

By Senator Gaetz

4-1552A-07

See HB

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

1 additional exemption from the sales and use tax
2 for certain tangible personal property used in
3 hurricane damage mitigation retrofitting
4 projects; providing an exception; providing an
5 appropriation; providing an effective date.
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7 Be It Enacted by the Legislature of the State of Florida:
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9 Section 1. Section 215.5586, Florida Statutes, as
10 amended by section 4 of chapter 2007-1, Laws of Florida, is
11 amended to read:

12 215.5586 Florida Comprehensive Hurricane Damage
13 Mitigation Grant Program.--There is established within the
14 Department of Community Affairs ~~Financial Services~~ the Florida
15 Comprehensive Hurricane Damage Mitigation Grant Program. This
16 section does not create an entitlement for property owners or
17 obligate the state in any way to fund the inspection or
18 retrofitting of residential property in this state.
19 Implementation of this program is subject to annual
20 legislative appropriations. The program shall be administered
21 by an individual with prior executive experience in the
22 private sector in the areas of insurance, business, or
23 construction. The program shall develop and implement a
24 comprehensive and coordinated approach for hurricane damage
25 mitigation that shall include the following:

26 (1) WIND CERTIFICATION AND HURRICANE MITIGATION
27 INSPECTIONS.--

28 (a) Free home-retrofit inspections of site-built,
29 residential property, including single-family, two-family,
30 three-family, or four-family residential units, shall be
31 offered to determine what mitigation measures are needed and

1 | what improvements to existing residential properties are
2 | needed to reduce the property's vulnerability to hurricane
3 | damage. The department ~~of Financial Services~~ shall establish a
4 | request for proposals to solicit proposals from wind
5 | certification entities to provide at no cost to homeowners
6 | wind certification and hurricane mitigation inspections. The
7 | inspections provided to homeowners, at a minimum, must
8 | include:

9 | 1. A home inspection and report that summarizes the
10 | results and identifies corrective actions a homeowner may take
11 | to mitigate hurricane damage.

12 | 2. A range of cost estimates regarding the mitigation
13 | features.

14 | 3. Insurer-specific information regarding premium
15 | discounts correlated to recommended mitigation features
16 | identified by the inspection.

17 | 4. A hurricane resistance rating scale specifying the
18 | home's current as well as projected wind resistance
19 | capabilities.

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

23 | 1. Use wind certification and hurricane mitigation
24 | inspectors who:

25 | a. Have prior experience in residential construction
26 | or inspection and have received specialized training in
27 | hurricane mitigation procedures.

28 | b. Have undergone drug testing and level 2 background
29 | checks pursuant to s. 435.04. The department is authorized to
30 | conduct criminal record checks of inspectors. Inspectors must
31 | submit a set of the fingerprints to the department for state

1 and national criminal history checks and must pay the
2 fingerprint processing fee set forth in s. 624.501. The
3 fingerprints shall be sent by the department to the Department
4 of Law Enforcement and forwarded to the Federal Bureau of
5 Investigation for processing. The results shall be returned to
6 the department for screening. The fingerprints shall be taken
7 by a law enforcement agency, designated examination center, or
8 other department-approved entity. Wind certification and
9 hurricane mitigation inspectors participating in the program
10 on the effective date of this act shall have until June 1,
11 2007, to meet the requirements for a criminal record check.

12 c. Have been certified, in a manner satisfactory to
13 the department, to conduct the inspections.

14 2. Provide a quality assurance program including a
15 reinspection component.

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

20 (a) To be eligible for a grant, a residential property
21 must:

22 1. Have been granted a homestead exemption under
23 chapter 196.

24 2. Be a dwelling with an insured value of \$500,000 or
25 less. Homeowners who are low-income persons, as defined in s.
26 420.0004(10), are exempt from this requirement.

