

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

|               | CHAMBER ACTION |              |
|---------------|----------------|--------------|
| <u>Senate</u> |                | <u>House</u> |

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Senator Posey moved the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Section 215.5586, Florida Statutes, is amended to read:

215.5586 My Safe Florida Home ~~Comprehensive Hurricane~~  
~~Damage Mitigation~~ Program.--There is established within the  
Department of Financial Services the My Safe Florida Home  
~~Comprehensive Hurricane Damage Mitigation~~ Program. The  
department shall provide fiscal accountability, contract  
management, and strategic leadership for the program,  
consistent with this section. This section does not create an  
entitlement for property owners or obligate the state in any  
way to fund the inspection or retrofitting of residential  
property in this state. Implementation of this program is  
subject to annual legislative appropriations. It is the intent  
of the Legislature that the My Safe Florida Home Program  
provide inspections for at least 400,000 site-built,

Barcode 940114

1 single-family, residential properties and provide grants to at  
 2 least 35,000 applicants before June 30, 2009. ~~The program~~  
 3 ~~shall be administered by an individual with prior executive~~  
 4 ~~experience in the private sector in the areas of insurance,~~  
 5 ~~business, or construction.~~ The program shall develop and  
 6 implement a comprehensive and coordinated approach for  
 7 hurricane damage mitigation that shall include the following:

8 (1) ~~WIND CERTIFICATION AND~~ HURRICANE MITIGATION  
 9 INSPECTIONS.--

10 (a) Free home-retrofit inspections of site-built,  
 11 single-family, residential property, including single-family,  
 12 ~~two-family, three-family, or four-family residential units,~~  
 13 shall be offered throughout the state to determine what  
 14 mitigation measures are needed, what insurance premium  
 15 discounts may be available, and what improvements to existing  
 16 residential properties are needed to reduce the property's  
 17 vulnerability to hurricane damage. The Department of Financial  
 18 Services shall contract with ~~establish a request for proposals~~  
 19 ~~to solicit proposals from~~ wind certification entities to  
 20 provide free ~~at no cost to homeowners~~ wind certification and  
 21 hurricane mitigation inspections. The inspections provided to  
 22 homeowners, at a minimum, must include:

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

26 2. A range of cost estimates regarding the recommended  
 27 mitigation improvements ~~features~~.

28 3. Insurer-specific information regarding premium  
 29 discounts correlated to the current mitigation features and  
 30 the recommended mitigation improvements ~~features~~ identified by  
 31 the inspection.

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

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

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

12           a. Have prior experience in residential construction  
 13 or inspection and have received specialized training in  
 14 hurricane mitigation procedures. Such training may be provided  
 15 by a class offered online or in person.

16           b. Have undergone drug testing and level 2 background  
 17 checks pursuant to s. 435.04. The department is authorized to  
 18 conduct criminal record checks of inspectors used by wind  
 19 certification entities. Inspectors must submit a set of the  
 20 fingerprints to the department for state and national criminal  
 21 history checks and must pay the fingerprint processing fee set  
 22 forth in s. 624.501. The fingerprints shall be sent by the  
 23 department to the Department of Law Enforcement and forwarded  
 24 to the Federal Bureau of Investigation for processing. The  
 25 results shall be returned to the department for screening. The  
 26 fingerprints shall be taken by a law enforcement agency,  
 27 designated examination center, or other department-approved  
 28 entity. ~~Wind certification and~~ Hurricane mitigation inspectors  
 29 participating in the program on January 25, 2007, ~~the~~  
 30 ~~effective date of this act~~ shall have until June 1, 2007, to  
 31 meet the requirements for a criminal record check.

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 c. Have been certified, in a manner satisfactory to  
2 the department, to conduct the inspections.

3 2. Provide a quality assurance program including a  
4 reinspection component.

5 (c) An application for an inspection must contain a  
6 signed or electronically verified statement made under penalty  
7 of perjury that the applicant has submitted only a single  
8 application for that home.

9 (d) The owner of a site-built, single-family,  
10 residential property may apply for and receive an inspection  
11 without also applying for a grant pursuant to subsection (2)  
12 and without meeting the requirements of paragraph (2)(a).

