

1 A bill to be entitled
2 An act relating to hurricane damage mitigation programs;
3 amending s. 215.5586, F.S.; transferring the Florida
4 Comprehensive Hurricane Damage Mitigation Program from the
5 Department of Financial Services to the Department of
6 Community Affairs; redesignating the program as the
7 Florida Comprehensive Hurricane Damage Mitigation Grant
8 Program; providing eligibility limitations; expanding
9 duties of the advisory council; creating s. 215.5587,
10 F.S.; establishing the Florida Comprehensive Hurricane
11 Damage Mitigation Sales Tax Exemption or Rebate Program in
12 the Department of Community Affairs; providing program
13 requirements; providing for requirements for wind
14 certification and hurricane mitigation inspections;
15 providing for an exemption from or a rebate of sales taxes
16 on certain tangible personal property used for certain
17 purposes; providing eligibility requirements; providing
18 limitations; providing for public education and consumer
19 awareness; requiring the department to seek federal
20 funding; requiring the department to adopt rules;
21 requiring the department to coordinate with the Department
22 of Revenue for exemption or rebate purposes; requiring the
23 department to develop and maintain a list of private
24 hurricane damage mitigation contractors; amending s.
25 212.08, F.S.; providing an additional exemption from the
26 sales and use tax for certain tangible personal property
27 used in hurricane damage mitigation retrofitting projects;

HB 1537

2007

28 providing an exception; providing an appropriation;
 29 providing an effective date.

30
 31 Be It Enacted by the Legislature of the State of Florida:

32
 33 Section 1. Section 215.5586, Florida Statutes, as amended
 34 by section 4 of chapter 2007-1, Laws of Florida, is amended to
 35 read:

36 215.5586 Florida Comprehensive Hurricane Damage Mitigation
 37 Grant Program.--There is established within the Department of
 38 Community Affairs ~~Financial Services~~ the Florida Comprehensive
 39 Hurricane Damage Mitigation Grant Program. This section does not
 40 create an entitlement for property owners or obligate the state
 41 in any way to fund the inspection or retrofitting of residential
 42 property in this state. Implementation of this program is
 43 subject to annual legislative appropriations. The program shall
 44 be administered by an individual with prior executive experience
 45 in the private sector in the areas of insurance, business, or
 46 construction. The program shall develop and implement a
 47 comprehensive and coordinated approach for hurricane damage
 48 mitigation that shall include the following:

49 (1) WIND CERTIFICATION AND HURRICANE MITIGATION
 50 INSPECTIONS.--

51 (a) Free home-retrofit inspections of site-built,
 52 residential property, including single-family, two-family,
 53 three-family, or four-family residential units, shall be offered
 54 to determine what mitigation measures are needed and what
 55 improvements to existing residential properties are needed to

HB 1537

2007

56 | reduce the property's vulnerability to hurricane damage. The
57 | department ~~of Financial Services~~ shall establish a request for
58 | proposals to solicit proposals from wind certification entities
59 | to provide at no cost to homeowners wind certification and
60 | hurricane mitigation inspections. The inspections provided to
61 | homeowners, at a minimum, must include:

62 | 1. A home inspection and report that summarizes the
63 | results and identifies corrective actions a homeowner may take
64 | to mitigate hurricane damage.

65 | 2. A range of cost estimates regarding the mitigation
66 | features.

67 | 3. Insurer-specific information regarding premium
68 | discounts correlated to recommended mitigation features
69 | identified by the inspection.

70 | 4. A hurricane resistance rating scale specifying the
71 | home's current as well as projected wind resistance
72 | capabilities.

73 | (b) To qualify for selection by the department as a
74 | provider of wind certification and hurricane mitigation
75 | inspections, the entity shall, at a minimum:

76 | 1. Use wind certification and hurricane mitigation
77 | inspectors who:

78 | a. Have prior experience in residential construction or
79 | inspection and have received specialized training in hurricane
80 | mitigation procedures.

