurricane Loss Mitigation Clearing
22 Trust Fund created by s. 215.559. The amount of the annual
23 transfer shall consist of \$10 million, plus an additional
24 amount such that the total amount transferred equals 35
25 percent of the investment income of the Florida Hurricane
26 Catastrophe Fund for the prior fiscal year; however, the board
27 shall limit the transfer to \$10 million if the board ~~Each~~
28 ~~fiscal year, the Legislature shall appropriate from the~~
29 ~~investment income of the Florida Hurricane Catastrophe Fund an~~
30 ~~amount no less than \$10 million and no more than 35 percent of~~
31 ~~the investment income from the prior fiscal year for the~~

1 ~~purpose of providing funding for local governments, state~~
2 ~~agencies, public and private educational institutions, and~~
3 ~~nonprofit organizations to support programs intended to~~
4 ~~improve hurricane preparedness, reduce potential losses in the~~
5 ~~event of a hurricane, provide research into means to reduce~~
6 ~~such losses, educate or inform the public as to means to~~
7 ~~reduce hurricane losses, assist the public in determining the~~
8 ~~appropriateness of particular upgrades to structures or in the~~
9 ~~financing of such upgrades, or protect local infrastructure~~
10 ~~from potential damage from a hurricane. Moneys shall first be~~
11 ~~available for appropriation under this paragraph in fiscal~~
12 ~~year 1997-1998. Moneys in excess of the \$10 million specified~~
13 ~~in this paragraph shall not be available for appropriation~~
14 ~~under this paragraph if the State Board of Administration~~
15 ~~finds that an appropriation of an amount of investment income~~
16 ~~in excess of \$10 million from the fund would jeopardize the~~
17 ~~actuarial soundness of the fund, based on the assumptions that~~
18 ~~are contained in the premium formula approved for that year,~~
19 ~~or would have an adverse impact on rates.~~

20 Section 3. This act shall take effect upon becoming a
21 law.

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23 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
24 COMMITTEE SUBSTITUTE FOR
25 Senate Bill 1990

26 The CS deletes the provisions from the bill that require the
27 Comptroller to transfer funds from the newly created Hurricane
28 Loss Mitigation Clearing Trust Fund to the Department of
29 Community Affairs (DCA), Department of Insurance, and the
30 Board of Regents. In addition, the provision requiring DCA to
31 report to the Legislature is deleted.