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

17 (a) To be eligible for a grant for persons who have  
18 obtained a completed inspection after May 1, 2007, a  
19 residential property must:

20 1. Have been granted a homestead exemption under  
21 chapter 196.

22 2. Be a dwelling with an insured value of \$300,000  
23 ~~\$500,000~~ or less. Homeowners who are low-income persons, as  
24 defined in s. 420.0004(10), are exempt from this requirement.

25 3. Have undergone an acceptable ~~wind certification and~~  
26 ~~hurricane mitigation inspection, if the property is an~~  
27 ~~existing structure.~~

28 4. Be located in the "wind-borne debris region" as  
29 that term is defined in s. 1609.2, International Building Code  
30 (2006).

31 5. Be a home for which the building permit application

1 for initial construction was made before March 1, 2002.

2

3 An application for a grant must contain a signed or  
4 electronically verified statement made under penalty of  
5 perjury that the applicant has submitted only a single  
6 application and must have attached documents demonstrating the  
7 applicant meets the requirements of this paragraph. A  
8 ~~residential property which is part of a multifamily~~  
9 ~~residential unit may receive a grant only if all homeowners~~  
10 ~~participate and the total number of units does not exceed~~  
11 ~~four.~~

12 (b) All grants must be matched on a dollar-for-dollar  
13 basis for a total of \$10,000 for the actual cost of the  
14 mitigation project with the state's contribution not to exceed  
15 \$5,000.

16 (c) The program shall create a process in which  
17 ~~mitigation~~ contractors agree to participate ~~and seek~~  
18 ~~reimbursement from the state~~ and homeowners select from a list  
19 of participating contractors. All mitigation must be based  
20 upon the securing of all required local permits and  
21 inspections and must be performed by properly licensed  
22 contractors. Mitigation projects are subject to random  
23 reinspection of up to at least 5 ~~10~~ percent of all projects.  
24 Hurricane mitigation inspectors qualifying for the program may  
25 also participate as mitigation contractors as long as the  
26 inspectors meet the department's qualifications and  
27 certification requirements for mitigation contractors.

28 (d) Matching fund grants shall also be made available  
29 to local governments and nonprofit entities for projects that  
30 will reduce hurricane damage to single-family, site-built,  
31 owner-occupied, residential property. The department shall

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 liberally construe those requirements in favor of availing the  
2 state of the opportunity to leverage funding for the My Safe  
3 Florida Home Program with other sources of funding.

4 (e) When recommended by a hurricane mitigation  
5 inspection, grants may be used for the following improvements  
6 only:

- 7 ~~1. Roof deck attachment.~~
- 8 ~~2. Secondary water barrier.~~
- 9 ~~3. Roof covering.~~
- 10 ~~4. Brace gable ends.~~
- 11 ~~5. Reinforce roof to wall connections.~~
- 12 1.6. Opening protection.
- 13 2.7. Exterior doors, including garage doors.
- 14 3. Brace gable ends.

15  
16 The department may require that improvements be made to all  
17 openings, including exterior doors and garage doors, as a  
18 condition of approving an application for a grant if the  
19 department determines that improvements to less than all  
20 openings would not substantially improve the structure's  
21 ability to withstand hurricane damage.

22 (f) Grants may be used on a previously inspected  
23 existing structure or on a rebuild. A rebuild is defined as a  
24 site-built, single-family dwelling under construction to  
25 replace a home that was destroyed or significantly damaged by  
26 a hurricane and deemed unlivable by a regulatory authority.  
27 The homeowner must be a low-income homeowner as defined in  
28 paragraph (g), must have had a homestead exemption for that  
29 home prior to the hurricane, and must be intending to rebuild  
30 the home as that homeowner's homestead ~~and maintained the~~  
31 ~~homestead exemption.~~

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1           (g) Low-income homeowners, as defined in s.  
 2 420.0004(10), who otherwise meet the requirements of  
 3 paragraphs (a), (c), (e), and (f) are eligible for a grant of  
 4 up to \$5,000 and are not required to provide a matching amount  
 5 to receive the grant. Additionally, for low-income homeowners,  
 6 grant funding may be used for repair to existing structures  
 7 leading to any of the mitigation improvements provided in  
 8 paragraph (e), limited to 20 percent of the grant value. The  
 9 program may accept a certification directly from a low-income  
 10 homeowner that the homeowner meets the requirements of s.  
 11 420.0004(10) if the homeowner provides such certification in a  
 12 signed or electronically verified statement made under penalty  
 13 of perjury.

