

By the Committee on Banking and Insurance; and Senator Posey

597-2342-07

1 A bill to be entitled
2 An act relating to hurricane damage mitigation;
3 amending s. 215.5586, F.S.; redesignating the
4 Florida Comprehensive Hurricane Damage
5 Mitigation Program as the "My Safe Florida Home
6 Program"; providing additional duties of the
7 Department of Financial Services; revising
8 criteria and requirements for hurricane
9 mitigation inspections; requiring the
10 department to contract with certain entities to
11 provide hurricane mitigation inspections;
12 revising the requirements for such inspections;
13 providing for a hurricane resistance rating
14 scale as adopted by the Financial Services
15 Commission; revising the requirements for an
16 entity to be selected by the department to
17 perform inspections; providing qualification
18 requirements for certain licensed
19 professionals; providing requirements for a
20 homeowner with respect to applying for an
21 inspection; revising requirements for
22 mitigation grants; limiting the purposes for
23 which a grant may be used; providing for
24 priorities of grants; requiring the department
25 to develop a grant applications verification
26 and collection process; authorizing the
27 department to undertake a statewide consumer
28 information campaign; requiring the advisory
29 council to advise and assist the department in
30 administering the program; expanding the
31 department's authorization to enhance financial

1 resource funding of the program; revising the
2 department's rulemaking authority; deleting
3 provisions authorizing the department to
4 contract with not-for-profit corporations;
5 requiring the department to maintain a list of
6 authorized hurricane mitigation inspectors;
7 authorizing the department to develop a
8 no-interest loan program; providing program
9 requirements and limitations; requiring the
10 department to pay certain creditors from funds
11 appropriated for the program; providing loan
12 eligibility criteria; authorizing the
13 department to set aside certain funds for
14 program purposes; requiring the department to
15 adopt rules; providing for public outreach for
16 contractors, real estate brokers, and licensed
17 sales associates; authorizing the department to
18 contract for grants management, inspection
19 services, education outreach, and auditing
20 services; providing additional legislative
21 intent; requiring the department to make annual
22 reports to the Legislature concerning the
23 program; providing report requirements;
24 amending s. 489.115, F.S.; including wind
25 mitigation methodologies under certain
26 continuing education requirements for
27 contractors; amending ss. 4, 39, and 42 of ch.
28 2006-12, Laws of Florida; providing conforming
29 changes to the redesignation of the Florida
30 Comprehensive Hurricane Damage Mitigation
31 Program; providing legislative intent;

1 requiring the Office of Insurance Regulation,
2 in consultation with the Department of
3 Community Affairs and the Florida Building
4 Commission, to conduct wind-loss mitigation
5 studies; providing requirements for the
6 studies; requiring a report to the Governor,
7 the Legislature, the Chief Financial Officer,
8 and the Commissioner of Insurance Regulation;
9 creating s. 553.844, F.S.; providing
10 legislative findings concerning the need to
11 prevent property damage caused by hurricanes;
12 requiring the Florida Building Commission to
13 adopt amendments to the Florida Building Code,
14 including requirements for buildings
15 constructed before the implementation of the
16 code; providing requirements for such
17 amendments; providing requirements for
18 buildings located in a wind-borne debris
19 region; amending s. 627.351, F.S.; requiring
20 that a residential structure located in a
21 wind-borne debris region have certain opening
22 protections required under the Florida Building
23 Code in order to be eligible for coverage by
24 the Citizens Property Insurance Corporation;
25 providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Section 215.5586, Florida Statutes, is
30 amended to read:
31

1 215.5586 My Safe Florida Home ~~Comprehensive Hurricane~~
2 ~~Damage Mitigation~~ Program.--There is established within the
3 Department of Financial Services the My Safe Florida Home
4 ~~Comprehensive Hurricane Damage Mitigation~~ Program. The
5 department shall provide fiscal accountability, contract
6 management, and strategic leadership for the program,
7 consistent with this section. This section does not create an
8 entitlement for property owners or obligate the state in any
9 way to fund the inspection or retrofitting of residential
10 property in this state. Implementation of this program is
11 subject to annual legislative appropriations. ~~The program~~
12 ~~shall be administered by an individual with prior executive~~
13 ~~experience in the private sector in the areas of insurance,~~
14 ~~business, or construction.~~ The program shall develop and
15 implement a comprehensive and coordinated approach for
16 hurricane damage mitigation that shall include the following:
17 (1) ~~WIND CERTIFICATION AND~~ HURRICANE MITIGATION
18 INSPECTIONS.--
19 (a) Free home-retrofit inspections of site-built,
20 single-family, residential property, ~~including single family,~~
21 ~~two family, three family, or four family residential units,~~
22 shall be offered throughout the state to determine what
23 mitigation measures are needed, what insurance premium
24 discounts may be available, and what improvements to existing
25 residential properties are needed to reduce the property's
26 vulnerability to hurricane damage. The Department of Financial
27 Services shall contract with ~~establish a request for proposals~~
28 ~~to solicit proposals from~~ wind certification entities to
29 provide free ~~at no cost to homeowners~~ wind certification and
30 hurricane mitigation inspections. The inspections provided to
31 homeowners, at a minimum, must include:

1 1. A home inspection and report that summarizes the
2 results and identifies recommended improvements ~~corrective~~
3 ~~actions~~ a homeowner may take to mitigate hurricane damage.

