

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Domestic Security Committee

BILL: SB 2486

SPONSOR: Senator Constantine

SUBJECT: Natural Disaster Preparedness

DATE: March 29, 2006

REVISED: 04/05/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pardue	Skelton	DS	Fav/1 amendment
2.			CA	
3.			CU	
4.			TA	
5.				
6.				

## Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

### I. Summary:

This bill reflects the recommendations made in an interim study by the Legislative Committee on Intergovernmental Relations, entitled "Natural Disaster Preparedness, Response & Recovery," March 2006.

This bill:

- Requires the Legislative Committee on Intergovernmental Relations (LCIR), in cooperation with the Florida School Board Association, to conduct a study of estimated costs associated with the protection and temporary storage of schools' vital records, equipment, and supplies while such facilities are being used as a hurricane emergency evacuation shelter.
- Requires the LCIR to review the collection and allocation of funds deposited in the Emergency Management, Preparedness, and Assistance Trust Fund.
- Requires each electric utility in the state to increase the number of notifications they provide their residential customers about the availability of the Special Needs Registry to a minimum of six times per year.

- Provides for the incorporation and testing of specific evacuation procedures for persons who lack the means to self-evacuate.
- Allows county and municipal governments to require the presence of, or access to, electric utility, water utility, and wastewater utility representatives in the local emergency operations center during an emergency or natural disaster.
- Requires the Department of Business and Professional Regulation to establish a toll-free hotline to receive inquiries and complaints and provide regulatory information about certain building contractors and related professionals.

The bill substantially amends sections 252.355 and 252.38, F.S. The bill creates both an unnumbered section and section 455.2287 of Florida Statutes.

## II. Present Situation:

In 2005, the Legislative Committee on Intergovernmental Relations directed its staff to conduct an in-depth study of several specific subject areas relating to natural disaster preparedness. The committee subsequently approved and released an interim project report of the study entitled, *Natural Disaster Preparedness, Response & Recovery, March 2006*.

The committee in its report found that:

- The majority of hurricane emergency evacuation shelters (93%) are located in schools. During such use as a public shelter, school equipment and supplies have been subject to damage and pilferage. Further, vital school records may be subject to loss due to both disaster related damage and theft of computer equipment.
- Revenue in the Emergency Management, Preparedness and Assistance Trust Fund (EMPA) has remained flat despite substantial growth in both population and development since 1993. The EMPA, administered by the Department of Community Affairs, provides that an annual surcharge of \$2 per residential insurance policy be imposed on every homeowner's, mobile home owner's, tenant homeowner's, and condominium unit owner's policy. An annual \$4 surcharge is imposed on all commercial fire, commercial multiple peril, and business owner's property insurance, issued or renewed after May 1, 1993.<sup>1</sup> Funds from the EMPA are used to implement and administer state and local emergency management programs and to provide grants for emergency management projects.
- Florida law requires that each local emergency management agency in the state maintain a registry of persons who would need assistance during evacuations and sheltering because of physical, mental, or sensory disabilities. Each electric utility in the state is required to annually notify its residential customers, on or before May 1, about the

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<sup>1</sup> S. 252.372, F.S.

availability of the registry program.<sup>2</sup> It is believed that some registry eligible persons are unaware of the program and are not taking advantage of it.

- Hurricane Katrina highlighted the difficulties encountered by those without the means to self-evacuate. A review of Florida county and municipality evacuation plans suggested the need for plan improvement and ongoing public education as well. The committee suggested that specific procedures should be required in all local government comprehensive emergency management plans. These procedures should specifically address evacuation for those lacking the means to evacuate impoverished communities with flood and surge prone areas and substandard housing.
- It is particularly important for public utilities to coordinate with the local Emergency Operations Center. This coordination provides assessments of critical needs and serves to expedite the restoration of electricity, water, and sewer capacities.
- Both the 2004 and 2005 hurricane seasons experienced shortages of qualified contractors needed for repairing damaged buildings. Certain actions were taken to temporarily expand the use of out-of-state contractors and for the most part, both in-state and out-of-state contractors' performance was positive. However, the normal method for Floridians to make an inquiry or file a complaint about a contractor could be improved. The Department of Business and Professional Regulation provides such a service on-line and through a regular telephone number. The committee suggested that a toll-free number would enhance this service for seniors and those without computer access.

