



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 certain 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 site-built, single-family residential structures constructed  
14 prior to the implementation of the Florida Building Code,  
15 including, but not limited to:

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

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

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

1 construction so that the cost of such improvements does not  
2 exceed approximately 15 percent of the cost of reroofing;

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

5 5. Adding or strengthening opening protections.

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

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

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

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

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

31

1           Section 6. Paragraph (a) of subsection (6) of section  
2 627.351, Florida Statutes, as amended by section 21 of chapter  
3 2007-1, Laws of Florida, is amended to read:

4           627.351 Insurance risk apportionment plans.--

5           (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

6           (a)1. The Legislature finds that actual and threatened  
7 catastrophic losses to property in this state from hurricanes  
8 have caused insurers to be unwilling or unable to provide  
9 property insurance coverage to the extent sought and needed.

10 It is in the public interest and a public purpose to assist in  
11 assuring that property in the state is insured so as to

12 facilitate the remediation, reconstruction, and replacement of  
13 damaged or destroyed property in order to reduce or avoid the

14 negative effects otherwise resulting to the public health,  
15 safety, and welfare; to the economy of the state; and to the

16 revenues of the state and local governments needed to provide

17 for the public welfare. It is necessary, therefore, to provide  
18 property insurance to applicants who are in good faith

19 entitled to procure insurance through the voluntary market but  
20 are unable to do so. The Legislature intends by this

21 subsection that property insurance be provided and that it

22 continues, as long as necessary, through an entity organized

23 to achieve efficiencies and economies, while providing service  
24 to policyholders, applicants, and agents that is no less than

25 the quality generally provided in the voluntary market, all

26 toward the achievement of the foregoing public purposes.

27 Because it is essential for the corporation to have the

28 maximum financial resources to pay claims following a

29 catastrophic hurricane, it is the intent of the Legislature

30 that the income of the corporation be exempt from federal

31 income taxation and that interest on the debt obligations

1 issued by the corporation be exempt from federal income  
2 taxation.

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

26           3. For the purposes of this subsection, the term  
27 "homestead property" means:

28           a. Property that has been granted a homestead  
29 exemption under chapter 196;

30           b. Property for which the owner has a current, written  
31 lease with a renter for a term of at least 7 months and for

1 | which the dwelling is insured by the corporation for \$200,000  
2 | or less;

3 |       c. An owner-occupied mobile home or manufactured home,  
4 | as defined in s. 320.01, which is permanently affixed to real  
5 | property, is owned by a Florida resident, and has been granted  
6 | a homestead exemption under chapter 196 or, if the owner does  
7 | not own the real property, the owner certifies that the mobile  
8 | home or manufactured home is his or her principal place of  
9 | residence;

10 |       d. Tenant's coverage;

11 |       e. Commercial lines residential property; or

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

18 |       4. For the purposes of this subsection, the term  
19 | "nonhomestead property" means property that is not homestead  
20 | property.

21 |       5. Effective July 1, 2008, a personal lines  
22 | residential structure that has a dwelling replacement cost of  
23 | \$1 million or more, or a single condominium unit that has a  
24 | combined dwelling and content replacement cost of \$1 million  
25 | or more is not eligible for coverage by the corporation. Such  
26 | dwellings insured by the corporation on June 30, 2008, may  
27 | continue to be covered by the corporation until the end of the  
28 | policy term. However, such dwellings that are insured by the  
29 | corporation and become ineligible for coverage due to the  
30 | provisions of this subparagraph may reapply and obtain  
31 | coverage in the high-risk account and be considered



1 "nonhomestead property" if the property owner provides the  
2 corporation with a sworn affidavit from one or more insurance  
3 agents, on a form provided by the corporation, stating that  
4 the agents have made their best efforts to obtain coverage and  
5 that the property has been rejected for coverage by at least  
6 one authorized insurer and at least three surplus lines  
7 insurers. If such conditions are met, the dwelling may be  
8 insured by the corporation for up to 3 years, after which time  
9 the dwelling is ineligible for coverage. The office shall  
10 approve the method used by the corporation for valuing the  
11 dwelling replacement cost for the purposes of this  
12 subparagraph. If a policyholder is insured by the corporation  
13 prior to being determined to be ineligible pursuant to this  
14 subparagraph and such policyholder files a lawsuit challenging  
15 the determination, the policyholder may remain insured by the  
16 corporation until the conclusion of the litigation.

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

23         7. It is the intent of the Legislature that  
24 policyholders, applicants, and agents of the corporation  
25 receive service and treatment of the highest possible level  
26 but never less than that generally provided in the voluntary  
27 market. It also is intended that the corporation be held to  
28 service standards no less than those applied to insurers in  
29 the voluntary market by the office with respect to  
30 responsiveness, timeliness, customer courtesy, and overall  
31

1 | dealings with policyholders, applicants, or agents of the  
2 | corporation.

3 |       8. Effective January 1, 2009, a personal lines  
4 | residential structure that is located in the "wind-borne  
5 | debris region," as defined in s. 1609.2, International  
6 | Building Code (2006), and that has a just valuation for  
7 | purposes of ad valorem taxation of \$300,000 or more is not  
8 | eligible for coverage by the corporation unless the structure  
9 | has shutters, impact-resistant glass, or such other approved  
10 | opening protections as required under the Florida Building  
11 | Code for a newly constructed residential structure in that  
12 | area.

13 |       Section 7. This act shall take effect upon becoming a  
14 | law.

15 |  
16 |               STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
17 |                        COMMITTEE SUBSTITUTE FOR  
18 |                        CS for Senate Bill 1864

19 | The committee substitute for the committee substitute  
20 | clarifies that amendments to the Florida Building Code that  
21 | incorporate windstorm loss mitigation techniques apply to  
22 | site-built, single-family residential structures built prior  
23 | to the adoption of the Building Code and having a just value  
24 | for ad valorem taxing purposes of \$300,000 or more.  
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