4 2. A range of cost estimates regarding the recommended
5 mitigation improvements ~~features~~.

6 3. Insurer-specific information regarding premium
7 discounts correlated to the current mitigation features and
8 the recommended mitigation improvements ~~features~~ identified by
9 the inspection.

10 4. A hurricane resistance rating scale specifying the
11 home's current as well as projected wind resistance
12 capabilities. As soon as practical, the rating scale must be
13 the uniform home grading scale adopted by the Financial
14 Services Commission pursuant to s. 40 of chapter 2007-1, Laws
15 of Florida.

16 (b) To qualify for selection by the department as a
17 ~~provider of~~ wind certification entity to provide ~~and~~ hurricane
18 mitigation inspections, the entity shall, at a minimum:

19 1. Use ~~wind certification and~~ hurricane mitigation
20 inspectors who:

21 a. Have prior experience in residential construction
22 or inspection and have received specialized training in
23 hurricane mitigation procedures. Such training may be provided
24 by a class offered online or in person.

25 b. Have undergone drug testing and level 2 background
26 checks pursuant to s. 435.04. The department is authorized to
27 conduct criminal record checks of inspectors used by wind
28 certification entities. Inspectors must submit a set of the
29 fingerprints to the department for state and national criminal
30 history checks and must pay the fingerprint processing fee set
31 forth in s. 624.501. The fingerprints shall be sent by the

1 department to the Department of Law Enforcement and forwarded
2 to the Federal Bureau of Investigation for processing. The
3 results shall be returned to the department for screening. The
4 fingerprints shall be taken by a law enforcement agency,
5 designated examination center, or other department-approved
6 entity. ~~Wind certification and~~ Hurricane mitigation inspectors
7 participating in the program on January 25, 2007, the
8 ~~effective date of this act~~ shall have until June 1, 2007, to
9 meet the requirements for a criminal record check.

10 c. Have been certified, in a manner satisfactory to
11 the department, to conduct the inspections.

12 2. Provide a quality assurance program including a
13 reinspection component.

14 (c) The requirements of subparagraph (b)1. do not
15 apply to an individual who:

16 1. Holds an active and current license as a:

17 a. Division I contractor under chapter 489.

18 b. Building code administrator or building code
19 inspector under chapter 468;

20 c. Architect under part I of chapter 481; or

21 d. Engineer under chapter 471; and

22 2. Completes a 2-hour course on the program provided
23 or approved by the department, available online or in person.

24 (d) An application for an inspection must contain a
25 signed or electronically verified statement made under penalty
26 of perjury that the applicant has submitted only a single
27 application for that home.

28 (e) The owner of a site-built, single-family,
29 residential property may apply for and receive an inspection
30 without also applying for a grant pursuant to subsection (2)
31 and without meeting the requirements of paragraph (2)(a).

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

5 (a) To be eligible for a grant for persons who have
6 obtained a completed inspection after May 1, 2007, a
7 residential property must:

8 1. Have been granted a homestead exemption under
9 chapter 196.

10 2. Be a dwelling having a just valuation for purposes
11 of ad valorem property taxation of \$300,000 ~~with an insured~~
12 ~~value of \$500,000~~ or less. Homeowners who are low-income
13 persons, as defined in s. 420.0004(10), are exempt from this
14 requirement.

15 3. Have undergone an acceptable ~~wind certification and~~
16 hurricane mitigation inspection, ~~if the property is an~~
17 ~~existing structure.~~

18 4. Be located in the "wind-borne debris region" as
19 that term is defined in s. 1609.2, International Building Code
20 (2006).

21 5. Be a home for which the building permit application
22 for initial construction was made before March 1, 2002.

23
24 An application for a grant must contain a signed or
25 electronically verified statement made under penalty of
26 perjury that the applicant has submitted only a single
27 application and must have attached documents demonstrating the
28 applicant meets the requirements of this paragraph. *
29 ~~residential property which is part of a multifamily~~
30 ~~residential unit may receive a grant only if all homeowners~~
31

1 ~~participate and the total number of units does not exceed~~
2 ~~four.~~

3 (b) All grants are limited to 25 percent of the actual
4 cost of the ~~must be matched on a dollar for dollar basis for a~~
5 ~~total of \$10,000 for the~~ mitigation project with the state's
6 contribution not to exceed \$2,500~~\$5,000~~.