### III. Effect of Proposed Changes:

**Section 1** requires the Legislative Committee on Intergovernmental Relations (LCIR), in cooperation with the Florida School Board Association, to conduct a study. This study will develop cost estimates for protecting and temporarily storing vital school records, supplies, and equipment during a hurricane. The results of the study shall be reported to the Senate President and Speaker of the House by October 1, 2006.

The LCIR is further required to review the collection and allocation of funds deposited in the Emergency Management, Preparedness, and Assistance Trust Fund. The committee must report its findings to the presiding officers by October 1, 2006. The review must include, but need not be limited to:

- Whether collection of the surcharge through insurance policies is the best method. The review may also identify possible alternative surcharge collection methods. Such alternative collection methods might increase the funds collected through better reflection of the statewide growth in residential and commercial properties.
- Whether an increase in the trust fund surcharge is warranted and the reasons for such an increase.
- How funds can be used to finance specific local emergency management projects and functions.

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<sup>2</sup> S. 252.355, F.S.

- Whether the law provided in s. 216.301, F.S., regarding reversion of fixed capital outlay funds should be revised.

The bill provides that this section shall take effect upon becoming a law.

**Section 2** amends s. 252.355(2), F. S., requiring that each electric utility in the state notify its residential customers of the availability of the special needs shelter registry program. This notification must be performed on or before the first day of each month from December through May each year.

**Section 3** amends s. 252.38, F.S., requiring each local government to have a specific procedure in its county emergency management plan for the evacuation of residents who may not otherwise have the means to evacuate before a natural disaster. This requirement applies to those residents who live in a flood or surge-prone area or in substandard housing. The bill requires the establishment of a public education program regarding this evacuation planning requirement. The bill further requires regional and state coordination and an annual test of this evacuation plan to ensure functionality.

The bill allows a county or municipality to require a representative of an electric utility, a water utility, or a wastewater utility to be accessible during preparation prior to an emergency or natural disaster. Such representatives may also be required to be present at the local emergency operations center during the event if adequate means of coordination cannot be otherwise established. The bill defines an adequate means of coordination as the ability to establish telephonic or other electronic two-way communication within 8 hours after the initial damage assessment.

**Section 4** requires the Department of Business and Professional Regulation to establish and operate a statewide toll-free telephone hotline. The purpose of the hotline is to receive inquiries and complaints and to provide regulatory information about:

- Building code administrators and inspectors
- Professional engineers
- Architects
- Interior designers
- Landscape architects
- Construction, electrical, and septic tank contractors

**Section 5.** The provisions of section 1 of this bill are provided an effective date upon becoming a law. The remaining sections are provided an effective date of July 1, 2006.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill requires each electric utility company in the state to increase the number of notifications about the availability of the Special Needs Registry program. The bill requires the number of notifications to be increased from 1 annual to 1 per month in each of the 6 months prior to June 1 of each year. This will result in some additional cost to each of the electric utilities.

The bill allows counties and municipalities to require the presence of, or access to, electric utility, water, and wastewater utility representatives in their local emergency operations centers. While this requirement will likely reflect a sunk cost to the utility, there is a very slight possibility that the bill could increase utility personnel costs. It is unclear if this requirement will necessitate the procurement of additional two-way communications equipment and who would be responsible for providing such equipment.

C. Government Sector Impact:

The bill:

- Provides for a study of the costs associated with protecting and temporarily storing vital school records, equipment, and supplies while functioning as a hurricane emergency evacuation shelter.
- Provides for a review of the collection and allocation of funds deposited in the Emergency Management, Preparedness, and Assistance Trust Fund. The review may identify possible alternative methods that could increase the amount of funds collected so as to better reflect population and development growth.
- Requires an annual test of mandated evacuation procedures to ensure their functionality. Such tests will likely incur additional training and exercise costs.
- Requires the Department of Business and Professional Regulation to incur the cost of establishing a toll-free hotline for consumers' use.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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## VIII. Summary of Amendments:

### **Barcode 143762 by Domestic Security**

Current law requires one annual notification of electric utility residential customers about the availability of the Special Needs Shelter Registry program. The amendment changes the number of required annual notifications from one to two.

The notifications may be made by any available means, including but not limited to, written, electronic, or verbal and may be made concurrently with other residential customer notifications required by law or rule. (WITH TITLE AMENDMENT)

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