

1 A bill to be entitled

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

29 authorization to enhance financial resource funding of the
30 program; revising the department's rulemaking authority;
31 deleting provisions authorizing the department to contract
32 with not-for-profit corporations; requiring the department
33 to maintain a list of authorized hurricane mitigation
34 inspectors; authorizing the department to develop a no-
35 interest loan program; providing program requirements and
36 limitations; requiring the department to pay certain
37 creditors from funds appropriated for the program;
38 providing loan eligibility criteria; authorizing the
39 department to set aside certain funds for program
40 purposes; requiring the department to adopt rules;
41 providing for public outreach for contractors, real estate
42 brokers, and licensed sales associates; authorizing the
43 department to contract for grants management, inspection
44 services, education outreach, and auditing services;
45 providing additional legislative intent; requiring the
46 department to make annual reports to the Legislature
47 concerning the program; providing report requirements;
48 amending s. 489.115, F.S.; including wind mitigation
49 methodologies under certain continuing education
50 requirements for contractors; amending ss. 4, 39, and 42
51 of ch. 2006-12, Laws of Florida; providing conforming
52 changes to the redesignation of the Florida Comprehensive
53 Hurricane Damage Mitigation Program; providing legislative
54 intent; requiring the Office of Insurance Regulation, in
55 consultation with the Department of Community Affairs and
56 the Florida Building Commission, to conduct wind-loss

57 mitigation studies; providing requirements for the
 58 studies; requiring reports to the Governor, the
 59 Legislature, the Chief Financial Officer, and the
 60 Commissioner of Insurance Regulation; creating s. 553.844,
 61 F.S.; providing legislative findings concerning the need
 62 to prevent property damage caused by hurricanes; requiring
 63 the Florida Building Commission to adopt amendments to the
 64 Florida Building Code, including requirements for certain
 65 buildings constructed before the implementation of the
 66 code; providing requirements for such amendments;
 67 providing requirements for buildings located in a wind-
 68 borne debris region; amending s. 627.351, F.S.; requiring
 69 that a residential structure located in a wind-borne
 70 debris region have certain opening protections required
 71 under the Florida Building Code in order to be eligible
 72 for coverage by the Citizens Property Insurance
 73 Corporation; providing appropriations; providing an
 74 effective date.

75
 76 Be It Enacted by the Legislature of the State of Florida:

77
 78 Section 1. Section 215.5586, Florida Statutes, is amended
 79 to read:

80 215.5586 My Safe Florida Home ~~Comprehensive Hurricane~~
 81 ~~Damage Mitigation~~ Program.--There is established within the
 82 Department of Financial Services the My Safe Florida Home
 83 ~~Comprehensive Hurricane Damage Mitigation~~ Program. The
 84 department shall provide fiscal accountability, contract

85 management, and strategic leadership for the program, consistent
86 with this section. This section does not create an entitlement
87 for property owners or obligate the state in any way to fund the
88 inspection or retrofitting of residential property in this
89 state. Implementation of this program is subject to annual
90 legislative appropriations. It is the intent of the Legislature
91 that the My Safe Florida Home Program provide inspections for at
92 least 400,000 site-built, single-family, residential properties
93 and provide grants to at least 35,000 applicants before June 30,
94 2009. ~~The program shall be administered by an individual with~~
95 ~~prior executive experience in the private sector in the areas of~~
96 ~~insurance, business, or construction.~~ The program shall develop
97 and implement a comprehensive and coordinated approach for
98 hurricane damage mitigation that shall include the following:

99 (1) ~~WIND CERTIFICATION AND HURRICANE MITIGATION~~
100 ~~INSPECTIONS.--~~

101 (a) Free home-retrofit inspections of site-built, single-
102 family, residential property, ~~including single family, two-~~
103 ~~family, three family, or four family residential units,~~ shall be
104 offered throughout the state to determine what mitigation
105 measures are needed, what insurance premium discounts may be
106 available, and what improvements to existing residential
107 properties are needed to reduce the property's vulnerability to
108 hurricane damage. The Department of Financial Services shall
109 contract with ~~establish a request for proposals to solicit~~
110 ~~proposals from~~ wind certification entities to provide free at no
111 ~~cost to homeowners wind certification and~~ hurricane mitigation
112 inspections. The inspections provided to homeowners, at a

113 minimum, must include:

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

117 2. A range of cost estimates regarding the recommended
 118 mitigation improvements ~~features~~.

119 3. Insurer-specific information regarding premium
 120 discounts correlated to the current mitigation features and the
 121 recommended mitigation improvements ~~features~~ identified by the
 122 inspection.

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

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

131 1. Use ~~wind certification and~~ hurricane mitigation
 132 inspectors who:

133 a. Have prior experience in residential construction or
 134 inspection and have received specialized training in hurricane
 135 mitigation procedures. Such training may be provided by a class
 136 offered online or in person.