7 (c) The program shall create a process in which
8 ~~mitigation~~ contractors agree to participate ~~and seek~~
9 ~~reimbursement from the state~~ and homeowners select from a list
10 of participating contractors. All mitigation must be based
11 upon the securing of all required local permits and
12 inspections and must be performed by properly licensed
13 contractors. Mitigation projects are subject to random
14 reinspection of up to at least 5 ~~10~~ percent of all projects.

15 (d) Matching fund grants shall also be made available
16 to local governments and nonprofit entities for projects that
17 will reduce hurricane damage to single-family, site-built,
18 owner-occupied, residential property. The department shall
19 liberally construe those requirements in favor of availing the
20 state of the opportunity to leverage funding for the My Safe
21 Florida Home Program with other sources of funding.

22 (e) When recommended by a hurricane mitigation
23 inspection, grants may be used for the following improvements
24 only:

- 25 1. ~~Roof deck attachment.~~
- 26 2. ~~Secondary water barrier.~~
- 27 3. ~~Roof covering.~~
- 28 4. ~~Brace gable ends.~~
- 29 5. ~~Reinforce roof to wall connections.~~
- 30 1.6. Opening protection.
- 31 2.7. Exterior doors, including garage doors.

1 3. Brace gable ends.

2 (f) Grants may be used on a previously inspected
3 existing structure or on a rebuild. A rebuild is defined as a
4 site-built, single-family dwelling under construction to
5 replace a home that was destroyed or significantly damaged by
6 a hurricane and deemed unlivable by a regulatory authority.
7 The homeowner must be a low-income homeowner as defined in
8 paragraph (g), must have had a homestead exemption for that
9 home prior to the hurricane, and must be intending to rebuild
10 the home as that homeowner's homestead and maintained the
11 homestead exemption.

12 (g) Low-income homeowners, as defined in s.
13 420.0004(10), who otherwise meet the requirements of
14 paragraphs (a), (c), (e), and (f) are eligible for a grant of
15 up to ~~\$2,500~~\$5,000 and are not required to provide a matching
16 amount to receive the grant. Additionally, for low-income
17 homeowners, grant funding may be used for repair to existing
18 structures leading to any of the mitigation improvements
19 provided in paragraph (e), limited to 20 percent of the grant
20 value. The program may accept a certification directly from a
21 low-income homeowner that the homeowner meets the requirements
22 of s. 420.0004(10) if the homeowner provides such
23 certification in a signed or electronically verified statement
24 made under penalty of perjury.

25 (h) The department shall establish objective,
26 reasonable criteria for prioritizing grant applications,
27 consistent with the requirements of this section.

28 (i) The department shall develop a process that
29 ensures the most efficient means to collect and verify grant
30 applications to determine eligibility and may direct hurricane
31 mitigation inspectors to collect and verify grant application

1 information or use the Internet or other electronic means to
2 collect information and determine eligibility.

3 (3) EDUCATION AND CONSUMER AWARENESS.--The department
4 may undertake a statewide multimedia public outreach and
5 advertising campaign to inform consumers of the availability
6 and benefits of hurricane inspections and of the safety and
7 financial benefits of residential hurricane damage mitigation.
8 The department may seek out and use local, state, federal, and
9 private funds to support the campaign. Multimedia public
10 education, awareness, and advertising efforts designed to
11 specifically address mitigation techniques shall be employed,
12 as well as a component to support ongoing consumer resources
13 and referral services.

14 (4) ADVISORY COUNCIL.--There is created an advisory
15 council to provide advice and assistance to the department
16 regarding ~~program administrator with regard to his or her~~
17 administration of the program. The advisory council shall
18 consist of:

19 (a) A representative of lending institutions, selected
20 by the Financial Services Commission from a list of at least
21 three persons recommended by the Florida Bankers Association.

22 (b) A representative of residential property insurers,
23 selected by the Financial Services Commission from a list of
24 at least three persons recommended by the Florida Insurance
25 Council.

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

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

1 (e) Two members of the House of Representatives,
2 selected by the Speaker of the House of Representatives.

3 (f) Two members of the Senate, selected by the
4 President of the Senate.

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

7 (h) The senior officer of the Florida Hurricane
8 Catastrophe Fund.

9 (i) The executive director of Citizens Property
10 Insurance Corporation.

11 (j) The director of the Division of Emergency
12 Management of the Department of Community Affairs.

13

14 Members appointed under paragraphs (a)-(d) shall serve at the
15 pleasure of the Financial Services Commission. Members
16 appointed under paragraphs (e) and (f) shall serve at the
17 pleasure of the appointing officer. All other members shall
18 serve voting ex officio. Members of the advisory council shall
19 serve without compensation but may receive reimbursement as
20 provided in s. 112.061 for per diem and travel expenses
21 incurred in the performance of their official duties.