14           (h) The department shall establish objective,  
 15 reasonable criteria for prioritizing grant applications,  
 16 consistent with the requirements of this section.

17           (i) The department shall develop a process that  
 18 ensures the most efficient means to collect and verify grant  
 19 applications to determine eligibility and may direct hurricane  
 20 mitigation inspectors to collect and verify grant application  
 21 information or use the Internet or other electronic means to  
 22 collect information and determine eligibility.

23           (j) The department shall transfer the amount of \$40  
 24 million from funds appropriated to the program, including up  
 25 to 5 percent for administrative costs, to Volunteer Florida  
 26 Foundation, Inc., for provision of inspections and grants to  
 27 low-income homeowners, as defined in s. 420.0004(10),  
 28 consistent with this section. Volunteer Florida Foundation,  
 29 Inc., shall be responsible for inspections and grants  
 30 management for low-income homeowners and shall report its  
 31 activities and account for state funds on a quarterly and

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 annual basis to the Chief Financial Officer, the President of  
2 the Senate, and the Speaker of the House of Representatives.

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.



Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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,

Barcode 940114

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

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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 (10) CONTRACT MANAGEMENT.--The department may contract

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

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

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

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

27 489.115 Certification and registration; endorsement;  
 28 reciprocity; renewals; continuing education.--

29 (4)

30 (b)1. Each certificateholder or registrant shall  
 31 provide proof, in a form established by rule of the board,

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

19         2. In addition, the board may approve specialized  
20 continuing education courses on compliance with the wind  
21 resistance provisions for one and two family dwellings  
22 contained in the Florida Building Code and any alternate  
23 methodologies for providing such wind resistance which have  
24 been approved for use by the Florida Building Commission.  
25 Division I certificateholders or registrants who demonstrate  
26 proficiency upon completion of such specialized courses may  
27 certify plans and specifications for one and two family  
28 dwellings to be in compliance with the code or alternate  
29 methodologies, as appropriate, except for dwellings located in  
30 floodways or coastal hazard areas as defined in ss. 60.3D and  
31 E of the National Flood Insurance Program.

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

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

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

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

31           Section 39. (1) The Office of Insurance Regulation,

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

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

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

24 Section 42. (1) For the 2006-2007 fiscal year, the  
 25 sum of \$250 million is appropriated on a nonrecurring basis  
 26 from the General Revenue Fund to the Insurance Regulatory  
 27 Trust Fund in the Department of Financial Services for  
 28 purposes of the My Safe Florida Home ~~Comprehensive Hurricane~~  
 29 ~~Damage Mitigation~~ Program specified in s. 215.5586, Florida  
 30 Statutes, as created by this act. The department shall  
 31 establish a separate account within the trust fund for

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 accounting purposes.

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

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

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



Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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

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 prior to its implementation benefit all residents of the state

1 as a whole.

2 (2) The Florida Building Commission shall:

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

10 (b) Develop and adopt within the Florida Building Code  
11 a means to incorporate recognized mitigation techniques for  
12 site-built, single-family residential structures constructed  
13 prior to the implementation of the Florida Building Code,  
14 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;

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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 for  
15 site-built, single-family residential structures:

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

18           (b) For a building that is located in the wind-borne  
19 debris region as defined in s. 1609.2 of the International  
20 Building Code (2006) and that has an insured value of \$300,000  
21 or more or, if the building is uninsured or for which  
22 documentation of insured value is not presented, has a just  
23 valuation for the structure for purposes of ad valorem  
24 taxation of \$300,000 or more, a roof replacement must  
25 incorporate the techniques specified in subparagraph (2)(b)3.

26           (c) Any activity requiring a building permit that is  
27 applied for on or after July 1, 2008, and for which the  
28 estimated cost is \$50,000 or more, must include provision of  
29 opening protections as required within the Florida Building  
30 Code for new construction for a building that is located in  
31 the wind-borne debris region as defined in s. 1609.2 of the

Barcode 940114

1 International Building Code (2006) and that has an insured  
 2 value of \$750,000 or more, or, if the building is uninsured or  
 3 for which documentation of insured value is not presented, has  
 4 a just valuation for the structure for purposes of ad valorem  
 5 taxation of \$750,000 or more.