27 3. Have undergone an acceptable wind certification and
28 hurricane mitigation inspection, if the property is an
29 existing structure.
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1 A residential property which is part of a multifamily
2 residential unit may receive a grant only if all homeowners
3 participate and the total number of units does not exceed
4 four.

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

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

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

- 20 1. Roof deck attachment.
- 21 2. Secondary water barrier.
- 22 3. Roof covering.
- 23 4. Brace gable ends.
- 24 5. Reinforce roof-to-wall connections.
- 25 6. Opening protection.
- 26 7. Exterior doors, including garage doors.

27 (f) Grants may be used on a previously inspected
28 existing structure or on a rebuild. A rebuild is defined as a
29 site-built, single-family dwelling under construction to
30 replace a home that was destroyed or significantly damaged by
31 a hurricane and deemed unlivable by a regulatory authority.

1 The homeowner must have had a homestead exemption prior to the
2 hurricane and maintained the homestead exemption.

3 (g) Low-income homeowners, as defined in s.
4 420.0004(10), who otherwise meet the requirements of
5 paragraphs (a), (c), (e), and (f) are eligible for a grant of
6 up to \$5,000 and are not required to provide a matching amount
7 to receive the grant. Additionally, for low-income homeowners,
8 grant funding may be used for repair to existing structures
9 leading to any of the mitigation improvements provided in
10 paragraph (e), limited to 20 percent of the grant value.

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

13 (3) EDUCATION AND CONSUMER AWARENESS.--Multimedia
14 public education, awareness, and advertising efforts designed
15 to specifically address mitigation techniques shall be
16 employed, as well as a component to support ongoing consumer
17 resources and referral services.

18 (4) ADVISORY COUNCIL.--There is created an advisory
19 council to provide advice and assistance to the program
20 administrator with regard to his or her administration of the
21 program and the tax rebate program under s. 215.5587. The
22 advisory council shall consist of:

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

26 (b) A representative of residential property insurers,
27 selected ~~by the Financial Services Commission~~ from a list of
28 at least three persons recommended by the Florida Insurance
29 Council.

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

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

7 (e) Two members of the House of Representatives,
8 selected by the Speaker of the House of Representatives.

9 (f) Two members of the Senate, selected by the
10 President of the Senate.

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

13 (h) The senior officer of the Florida Hurricane
14 Catastrophe Fund.

15 (i) The executive director of Citizens Property
16 Insurance Corporation.

17 (j) The director of the Division of Emergency
18 Management of the department ~~of Community Affairs.~~

19
20 Members appointed under paragraphs (a)-(d) shall serve at the
21 pleasure of the Secretary of Community Affairs ~~Financial~~
22 ~~Services Commission~~. Members appointed under paragraphs (e)
23 and (f) shall serve at the pleasure of the appointing officer.
24 All other members shall serve voting ex officio. Members of
25 the advisory council shall serve without compensation but may
26 receive reimbursement as provided in s. 112.061 for per diem
27 and travel expenses incurred in the performance of their
28 official duties. Vacancies on the advisory council under
29 paragraphs (a)-(d) shall be filled by the Secretary of
30 Community Affairs in the same manner as original appointments
31 to the council were made.

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

5 (6) RULES.--The department ~~of Financial Services~~ shall
6 adopt rules pursuant to ss. 120.536(1) and 120.54 governing
7 the Florida Comprehensive Hurricane Damage Mitigation Grant
8 Program. The department shall also adopt rules establishing
9 priorities for grants provided under this section based on
10 objective criteria that gives priority to reducing the state's
11 probable maximum loss from hurricanes. However, pursuant to
12 this overall goal, the department may further establish
13 priorities based on the insured value of the dwelling, whether
14 or not the dwelling is insured by Citizens Property Insurance
15 Corporation and whether or not the area under consideration
16 has sufficient resources and the ability to perform the
17 retrofitting required.

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

27 (8) WIND CERTIFICATION AND HURRICANE MITIGATION
28 INSPECTOR LIST.--The department shall develop and maintain as
29 a public record a current list of wind certification and
30 hurricane mitigation inspectors authorized to conduct wind
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1 certification and hurricane mitigation inspections pursuant to
2 this section.