81 | b. Have undergone drug testing and level 2 background
82 | checks pursuant to s. 435.04. The department is authorized to
83 | conduct criminal record checks of inspectors. Inspectors must

HB 1537

2007

84 submit a set of the fingerprints to the department for state and
85 national criminal history checks and must pay the fingerprint
86 processing fee set forth in s. 624.501. The fingerprints shall
87 be sent by the department to the Department of Law Enforcement
88 and forwarded to the Federal Bureau of Investigation for
89 processing. The results shall be returned to the department for
90 screening. The fingerprints shall be taken by a law enforcement
91 agency, designated examination center, or other department-
92 approved entity. Wind certification and hurricane mitigation
93 inspectors participating in the program on the effective date of
94 this act shall have until June 1, 2007, to meet the requirements
95 for a criminal record check.

96 c. Have been certified, in a manner satisfactory to the
97 department, to conduct the inspections.

98 2. Provide a quality assurance program including a
99 reinspection component.

100 (2) GRANTS.--Financial grants shall be used to encourage
101 single-family, site-built, owner-occupied, residential property
102 owners to retrofit their properties to make them less vulnerable
103 to hurricane damage.

104 (a) To be eligible for a grant, a residential property
105 must:

106 1. Have been granted a homestead exemption under chapter
107 196.

108 2. Be a dwelling with an insured value of \$500,000 or
109 less. Homeowners who are low-income persons, as defined in s.
110 420.0004(10), are exempt from this requirement.

HB 1537

2007

111 3. Have undergone an acceptable wind certification and
112 hurricane mitigation inspection, if the property is an existing
113 structure.

114

115 A residential property which is part of a multifamily
116 residential unit may receive a grant only if all homeowners
117 participate and the total number of units does not exceed four.

118 (b) All grants must be matched on a dollar-for-dollar
119 basis for a total of \$10,000 for the mitigation project with the
120 state's contribution not to exceed \$5,000.

121 (c) The program shall create a process in which mitigation
122 contractors agree to participate and seek reimbursement from the
123 state and homeowners select from a list of participating
124 contractors. All mitigation must be based upon the securing of
125 all required local permits and inspections. Mitigation projects
126 are subject to random reinspection of up to at least 10 percent
127 of all projects.

128 (d) Matching fund grants shall also be made available to
129 local governments and nonprofit entities for projects that will
130 reduce hurricane damage to single-family, site-built, owner-
131 occupied, residential property.

132 (e) Grants may be used for the following improvements:

- 133 1. Roof deck attachment.
- 134 2. Secondary water barrier.
- 135 3. Roof covering.
- 136 4. Brace gable ends.
- 137 5. Reinforce roof-to-wall connections.
- 138 6. Opening protection.

139 7. Exterior doors, including garage doors.

140 (f) Grants may be used on a previously inspected existing
 141 structure or on a rebuild. A rebuild is defined as a site-built,
 142 single-family dwelling under construction to replace a home that
 143 was destroyed or significantly damaged by a hurricane and deemed
 144 unlivable by a regulatory authority. The homeowner must have had
 145 a homestead exemption prior to the hurricane and maintained the
 146 homestead exemption.

147 (g) Low-income homeowners, as defined in s. 420.0004(10),
 148 who otherwise meet the requirements of paragraphs (a), (c), (e),
 149 and (f) are eligible for a grant of up to \$5,000 and are not
 150 required to provide a matching amount to receive the grant.
 151 Additionally, for low-income homeowners, grant funding may be
 152 used for repair to existing structures leading to any of the
 153 mitigation improvements provided in paragraph (e), limited to 20
 154 percent of the grant value.

155 (h) Any person receiving a grant under this section is not
 156 eligible to receive a sales tax rebate under s. 215.5587.

157 (3) EDUCATION AND CONSUMER AWARENESS.--Multimedia public
 158 education, awareness, and advertising efforts designed to
 159 specifically address mitigation techniques shall be employed, as
 160 well as a component to support ongoing consumer resources and
 161 referral services.

162 (4) ADVISORY COUNCIL.--There is created an advisory
 163 council to provide advice and assistance to the program
 164 administrator with regard to his or her administration of the
 165 program and the tax rebate program under s. 215.5587. The
 166 advisory council shall consist of:

HB 1537

2007

167 (a) A representative of lending institutions, selected by
168 ~~the Financial Services Commission~~ from a list of at least three
169 persons recommended by the Florida Bankers Association.