22 (5) ~~FEDERAL~~ FUNDING.--The department may seek out and
23 leverage local, state, federal, or private funds to enhance
24 ~~shall use its best efforts to obtain grants or funds from the~~
25 ~~federal government to supplement~~ the financial resources of
26 the program.

27 (6) RULES.--The Department of Financial Services shall
28 adopt rules pursuant to ss. 120.536(1) and 120.54 to govern
29 ~~governing the Florida Comprehensive Hurricane Damage~~
30 ~~Mitigation~~ program, implement the provisions of this section,
31 including rules governing hurricane mitigation inspections,

1 mitigation contractors, and training of inspectors and
2 contractors, and carry out the duties of the department under
3 this section. ~~The department shall also adopt rules~~
4 ~~establishing priorities for grants provided under this section~~
5 ~~based on objective criteria that gives priority to reducing~~
6 ~~the state's probable maximum loss from hurricanes. However,~~
7 ~~pursuant to this overall goal, the department may further~~
8 ~~establish priorities based on the insured value of the~~
9 ~~dwelling, whether or not the dwelling is insured by Citizens~~
10 ~~Property Insurance Corporation and whether or not the area~~
11 ~~under consideration has sufficient resources and the ability~~
12 ~~to perform the retrofitting required.~~

13 ~~(7) CONTRACTS WITH NOT FOR PROFIT CORPORATIONS.~~ ~~The~~
14 ~~Department of Financial Services is authorized to contract~~
15 ~~with not for profit corporations to conduct all or portions of~~
16 ~~the program and to increase the awareness of the benefits of~~
17 ~~mitigation among homeowners in this state. The department~~
18 ~~shall consider the not for profit corporation's ability to~~
19 ~~raise funds from the private sector to provide for mitigation~~
20 ~~grants, as well as administrative capabilities for conducting~~
21 ~~other business related to the program.~~

22 ~~(7)(8) WIND CERTIFICATION AND HURRICANE MITIGATION~~
23 ~~INSPECTOR LIST.--The department shall develop and maintain as~~
24 ~~a public record a current list of wind certification and~~
25 ~~hurricane mitigation inspectors authorized to conduct wind~~
26 ~~certification and hurricane mitigation inspections pursuant to~~
27 ~~this section.~~

28 (8) NO-INTEREST LOANS.--The department may develop a
29 no-interest loan program by December 31, 2007, to encourage
30 the private sector to provide loans to owners of site-built,
31 single-family, residential property to pay for mitigation

1 measures listed in subsection (2). A loan eligible for
2 interest payments pursuant to this subsection may be for a
3 term of up to 3 years and cover up to \$5,000 in mitigation
4 measures. The department shall pay the creditor the market
5 rate of interest using funds appropriated for the My Safe
6 Florida Home program. In no case shall the department pay more
7 than the interest rate set by s. 687.03. To be eligible for a
8 loan, a loan applicant must first obtain a home inspection and
9 report that specifies what improvements are needed to reduce
10 the property's vulnerability to windstorm damage pursuant to
11 this section and meet loan underwriting requirements set by
12 the lender. The department may set aside up to \$10 million
13 from funds appropriated for the My Safe Florida Home program
14 to implement this subsection. The department shall adopt rules
15 pursuant to ss. 120.36(1) and 120.54 to implement this
16 subsection which may include eligibility criteria.

17 (9) PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE
18 BROKERS AND SALES ASSOCIATES.--The program shall develop
19 brochures for distribution to general contractors, roofing
20 contractors, and real estate brokers and sales associates
21 licensed under part I of chapter 475 explaining the benefits
22 to homeowners of residential hurricane damage mitigation. The
23 program shall encourage contractors to distribute the
24 brochures to homeowners at the first meeting with a homeowner
25 who is considering contracting for home or roof repairs or
26 contracting for the construction of a new home. The program
27 shall encourage real estate brokers and sales associates
28 licensed under part I of chapter 475 to distribute the
29 brochures to clients prior to the purchase of a home. The
30 brochures may be made available electronically.

31

1 (10) CONTRACT MANAGEMENT.--The department may contract
2 with third parties for grants management, inspection services,
3 educational outreach, and auditing services. Such contracts
4 shall be considered direct costs of the program and shall not
5 be subject to administrative cost limits, but contracts valued
6 at \$500,000 or more shall be subject to review and approval by
7 the Legislative Budget Commission. The department shall
8 contract with providers that have a demonstrated record of
9 successful business operations in areas directly related to
10 the services to be provided and shall ensure the highest
11 accountability for use of state funds, consistent with this
12 section.

13 (11) INTENT.--It is the intent of the Legislature that
14 grants made to residential property owners under this section
15 shall be considered disaster-relief assistance within the
16 meaning of s. 139 of the Internal Revenue Code of 1986, as
17 amended.

18 (12) REPORTS.--The department shall make an annual
19 report on the activities of the program that shall account for
20 the use of state funds and indicate the number of inspections
21 requested, the number of inspections performed, the number of
22 grant applications received, and the number and value of
23 grants approved. The report shall be delivered to the
24 President of the Senate and the Speaker of the House of
25 Representatives by February 1 of each year.