6 Section 6. Paragraph (a) of subsection (6) of section  
 7 627.351, Florida Statutes, as amended by section 21 of chapter  
 8 2007-1, Laws of Florida, is amended to read:

9 627.351 Insurance risk apportionment plans.--

10 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

11 (a)1. The Legislature finds that actual and threatened  
 12 catastrophic losses to property in this state from hurricanes  
 13 have caused insurers to be unwilling or unable to provide  
 14 property insurance coverage to the extent sought and needed.  
 15 It is in the public interest and a public purpose to assist in  
 16 assuring that property in the state is insured so as to  
 17 facilitate the remediation, reconstruction, and replacement of  
 18 damaged or destroyed property in order to reduce or avoid the  
 19 negative effects otherwise resulting to the public health,  
 20 safety, and welfare; to the economy of the state; and to the  
 21 revenues of the state and local governments needed to provide  
 22 for the public welfare. It is necessary, therefore, to provide  
 23 property insurance to applicants who are in good faith  
 24 entitled to procure insurance through the voluntary market but  
 25 are unable to do so. The Legislature intends by this  
 26 subsection that property insurance be provided and that it  
 27 continues, as long as necessary, through an entity organized  
 28 to achieve efficiencies and economies, while providing service  
 29 to policyholders, applicants, and agents that is no less than  
 30 the quality generally provided in the voluntary market, all  
 31 toward the achievement of the foregoing public purposes.

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 | Because it is essential for the corporation to have the  
 2 | maximum financial resources to pay claims following a  
 3 | catastrophic hurricane, it is the intent of the Legislature  
 4 | that the income of the corporation be exempt from federal  
 5 | income taxation and that interest on the debt obligations  
 6 | issued by the corporation be exempt from federal income  
 7 | taxation.

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

31 |         3. For the purposes of this subsection, the term

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 "homestead property" means:

2 a. Property that has been granted a homestead  
3 exemption under chapter 196;

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

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

15 d. Tenant's coverage;

16 e. Commercial lines residential property; or

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

23 4. For the purposes of this subsection, the term  
24 "nonhomestead property" means property that is not homestead  
25 property.

26 5. Effective July 1, 2008, a personal lines  
27 residential structure that has a dwelling replacement cost of  
28 \$1 million or more, or a single condominium unit that has a  
29 combined dwelling and content replacement cost of \$1 million  
30 or more is not eligible for coverage by the corporation. Such  
31 dwellings insured by the corporation on June 30, 2008, may

Barcode 940114

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

22         6. For properties constructed on or after January 1,  
23 2009, the corporation may not insure any property located  
24 within 2,500 feet landward of the coastal construction control  
25 line created pursuant to s. 161.053 unless the property meets  
26 the requirements of the code-plus building standards developed  
27 by the Florida Building Commission.

28         7. It is the intent of the Legislature that  
29 policyholders, applicants, and agents of the corporation  
30 receive service and treatment of the highest possible level  
31 but never less than that generally provided in the voluntary

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 market. It also is intended that the corporation be held to  
 2 service standards no less than those applied to insurers in  
 3 the voluntary market by the office with respect to  
 4 responsiveness, timeliness, customer courtesy, and overall  
 5 dealings with policyholders, applicants, or agents of the  
 6 corporation.

7 8. Effective January 1, 2009, a personal lines  
 8 residential structure that is located in the "wind-borne  
 9 debris region," as defined in s. 1609.2, International  
 10 Building Code (2006), and that has an insured value on the  
 11 structure of \$750,000 or more is not eligible for coverage by  
 12 the corporation unless the structure has opening protections  
 13 as required under the Florida Building Code for a newly  
 14 constructed residential structure in that area.

15 Section 7. From the funds appropriated to the My Safe  
 16 Florida Home Program by section 42 of chapter 2006-12, Laws of  
 17 Florida, the Department of Financial Services shall transfer  
 18 \$1 million from the Insurance Regulatory Trust Fund to the  
 19 Energy Consumption Trust Fund within the Department of  
 20 Community Affairs for the purpose of funding the Low-income  
 21 Emergency Home Repair Program under s. 420.36, Florida  
 22 Statutes. Notwithstanding s. 420.36(3)(b), Florida Statutes,  
 23 administrative expenses of the program may not exceed 5  
 24 percent of the total funds appropriated by this section.