170 (b) A representative of residential property insurers,
171 selected by ~~the Financial Services Commission~~ from a list of at
172 least three persons recommended by the Florida Insurance
173 Council.

174 (c) A representative of home builders, selected by ~~the~~
175 ~~Financial Services Commission~~ from a list of at least three
176 persons recommended by the Florida Home Builders Association.

177 (d) A faculty member of a state university, ~~selected by~~
178 ~~the Financial Services Commission~~, who is an expert in
179 hurricane-resistant construction methodologies and materials.

180 (e) Two members of the House of Representatives, selected
181 by the Speaker of the House of Representatives.

182 (f) Two members of the Senate, selected by the President
183 of the Senate.

184 (g) The Chief Executive Officer of the Federal Alliance
185 for Safe Homes, Inc., or his or her designee.

186 (h) The senior officer of the Florida Hurricane
187 Catastrophe Fund.

188 (i) The executive director of Citizens Property Insurance
189 Corporation.

190 (j) The director of the Division of Emergency Management
191 of the department ~~of Community Affairs~~.

192

193 Members appointed under paragraphs (a)-(d) shall serve at the
194 pleasure of the Secretary of Community Affairs ~~Financial~~

195 ~~Services Commission~~. Members appointed under paragraphs (e) and
 196 (f) shall serve at the pleasure of the appointing officer. All
 197 other members shall serve voting ex officio. Members of the
 198 advisory council shall serve without compensation but may
 199 receive reimbursement as provided in s. 112.061 for per diem and
 200 travel expenses incurred in the performance of their official
 201 duties. Vacancies on the advisory council under paragraphs (a)-
 202 (d) shall be filled by the Secretary of Community Affairs in the
 203 same manner as original appointments to the council were made.

204 (5) FEDERAL FUNDING.--The department shall use its best
 205 efforts to obtain grants or funds from the Federal Government to
 206 supplement the financial resources of the program.

207 (6) RULES.--The department ~~of Financial Services~~ shall
 208 adopt rules pursuant to ss. 120.536(1) and 120.54 governing the
 209 Florida Comprehensive Hurricane Damage Mitigation Grant Program.
 210 The department shall also adopt rules establishing priorities
 211 for grants provided under this section based on objective
 212 criteria that gives priority to reducing the state's probable
 213 maximum loss from hurricanes. However, pursuant to this overall
 214 goal, the department may further establish priorities based on
 215 the insured value of the dwelling, whether or not the dwelling
 216 is insured by Citizens Property Insurance Corporation and
 217 whether or not the area under consideration has sufficient
 218 resources and the ability to perform the retrofitting required.

219 (7) CONTRACTS WITH NOT-FOR-PROFIT CORPORATIONS.--The
 220 department may ~~of Financial Services is authorized to~~ contract
 221 with not-for-profit corporations to conduct all or portions of
 222 the program and to increase the awareness of the benefits of

HB 1537

2007

223 mitigation among homeowners in this state. The department shall
 224 consider the not-for-profit corporation's ability to raise funds
 225 from the private sector to provide for mitigation grants, as
 226 well as administrative capabilities for conducting other
 227 business related to the program.

228 (8) WIND CERTIFICATION AND HURRICANE MITIGATION INSPECTOR
 229 LIST.--The department shall develop and maintain as a public
 230 record a current list of wind certification and hurricane
 231 mitigation inspectors authorized to conduct wind certification
 232 and hurricane mitigation inspections pursuant to this section.

233 Section 2. Section 215.5587, Florida Statutes, is created
 234 to read:

235 215.5587 Florida Comprehensive Hurricane Damage Mitigation
 236 Sales Tax Exemption or Rebate Program.--There is established
 237 within the Department of Community Affairs the Florida
 238 Comprehensive Hurricane Damage Mitigation Sales Tax Exemption or
 239 Rebate Program. The program shall be implemented by private
 240 mitigation contractors with prior experience in the private
 241 sector in the area of insurance, business, or construction. The
 242 program shall develop and implement a comprehensive and
 243 coordinated approach for hurricane damage mitigation that shall
 244 include the following:

245 (1) WIND CERTIFICATION AND HURRICANE MITIGATION
 246 INSPECTIONS.--

247 (a) Free retrofit inspections of any property shall be
 248 offered to determine what mitigation measures are needed and
 249 what improvements to existing properties are needed to reduce
 250 the property's vulnerability to hurricane damage. The department

HB 1537

2007

251 shall establish a request for proposals to solicit proposals
252 from wind certification entities to provide wind certification
253 and hurricane mitigation inspections at no cost to property
254 owners. The inspections provided to property owners, at a
255 minimum, must include:

256 1. A property inspection and report that summarizes the
257 results and identifies corrective actions a property owner may
258 take to mitigate hurricane damage.

259 2. A range of cost estimates regarding the mitigation
260 features.

261 3. Insurer-specific information regarding premium
262 discounts correlated to recommended mitigation features
263 identified by the inspection.

264 4. A hurricane resistance rating scale specifying the
265 property's current as well as projected wind resistance
266 capabilities.

267 (b) To qualify for selection by the department as a
268 provider of wind certification and hurricane mitigation
269 inspections, an entity shall, at a minimum:

270 1. Use wind certification and hurricane mitigation
271 inspectors who:

272 a. Have prior experience in construction or inspection and
273 have received specialized training in hurricane mitigation
274 procedures.

275 b. Have undergone drug testing and level 2 background
276 screening pursuant to s. 435.04. The department is authorized to
277 conduct criminal record checks of inspectors. Inspectors must
278 submit a set of the fingerprints to the department for state and

HB 1537

2007

279 national criminal history checks and must pay the fingerprint
280 processing fee set forth in s. 624.501. The fingerprints shall
281 be sent by the department to the Department of Law Enforcement
282 and forwarded to the Federal Bureau of Investigation for
283 processing. The results shall be returned to the department for
284 screening. The fingerprints shall be taken by a law enforcement
285 agency, designated examination center, or other department-
286 approved entity. Wind certification and hurricane mitigation
287 inspectors participating in the program on the effective date of
288 this act shall have until June 1, 2008, to meet the requirements
289 for a criminal record check.

290 c. Have been certified, in a manner satisfactory to the
291 department, to conduct the inspections.

292 2. Provide a quality assurance program, including a
293 reinspection component.

294 (2) SALES TAX EXEMPTION OR REBATE.--Tangible personal
295 property purchased by a private hurricane damage mitigation
296 contractor for use in retrofitting property to mitigate
297 hurricane damage shall be exempt from the tax imposed under
298 chapter 212 or shall be subject to a rebate from the Department
299 of Revenue to the owner of such property, as provided in this
300 section, to encourage property owners to retrofit their
301 properties to make the properties less vulnerable to hurricane
302 damage. In order to purchase tangible personal property exempt
303 from the tax imposed by chapter 212, a contractor shall possess
304 a valid exemption certificate as provided in chapter 212.

HB 1537

2007

305 (a)1. To be eligible for a rebate, a property that is an
306 existing structure must have undergone an acceptable wind
307 certification and hurricane mitigation inspection.

308 2.a. A residential property that is part of a multifamily
309 residential unit may receive a rebate only if all homeowners
310 participate and the total number of units does not exceed four.

311 b. The owners of a commercial property that consists of
312 more than one unit may receive a rebate only if all business
313 owners of the property participate.

314 (b) The total amount of the exemption or rebate for an
315 individual property shall not exceed \$5,000.

316 (c) The program shall create a process in which private
317 mitigation contractors agree to provide wind certification and
318 hurricane damage inspections and contract with property owners
319 to retrofit properties to mitigate damage from hurricanes. All
320 mitigation must be based upon the securing of all required local
321 permits and inspections. Mitigation projects are subject to
322 random reinspection of at least 10 percent of all projects.

323 (d) Sales tax exemptions or rebates may be claimed for the
324 following improvements:

- 325 1. Roof deck attachment.
- 326 2. Secondary water barrier.
- 327 3. Roof covering.
- 328 4. Brace gable ends.
- 329 5. Reinforce roof-to-wall connections.
- 330 6. Opening protection.
- 331 7. Exterior doors, including garage doors.