26 Section 2. Paragraph (b) of subsection (4) of section
27 489.115, Florida Statutes, is amended to read:

28 489.115 Certification and registration; endorsement;
29 reciprocity; renewals; continuing education.--

30 (4)

31

1 (b)1. Each certificateholder or registrant shall
2 provide proof, in a form established by rule of the board,
3 that the certificateholder or registrant has completed at
4 least 14 classroom hours of at least 50 minutes each of
5 continuing education courses during each biennium since the
6 issuance or renewal of the certificate or registration. The
7 board shall establish by rule that a portion of the required
8 14 hours must deal with the subject of workers' compensation,
9 business practices, ~~and~~ workplace safety, and, for applicable
10 licensure categories, wind mitigation methodologies. The board
11 shall by rule establish criteria for the approval of
12 continuing education courses and providers, including
13 requirements relating to the content of courses and standards
14 for approval of providers, and may by rule establish criteria
15 for accepting alternative nonclassroom continuing education on
16 an hour-for-hour basis. The board shall prescribe by rule the
17 continuing education, if any, which is required during the
18 first biennium of initial licensure. A person who has been
19 licensed for less than an entire biennium must not be required
20 to complete the full 14 hours of continuing education.

21 2. In addition, the board may approve specialized
22 continuing education courses on compliance with the wind
23 resistance provisions for one and two family dwellings
24 contained in the Florida Building Code and any alternate
25 methodologies for providing such wind resistance which have
26 been approved for use by the Florida Building Commission.
27 Division I certificateholders or registrants who demonstrate
28 proficiency upon completion of such specialized courses may
29 certify plans and specifications for one and two family
30 dwellings to be in compliance with the code or alternate
31 methodologies, as appropriate, except for dwellings located in

1 floodways or coastal hazard areas as defined in ss. 60.3D and
2 E of the National Flood Insurance Program.

3 3. Each certificateholder or registrant shall provide
4 to the board proof of completion of the core curriculum
5 courses, or passing the equivalency test of the Building Code
6 Training Program established under s. 553.841, specific to the
7 licensing category sought, within 2 years after commencement
8 of the program or of initial certification or registration,
9 whichever is later. Classroom hours spent taking core
10 curriculum courses shall count toward the number required for
11 renewal of certificates or registration. A certificateholder
12 or registrant who passes the equivalency test in lieu of
13 taking the core curriculum courses shall receive full credit
14 for core curriculum course hours.

15 4. The board shall require, by rule adopted pursuant
16 to ss. 120.536(1) and 120.54, a specified number of hours in
17 specialized or advanced module courses, approved by the
18 Florida Building Commission, on any portion of the Florida
19 Building Code, adopted pursuant to part VII of chapter 553,
20 relating to the contractor's respective discipline.

21 Section 3. Sections 4, 39, and 42 of chapter 2006-12,
22 Laws of Florida, are amended to read:

23 Section 4. Of the funds appropriated for the My Safe
24 Florida ~~Home Comprehensive Hurricane Damage Mitigation~~ Program
25 specified in s. 215.5586, Florida Statutes, as created by this
26 act, \$7.5 million shall be for the Manufactured Housing and
27 Mobile Home Mitigation and Enhancement Program specified in s.
28 215.559(4)(b), Florida Statutes, as created by this act. The
29 Department of Financial Services shall use these funds to
30 contract with Tallahassee Community College to implement the
31

1 Manufactured Housing and Mobile Home Mitigation and
2 Enhancement Program.

3 Section 39. (1) The Office of Insurance Regulation,
4 in consultation with the Department of Community Affairs, the
5 Department of Financial Services, the Federal Alliance for
6 Safe Homes, the Florida Insurance Council, the Florida Home
7 Builders Association, the Florida Manufactured Housing
8 Association, the Risk and Insurance Department of Florida
9 State University, and the Institute for Business and Homes
10 Safety, shall study and develop a program that will provide an
11 objective rating system that will allow homeowners to evaluate
12 the relative ability of Florida properties to withstand the
13 wind load from a sustained severe tropical storm or hurricane.

14 (2) The rating system will be designed in a manner
15 that is easy to understand for the property owner, based on
16 proven readily verifiable mitigation techniques and devices,
17 and able to be implemented based on a visual inspection
18 program. The Department of Financial Services shall implement
19 a pilot program for use in the My Safe Florida Home
20 ~~Comprehensive Hurricane Damage Mitigation~~ Program.

21 (3) The Department shall provide a report to the
22 Governor, the President of the Senate, and the Speaker of the
23 House of Representatives by March 31, 2007, detailing the
24 nature and construction of the rating scale, its effectiveness
25 based on implementation in a pilot program, and an operational
26 plan for statewide implementation of the rating scale.