25 Section 8. This act shall take effect upon becoming a  
 26 law.

27  
 28

29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 Delete everything before the enacting clause



Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 and insert:

2                                   A bill to be entitled

3           An act relating to hurricane damage mitigation;

4           amending s. 215.5586, F.S.; redesignating the

5           Florida Comprehensive Hurricane Damage

6           Mitigation Program as the "My Safe Florida Home

7           Program"; providing additional duties of the

8           Department of Financial Services; providing

9           additional legislative intent; revising

10          criteria and requirements for hurricane

11          mitigation inspections; requiring the

12          department to contract with certain entities to

13          provide hurricane mitigation inspections;

14          revising the requirements for such inspections;

15          providing for a hurricane resistance rating

16          scale as adopted by the Financial Services

17          Commission; revising the requirements for an

18          entity to be selected by the department to

19          perform inspections; providing requirements for

20          a homeowner with respect to applying for an

21          inspection; revising requirements for

22          mitigation grants; authorizing inspectors to

23          participate as contractors under certain

24          circumstances; limiting the purposes for which

25          a grant may be used; providing for priorities

26          of grants; requiring the department to develop

27          a grant applications verification and

28          collection process; requiring the department to

29          transfer certain appropriated funds to

30          Volunteer Florida Foundation, Inc., for certain

31          purposes; specifying duties of Volunteer

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 Florida Foundation, Inc.; authorizing the  
2 department to undertake a statewide consumer  
3 information campaign; requiring the advisory  
4 council to advise and assist the department in  
5 administering the program; expanding the  
6 department's authorization to enhance financial  
7 resource funding of the program; revising the  
8 department's rulemaking authority; deleting  
9 provisions authorizing the department to  
10 contract with not-for-profit corporations;  
11 requiring the department to maintain a list of  
12 authorized hurricane mitigation inspectors;  
13 authorizing the department to develop a  
14 no-interest loan program; providing program  
15 requirements and limitations; requiring the  
16 department to pay certain creditors from funds  
17 appropriated for the program; providing loan  
18 eligibility criteria; authorizing the  
19 department to set aside certain funds for  
20 program purposes; requiring the department to  
21 adopt rules; providing for public outreach for  
22 contractors, real estate brokers, and licensed  
23 sales associates; authorizing the department to  
24 contract for grants management, inspection  
25 services, education outreach, and auditing  
26 services; providing additional legislative  
27 intent; requiring the department to make annual  
28 reports to the Legislature concerning the  
29 program; providing report requirements;  
30 amending s. 489.115, F.S.; including wind  
31 mitigation methodologies under certain

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

1 continuing education requirements for  
2 contractors; amending ss. 4, 39, and 42 of ch.  
3 2006-12, Laws of Florida; providing conforming  
4 changes to the redesignation of the Florida  
5 Comprehensive Hurricane Damage Mitigation  
6 Program; providing legislative intent;  
7 requiring the Office of Insurance Regulation,  
8 in consultation with the Department of  
9 Community Affairs and the Florida Building  
10 Commission, to conduct wind-loss mitigation  
11 studies; providing requirements for the  
12 studies; requiring reports to the Governor, the  
13 Legislature, the Chief Financial Officer, and  
14 the Commissioner of Insurance Regulation;  
15 creating s. 553.844, F.S.; providing  
16 legislative findings concerning the need to  
17 prevent property damage caused by hurricanes;  
18 requiring the Florida Building Commission to  
19 adopt amendments to the Florida Building Code,  
20 including requirements for certain buildings  
21 constructed before the implementation of the  
22 code; providing requirements for such  
23 amendments; providing requirements for  
24 buildings located in a wind-borne debris  
25 region; amending s. 627.351, F.S.; requiring  
26 that a residential structure located in a  
27 wind-borne debris region have certain opening  
28 protections required under the Florida Building  
29 Code in order to be eligible for coverage by  
30 the Citizens Property Insurance Corporation;  
31 providing appropriations; providing an

Bill No. CS/HB 7057, 1st Eng.

Barcode 940114

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effective date.