3 Section 2. Section 215.5587, Florida Statutes, is
4 created to read:

5 215.5587 Florida Comprehensive Hurricane Damage
6 Mitigation Sales Tax Exemption or Rebate Program.--There is
7 established within the Department of Community Affairs the
8 Florida Comprehensive Hurricane Damage Mitigation Sales Tax
9 Exemption or Rebate Program. The program shall be implemented
10 by private mitigation contractors with prior experience in the
11 private sector in the area of insurance, business, or
12 construction. The program shall develop and implement a
13 comprehensive and coordinated approach for hurricane damage
14 mitigation that shall include the following:

15 (1) WIND CERTIFICATION AND HURRICANE MITIGATION
16 INSPECTIONS.--

17 (a) Free retrofit inspections of any property shall be
18 offered to determine what mitigation measures are needed and
19 what improvements to existing properties are needed to reduce
20 the property's vulnerability to hurricane damage. The
21 department shall establish a request for proposals to solicit
22 proposals from wind certification entities to provide wind
23 certification and hurricane mitigation inspections at no cost
24 to property owners. The inspections provided to property
25 owners, at a minimum, must include:

26 1. A property inspection and report that summarizes
27 the results and identifies corrective actions a property owner
28 may take to mitigate hurricane damage.

29 2. A range of cost estimates regarding the mitigation
30 features.

31

1 3. Insurer-specific information regarding premium
2 discounts correlated to recommended mitigation features
3 identified by the inspection.

4 4. A hurricane resistance rating scale specifying the
5 property's current as well as projected wind resistance
6 capabilities.

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

10 1. Use wind certification and hurricane mitigation
11 inspectors who:

12 a. Have prior experience in construction or inspection
13 and have received specialized training in hurricane mitigation
14 procedures.

15 b. Have undergone drug testing and level 2 background
16 screening pursuant to s. 435.04. The department is authorized
17 to conduct criminal record checks of inspectors. Inspectors
18 must submit a set of the fingerprints to the department for
19 state and national criminal history checks and must pay the
20 fingerprint processing fee set forth in s. 624.501. The
21 fingerprints shall be sent by the department to the Department
22 of Law Enforcement and forwarded to the Federal Bureau of
23 Investigation for processing. The results shall be returned to
24 the department for screening. The fingerprints shall be taken
25 by a law enforcement agency, designated examination center, or
26 other department-approved entity. Wind certification and
27 hurricane mitigation inspectors participating in the program
28 on the effective date of this act shall have until June 1,
29 2008, to meet the requirements for a criminal record check.

30 c. Have been certified, in a manner satisfactory to
31 the department, to conduct the inspections.

1 2. Provide a quality assurance program, including a
2 reinspection component.

3 (2) SALES TAX EXEMPTION OR REBATE.--Tangible personal
4 property purchased by a private hurricane damage mitigation
5 contractor for use in retrofitting property to mitigate
6 hurricane damage shall be exempt from the tax imposed under
7 chapter 212 or shall be subject to a rebate from the
8 Department of Revenue to the owner of such property, as
9 provided in this section, to encourage property owners to
10 retrofit their properties to make the properties less
11 vulnerable to hurricane damage. In order to purchase tangible
12 personal property exempt from the tax imposed by chapter 212,
13 a contractor shall possess a valid exemption certificate as
14 provided in chapter 212.

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

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

22 b. The owners of a commercial property that consists
23 of more than one unit may receive a rebate only if all
24 business owners of the property participate.

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

27 (c) The program shall create a process in which
28 private mitigation contractors agree to provide wind
29 certification and hurricane damage inspections and contract
30 with property owners to retrofit properties to mitigate damage
31 from hurricanes. All mitigation must be based upon the

1 securing of all required local permits and inspections.