27 Section 42. (1) For the 2006-2007 fiscal year, the
28 sum of \$250 million is appropriated on a nonrecurring basis
29 from the General Revenue Fund to the Insurance Regulatory
30 Trust Fund in the Department of Financial Services for
31 purposes of the My Safe Florida Home ~~Comprehensive Hurricane~~

1 ~~Damage Mitigation~~ Program specified in s. 215.5586, Florida
2 Statutes, as created by this act. The department shall
3 establish a separate account within the trust fund for
4 accounting purposes.

5 (2) The sum of \$250 million is appropriated from the
6 Insurance Regulatory Trust Fund in the Department of Financial
7 Services for the purposes set forth in subsection (1). The
8 department may expend up to 1 percent of the funds
9 appropriated to administer the program. Beginning October 15,
10 2007, and quarterly thereafter, the Chief Financial Officer
11 shall provide a report to the Executive Office of the Governor
12 and the chair and vice chair of the Legislative Budget
13 Commission containing information regarding expenditures made
14 for the purposes set forth in subsection (1).

15 (3) Notwithstanding the provisions of s. 216.301,
16 Florida Statutes, to the contrary, the unexpended balance of
17 appropriations authorized in subsections (1) and (2) shall not
18 revert until June 30, 2009.

19 Section 4. It is the intent of the Legislature that
20 scientifically valid and actuarially sound windstorm
21 mitigation rate factors, premium discounts, and differentials
22 be provided to residential and commercial property insurance
23 policyholders. In order to ensure the validity of such
24 factors, the Office of Insurance Regulation, in consultation
25 with the Department of Community Affairs and the Florida
26 Building Commission, shall conduct or cause to be conducted
27 one or more wind-loss mitigation studies, subject to
28 appropriation of funds by the Legislature for this purpose.
29 The studies shall evaluate the windstorm loss relativities for
30 construction features, including, but not limited to, those
31 that enhance roof strength, roof-covering performance,

1 roof-to-wall strength, wall-to-floor-to-foundation strength,
2 opening protections, and window, door, and skylight strength.
3 The studies shall include residential property, including
4 single-family and multifamily homes, mobile homes, and
5 condominiums, and commercial nonresidential property. The
6 studies shall include, but need not be limited to, an analysis
7 of loss data from the 2004 and 2005 hurricanes. The findings
8 of the studies shall be reported to the Governor, the
9 President of the Senate, the Speaker of the House of
10 Representatives, the Chief Financial Officer, and the
11 Commissioner of Insurance Regulation by March 1, 2008.

12 Section 5. Section 553.844, Florida Statutes, is
13 created to read:

14 553.844 Windstorm loss mitigation; requirements for
15 roofs and opening protection.--

16 (1) The Legislature finds that:

17 (a) The effects of recent hurricanes on the state have
18 demonstrated the effectiveness of the Florida Building Code in
19 reducing property damage to buildings constructed in
20 accordance with its requirements, and have also exposed a
21 vulnerability of some construction undertaken prior to
22 implementation of the Florida Building Code.

23 (b) Hurricanes represent a continuing threat to the
24 health, safety, and welfare of the residents of this state due
25 to the direct destructive effects of hurricanes as well as
26 their effects on windstorm insurance rates.

27 (c) The mitigation of property damage constitutes a
28 valid and recognized objective of the Florida Building Code.

29 (d) Cost-effective techniques for integrating proven
30 methods of the Florida Building Code into buildings built
31

1 prior to its implementation benefit all residents of the state
2 as a whole.

3 (2) The Florida Building Commission shall:

4 (a) Analyze the extent to which a proposed Florida
5 Building Code provision will mitigate property damage to
6 buildings and their contents in evaluating that proposal. If
7 the nature of the proposed Florida Building Code provision
8 relates only to mitigation of property damage and not to a
9 life safety concern, the proposal shall be reviewed based on
10 its measurable benefits in relation to the costs imposed.

11 (b) Develop and adopt within the Florida Building Code
12 a means to incorporate recognized mitigation techniques for
13 buildings constructed prior to the implementation of the
14 Florida Building Code, including, but not limited to:

15 1. Prescriptive techniques for the installation of
16 gable-end bracing;

17 2. Secondary water barriers for roofs and standards
18 relating to secondary water barriers. The criteria may
19 include, but need not be limited to, roof shape, slope, and
20 composition of all elements of the roof system;

21 3. Prescriptive techniques for improvement of
22 roof-to-wall connections. The Legislature recognizes that the
23 cost of retrofitting existing buildings to meet the code
24 requirements for new construction in this regard may exceed
25 the practical benefit to be attained. The Legislature intends
26 for the commission to provide for the integration of
27 alternate, lower-cost means that may be employed to retrofit
28 existing buildings that are not otherwise required to comply
29 with the requirements of the Florida Building Code for new
30 construction so that the cost of such improvements does not
31 exceed approximately 15 percent of the cost of reroofing;

1 4. Strengthening or correcting roof-decking
2 attachments and fasteners during reroofing; and

3 5. Adding or strengthening opening protections.

