

By the Committee on Financial Services and Representatives
Safley, Cosgrove, Rayson, Bainter, Tamargo and Lawson

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

12 (3) The Comptroller shall annually transfer the
13 following amounts of moneys in the fund:

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

23 2. Eligibility for loan subsidies and other forms of
24 direct assistance to property owners is limited to
25 policyholders of the Florida Windstorm Underwriting
26 Association. Actions taken by a property owner pursuant to
27 such loan subsidies and direct assistance qualify the
28 policyholder for premium discounts as filed by the association
29 and approved by the Department of Insurance and do not
30 constitute changes, additions, or improvements to homestead
31 property within the meaning of chapter 193. No more than 25

1 percent of the total value of such loan subsidies and direct
2 assistance shall be awarded on the basis of the income of the
3 recipient. At least 10 percent of the total value of such
4 loan subsidies and direct assistance shall be used for mobile
5 homes, including programs to inspect and improve tie-downs.

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

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

22 (b) Five percent to the Insurance Commissioner's
23 Regulatory Trust Fund, to be used by the office of the
24 Insurance Consumer Advocate of the Department of Insurance for
25 the purpose of consumer education, information, and outreach
26 to encourage consumers to take actions that will reduce their
27 property insurance costs, including a statewide media public
28 awareness campaign utilizing television and radio, provided
29 that the funding for the media campaign must be matched by at
30 least an equal amount of in-kind services, with a goal of
31 three times the funds being matched by in-kind services. The

1 Insurance Consumer Advocate shall consult with the Department
2 of Community Affairs prior to expending moneys provided under
3 this paragraph. Moneys provided to the Insurance Consumer
4 Advocate under this paragraph are intended to supplement other
5 funding sources of the Insurance Consumer Advocate and may not
6 supplant other funding sources of the Insurance Consumer
7 Advocate.

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

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

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

3 Section 2. Paragraph (c) of subsection (7) of section
4 215.555, Florida Statutes, is amended to read:

5 215.555 Florida Hurricane Catastrophe Fund.--

6 (7) ADDITIONAL POWERS AND DUTIES.--

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

1 ~~year 1997-1998. Moneys in excess of the \$10 million specified~~
2 ~~in this paragraph shall not be available for appropriation~~
3 ~~under this paragraph if the State Board of Administration~~
4 finds that an appropriation of an amount of investment income
5 in excess of \$10 million from the fund would jeopardize the
6 actuarial soundness of the fund based on the assumptions which
7 are contained in the premium formula approved for that year or
8 have an adverse impact on fund rates.

9 Section 3. This act shall take effect upon becoming a
10 law.

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12 HOUSE SUMMARY

13
14 Creates the Hurricane Loss Mitigation Clearing Trust
15 Fund. Provides for administration. Specifies moneys to be
16 credited to the fund. Requires appropriation of moneys in
17 the fund. Provides purposes. Specifies uses of such
18 moneys by specified officers and agencies. Provides
19 allocations. Requires reports. Provides that fund
20 balances carry over to future years. Requires the State
21 Board of Administration annually to transfer specified
22 amounts from the Florida Hurricane Catastrophe Fund to
23 the Hurricane Loss Mitigation Clearing Trust Fund.
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