332 (e) Sales tax exemptions or rebates may be claimed on a
 333 previously inspected existing structure or on a rebuild. The
 334 term "rebuild" means a site-built facility under construction to
 335 replace a structure that was destroyed or significantly damaged
 336 by a hurricane and deemed unlivable or unusable by a regulatory
 337 authority.

338 (f)1. A person who receives a rebate of sales taxes under
 339 this section is not eligible to receive a grant under s.
 340 215.5586.

341 2. A person who receives a grant under s. 215.5586 is not
 342 eligible to receive a rebate under this section.

343 3. Tangible personal property purchased by a contractor
 344 under contract with a property owner who has received a grant
 345 under s. 215.5586 is not exempt from the tax imposed by chapter
 346 212.

347 4. The provisions governing refunds under s. 212.095 shall
 348 apply to rebates under this section.

349 (3) EDUCATION AND CONSUMER AWARENESS.--Multimedia public
 350 education, awareness, and advertising efforts designed to
 351 specifically address mitigation techniques shall be employed, as
 352 well as a component to support ongoing consumer resources and
 353 referral services.

354 (4) FEDERAL FUNDING.--The department shall use its best
 355 efforts to obtain grants or funds from the Federal Government to
 356 supplement the financial resources of the program.

357 (5) RULES.--The department shall adopt rules pursuant to
 358 ss. 120.536(1) and 120.54 governing the Florida Comprehensive
 359 Hurricane Damage Mitigation Sales Tax Exemption or Rebate

360 Program. The department shall coordinate with the Department of
 361 Revenue in administering sales tax exemptions or rebates under
 362 the program.

363 (6) PRIVATE HURRICANE MITIGATION CONTRACTOR LIST.--In
 364 addition to the requirements of s. 215.5586(8), the department
 365 shall develop and maintain as a public record a current list of
 366 private hurricane damage mitigation contractors authorized by
 367 the department to retrofit properties to make them less
 368 vulnerable to hurricane damage in accordance with this section.

369 Section 3. Paragraph (eee) is added to subsection (7) of
 370 section 212.08, Florida Statutes, to read:

371 212.08 Sales, rental, use, consumption, distribution, and
 372 storage tax; specified exemptions.--The sale at retail, the
 373 rental, the use, the consumption, the distribution, and the
 374 storage to be used or consumed in this state of the following
 375 are hereby specifically exempt from the tax imposed by this
 376 chapter.

377 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to any
 378 entity by this chapter do not inure to any transaction that is
 379 otherwise taxable under this chapter when payment is made by a
 380 representative or employee of the entity by any means,
 381 including, but not limited to, cash, check, or credit card, even
 382 when that representative or employee is subsequently reimbursed
 383 by the entity. In addition, exemptions provided to any entity by
 384 this subsection do not inure to any transaction that is
 385 otherwise taxable under this chapter unless the entity has
 386 obtained a sales tax exemption certificate from the department
 387 or the entity obtains or provides other documentation as

HB 1537

2007

388 required by the department. Eligible purchases or leases made
389 with such a certificate must be in strict compliance with this
390 subsection and departmental rules, and any person who makes an
391 exempt purchase with a certificate that is not in strict
392 compliance with this subsection and the rules is liable for and
393 shall pay the tax. The department may adopt rules to administer
394 this subsection.

395 (eee) Tangible personal property purchased for hurricane
396 damage mitigation retrofitting projects.--Also exempt from the
397 tax imposed by this chapter is tangible personal property
398 purchased by a private hurricane damage mitigation contractor
399 for purposes of retrofitting property to make the property less
400 vulnerable to damage from a hurricane, as provided in s.
401 215.5587, unless the owner of the property being retrofitted as
402 provided in s. 215.5587 has received a grant under s. 215.5586.

403 Section 4. The sum of \$3 million is appropriated from the
404 General Revenue Fund to the Department of Community Affairs for
405 purposes of administering the Florida Comprehensive Hurricane
406 Damage Mitigation Sales Tax Exemption or Rebate Program as
407 provided in s. 215.5587, Florida Statutes.

408 Section 5. This act shall take effect July 1, 2007.