2 Mitigation projects are subject to random reinspection of at
3 least 10 percent of all projects.

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

6 1. Roof deck attachment.

7 2. Secondary water barrier.

8 3. Roof covering.

9 4. Brace gable ends.

10 5. Reinforce roof-to-wall connections.

11 6. Opening protection.

12 7. Exterior doors, including garage doors.

13 (e) Sales tax exemptions or rebates may be claimed on
14 a previously inspected existing structure or on a rebuild. The
15 term "rebuild" means a site-built facility under construction
16 to replace a structure that was destroyed or significantly
17 damaged by a hurricane and deemed unlivable or unusable by a
18 regulatory authority.

19 (f)1. A person who receives a rebate of sales taxes
20 under this section is not eligible to receive a grant under s.
21 215.5586.

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

24 3. Tangible personal property purchased by a
25 contractor under contract with a property owner who has
26 received a grant under s. 215.5586 is not exempt from the tax
27 imposed by chapter 212.

28 4. The provisions governing refunds under s. 212.095
29 shall apply to rebates under this section.

30 (3) EDUCATION AND CONSUMER AWARENESS.--Multimedia
31 public education, awareness, and advertising efforts designed

1 to specifically address mitigation techniques shall be
2 employed, as well as a component to support ongoing consumer
3 resources and referral services.

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

8 (5) RULES.--The department shall adopt rules pursuant
9 to ss. 120.536(1) and 120.54 governing the Florida
10 Comprehensive Hurricane Damage Mitigation Sales Tax Exemption
11 or Rebate Program. The department shall coordinate with the
12 Department of Revenue in administering sales tax exemptions or
13 rebates under the program.

14 (6) PRIVATE HURRICANE MITIGATION CONTRACTOR LIST.--In
15 addition to the requirements of s. 215.5586(8), the department
16 shall develop and maintain as a public record a current list
17 of private hurricane damage mitigation contractors authorized
18 by the department to retrofit properties to make them less
19 vulnerable to hurricane damage in accordance with this
20 section.

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

23 212.08 Sales, rental, use, consumption, distribution,
24 and storage tax; specified exemptions.--The sale at retail,
25 the rental, the use, the consumption, the distribution, and
26 the storage to be used or consumed in this state of the
27 following are hereby specifically exempt from the tax imposed
28 by this chapter.

29 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to
30 any entity by this chapter do not inure to any transaction
31 that is otherwise taxable under this chapter when payment is

1 made by a representative or employee of the entity by any
2 means, including, but not limited to, cash, check, or credit
3 card, even when that representative or employee is
4 subsequently reimbursed by the entity. In addition, exemptions
5 provided to any entity by this subsection do not inure to any
6 transaction that is otherwise taxable under this chapter
7 unless the entity has obtained a sales tax exemption
8 certificate from the department or the entity obtains or
9 provides other documentation as required by the department.
10 Eligible purchases or leases made with such a certificate must
11 be in strict compliance with this subsection and departmental
12 rules, and any person who makes an exempt purchase with a
13 certificate that is not in strict compliance with this
14 subsection and the rules is liable for and shall pay the tax.
15 The department may adopt rules to administer this subsection.

16 (eee) Tangible personal property purchased for
17 hurricane damage mitigation retrofitting projects.--Also
18 exempt from the tax imposed by this chapter is tangible
19 personal property purchased by a private hurricane damage
20 mitigation contractor for purposes of retrofitting property to
21 make the property less vulnerable to damage from a hurricane,
22 as provided in s. 215.5587, unless the owner of the property
23 being retrofitted as provided in s. 215.5587 has received a
24 grant under s. 215.5586.

25 Section 4. The sum of \$3 million is appropriated from
26 the General Revenue Fund to the Department of Community
27 Affairs for purposes of administering the Florida
28 Comprehensive Hurricane Damage Mitigation Sales Tax Exemption
29 or Rebate Program as provided in s. 215.5587, Florida
30 Statutes.

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