4 (3) The Legislature finds that the integration of
5 these specifically identified mitigation measures is critical
6 to addressing the serious problem facing the state from damage
7 caused by windstorms and that delay in the adoption and
8 implementation constitutes a threat to the health, safety, and
9 welfare of the state. Accordingly, the Florida Building
10 Commission shall develop and adopt these measures by October
11 1, 2007, by rule separate from the Florida Building Code,
12 which take immediate effect and shall incorporate such
13 requirements into the next edition of the Florida Building
14 Code. Such rules shall require or otherwise clarify that:

15 (a) A roof replacement must incorporate the techniques
16 specified in subparagraphs (2)(b)2. and 4.

17 (b) For a building that is located in the wind-borne
18 debris region as defined in s. 1609.2 of the International
19 Building Code (2006) and that has a just valuation for
20 purposes of ad valorem taxation of \$300,000 or more:

21 1. A roof replacement must incorporate the techniques
22 specified in subparagraph (2)(b)3.

23 2. Any activity that requires a building permit that
24 is applied for after January 1, 2008, must include provision
25 of opening protection as required within the Florida Building
26 Code for new construction of the building for buildings
27 subject to the building permit.

28 Section 6. Paragraph (a) of subsection (6) of section
29 627.351, Florida Statutes, as amended by section 21 of chapter
30 2007-1, Laws of Florida, is amended to read:

31 627.351 Insurance risk apportionment plans.--

1 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--
2 (a)1. The Legislature finds that actual and threatened
3 catastrophic losses to property in this state from hurricanes
4 have caused insurers to be unwilling or unable to provide
5 property insurance coverage to the extent sought and needed.
6 It is in the public interest and a public purpose to assist in
7 assuring that property in the state is insured so as to
8 facilitate the remediation, reconstruction, and replacement of
9 damaged or destroyed property in order to reduce or avoid the
10 negative effects otherwise resulting to the public health,
11 safety, and welfare; to the economy of the state; and to the
12 revenues of the state and local governments needed to provide
13 for the public welfare. It is necessary, therefore, to provide
14 property insurance to applicants who are in good faith
15 entitled to procure insurance through the voluntary market but
16 are unable to do so. The Legislature intends by this
17 subsection that property insurance be provided and that it
18 continues, as long as necessary, through an entity organized
19 to achieve efficiencies and economies, while providing service
20 to policyholders, applicants, and agents that is no less than
21 the quality generally provided in the voluntary market, all
22 toward the achievement of the foregoing public purposes.
23 Because it is essential for the corporation to have the
24 maximum financial resources to pay claims following a
25 catastrophic hurricane, it is the intent of the Legislature
26 that the income of the corporation be exempt from federal
27 income taxation and that interest on the debt obligations
28 issued by the corporation be exempt from federal income
29 taxation.
30 2. The Residential Property and Casualty Joint
31 Underwriting Association originally created by this statute

1 shall be known, as of July 1, 2002, as the Citizens Property
2 Insurance Corporation. The corporation shall provide insurance
3 for residential and commercial property, for applicants who
4 are in good faith entitled, but are unable, to procure
5 insurance through the voluntary market. The corporation shall
6 operate pursuant to a plan of operation approved by order of
7 the Financial Services Commission. The plan is subject to
8 continuous review by the commission. The commission may, by
9 order, withdraw approval of all or part of a plan if the
10 commission determines that conditions have changed since
11 approval was granted and that the purposes of the plan require
12 changes in the plan. The corporation shall continue to operate
13 pursuant to the plan of operation approved by the Office of
14 Insurance Regulation until October 1, 2006. For the purposes
15 of this subsection, residential coverage includes both
16 personal lines residential coverage, which consists of the
17 type of coverage provided by homeowner's, mobile home owner's,
18 dwelling, tenant's, condominium unit owner's, and similar
19 policies, and commercial lines residential coverage, which
20 consists of the type of coverage provided by condominium
21 association, apartment building, and similar policies.

22 3. For the purposes of this subsection, the term
23 "homestead property" means:

24 a. Property that has been granted a homestead
25 exemption under chapter 196;

26 b. Property for which the owner has a current, written
27 lease with a renter for a term of at least 7 months and for
28 which the dwelling is insured by the corporation for \$200,000
29 or less;

30 c. An owner-occupied mobile home or manufactured home,
31 as defined in s. 320.01, which is permanently affixed to real

1 | property, is owned by a Florida resident, and has been granted
2 | a homestead exemption under chapter 196 or, if the owner does
3 | not own the real property, the owner certifies that the mobile
4 | home or manufactured home is his or her principal place of
5 | residence;

6 | d. Tenant's coverage;

7 | e. Commercial lines residential property; or

8 | f. Any county, district, or municipal hospital; a
9 | hospital licensed by any not-for-profit corporation qualified
10 | under s. 501(c)(3) of the United States Internal Revenue Code;
11 | or a continuing care retirement community that is certified
12 | under chapter 651 and that receives an exemption from ad
13 | valorem taxes under chapter 196.

14 | 4. For the purposes of this subsection, the term
15 | "nonhomestead property" means property that is not homestead
16 | property.

17 | 5. Effective July 1, 2008, a personal lines
18 | residential structure that has a dwelling replacement cost of
19 | \$1 million or more, or a single condominium unit that has a
20 | combined dwelling and content replacement cost of \$1 million
21 | or more is not eligible for coverage by the corporation. Such
22 | dwellings insured by the corporation on June 30, 2008, may
23 | continue to be covered by the corporation until the end of the
24 | policy term. However, such dwellings that are insured by the
25 | corporation and become ineligible for coverage due to the
26 | provisions of this subparagraph may reapply and obtain
27 | coverage in the high-risk account and be considered
28 | "nonhomestead property" if the property owner provides the
29 | corporation with a sworn affidavit from one or more insurance
30 | agents, on a form provided by the corporation, stating that
31 | the agents have made their best efforts to obtain coverage and

1 | that the property has been rejected for coverage by at least
2 | one authorized insurer and at least three surplus lines
3 | insurers. If such conditions are met, the dwelling may be
4 | insured by the corporation for up to 3 years, after which time
5 | the dwelling is ineligible for coverage. The office shall
6 | approve the method used by the corporation for valuing the
7 | dwelling replacement cost for the purposes of this
8 | subparagraph. If a policyholder is insured by the corporation
9 | prior to being determined to be ineligible pursuant to this
10 | subparagraph and such policyholder files a lawsuit challenging
11 | the determination, the policyholder may remain insured by the
12 | corporation until the conclusion of the litigation.

13 | 6. For properties constructed on or after January 1,
14 | 2009, the corporation may not insure any property located
15 | within 2,500 feet landward of the coastal construction control
16 | line created pursuant to s. 161.053 unless the property meets
17 | the requirements of the code-plus building standards developed
18 | by the Florida Building Commission.

19 | 7. It is the intent of the Legislature that
20 | policyholders, applicants, and agents of the corporation
21 | receive service and treatment of the highest possible level
22 | but never less than that generally provided in the voluntary
23 | market. It also is intended that the corporation be held to
24 | service standards no less than those applied to insurers in
25 | the voluntary market by the office with respect to
26 | responsiveness, timeliness, customer courtesy, and overall
27 | dealings with policyholders, applicants, or agents of the
28 | corporation.

29 | 8. Effective January 1, 2009, a personal lines
30 | residential structure that is located in the "wind-borne
31 | debris region," as defined in s. 1609.2, International

1 Building Code (2006), and that has a just valuation for
2 purposes of ad valorem taxation of \$300,000 or more is not
3 eligible for coverage by the corporation unless the structure
4 has shutters, impact-resistant glass, or such other approved
5 opening protections as required under the Florida Building
6 Code for a newly constructed residential structure in that
7 area.

8 Section 7. This act shall take effect upon becoming a
9 law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1864

4 The committee substitute provides the following changes:

- 5 1. Substantially revises the My Safe Florida Home Program
6 (program) administered by the Department of Financial
7 Services (department) that provides free hurricane
8 mitigation inspections and grants for mitigation
9 improvements.
- 10 2. Provides limitations on grants provided under the
11 program.
- 12 3. Exempts licensed contractors, building code
13 administrators and inspectors, architects, and engineers
14 from specified requirements for hurricane mitigation
15 inspectors.
- 16 4. Authorizes the department to use up to \$10 million of
17 program funds to develop a no-interest loan program for
18 mitigation measures.
- 19 5. Authorizes the department to contract with third parties
20 for specified program services, which are not subject to
21 administrative costs limits, but contracts of \$500,000 or
22 more must be approved by the Legislative Budget
23 Commission.
- 24 6. Requires the Florida Building Commission to adopt
25 standards for mitigation techniques for buildings
26 constructed prior to the implementation of the Florida
27 Building Code.
- 28 7. Requires that a roof replacement incorporate a secondary
29 water barrier and strengthening of the roof decking
30 attachments.
- 31 8. Requires that for a building that is located in the
wind-borne debris region that is valued at \$300,000 or
more:
A roof replacement must incorporate cost-effective
improvements of roof-to-wall connections;
Any activity that requires a building permit after
January 1, 2008 must include opening protection as
required for new buildings;
Such homes are not eligible for coverage from
Citizens Property Insurance Corporation unless it
has opening protections as required for new
construction, effective January 1, 2009.
9. Requires the Office of Insurance Regulation to conduct a
study of the windstorm loss relativities for mitigation
features for residential and commercial property.