137 b. Have undergone drug testing and level 2 background
 138 checks pursuant to s. 435.04. The department is authorized to
 139 conduct criminal record checks of inspectors used by wind
 140 certification entities. Inspectors must submit a set of the

141 fingerprints to the department for state and national criminal
142 history checks and must pay the fingerprint processing fee set
143 forth in s. 624.501. The fingerprints shall be sent by the
144 department to the Department of Law Enforcement and forwarded to
145 the Federal Bureau of Investigation for processing. The results
146 shall be returned to the department for screening. The
147 fingerprints shall be taken by a law enforcement agency,
148 designated examination center, or other department-approved
149 entity. ~~Wind certification and Hurricane mitigation inspectors~~
150 ~~participating in the program on January 25, 2007, the effective~~
151 ~~date of this act~~ shall have until June 1, 2007, to meet the
152 requirements for a criminal record check.

153 c. Have been certified, in a manner satisfactory to the
154 department, to conduct the inspections.

155 2. Provide a quality assurance program including a
156 reinspection component.

157 (c) An application for an inspection must contain a signed
158 or electronically verified statement made under penalty of
159 perjury that the applicant has submitted only a single
160 application for that home.

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

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

169 (a) To be eligible for a grant for persons who have
 170 obtained a completed inspection after May 1, 2007, a residential
 171 property must:

172 1. Have been granted a homestead exemption under chapter
 173 196.

174 2. Be a dwelling with an insured value of \$300,000
 175 ~~\$500,000~~ or less. Homeowners who are low-income persons, as
 176 defined in s. 420.0004(10), are exempt from this requirement.

177 3. Have undergone an acceptable ~~wind certification and~~
 178 ~~hurricane mitigation inspection, if the property is an existing~~
 179 ~~structure.~~

180 4. Be located in the "wind-borne debris region" as that
 181 term is defined in s. 1609.2, International Building Code
 182 (2006).

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

185
 186 An application for a grant must contain a signed or
 187 electronically verified statement made under penalty of perjury
 188 that the applicant has submitted only a single application and
 189 must have attached documents demonstrating the applicant meets
 190 the requirements of this paragraph. ~~A residential property which~~
 191 ~~is part of a multifamily residential unit may receive a grant~~
 192 ~~only if all homeowners participate and the total number of units~~
 193 ~~does not exceed four.~~

194 (b) All grants must be matched on a dollar-for-dollar
 195 basis for a total of \$10,000 for the actual cost of the
 196 mitigation project with the state's contribution not to exceed

197 \$5,000.

198 (c) The program shall create a process in which ~~mitigation~~
 199 ~~contractors agree to participate and seek reimbursement from the~~
 200 ~~state~~ and homeowners select from a list of participating
 201 contractors. All mitigation must be based upon the securing of
 202 all required local permits and inspections and must be performed
 203 by properly licensed contractors. Mitigation projects are
 204 subject to random reinspection of up to at least 5 ~~10~~ percent of
 205 all projects. Hurricane mitigation inspectors qualifying for the
 206 program may also participate as mitigation contractors as long
 207 as the inspectors meet the department's qualifications and
 208 certification requirements for mitigation contractors.

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

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

- 218 ~~1. Roof deck attachment.~~
- 219 ~~2. Secondary water barrier.~~
- 220 ~~3. Roof covering.~~
- 221 ~~4. Brace gable ends.~~
- 222 ~~5. Reinforce roof to wall connections.~~
- 223 1.6. Opening protection.
- 224 2.7. Exterior doors, including garage doors.

225 3. Brace gable ends.

226
 227 The department may require that improvements be made to all
 228 openings, including exterior doors and garage doors, as a
 229 condition of approving an application for a grant if the
 230 department determines that improvements to less than all
 231 openings would not substantially improve the structure's ability
 232 to withstand hurricane damage.

233 (f) Grants may be used on a previously inspected existing
 234 structure or on a rebuild. A rebuild is defined as a site-built,
 235 single-family dwelling under construction to replace a home that
 236 was destroyed or significantly damaged by a hurricane and deemed
 237 unlivable by a regulatory authority. The homeowner must be a
 238 low-income homeowner as defined in paragraph (g), must have had
 239 a homestead exemption for that home prior to the hurricane, and
 240 must be intending to rebuild the home as that homeowner's
 241 homestead ~~and maintained the homestead exemption.~~

242 (g) Low-income homeowners, as defined in s. 420.0004(10),
 243 who otherwise meet the requirements of paragraphs (a), (c), (e),
 244 and (f) are eligible for a grant of up to \$5,000 and are not
 245 required to provide a matching amount to receive the grant.
 246 Additionally, for low-income homeowners, grant funding may be
 247 used for repair to existing structures leading to any of the
 248 mitigation improvements provided in paragraph (e), limited to 20
 249 percent of the grant value. The program may accept a
 250 certification directly from a low-income homeowner that the
 251 homeowner meets the requirements of s. 420.0004(10) if the
 252 homeowner provides such certification in a signed or

253 electronically verified statement made under penalty of perjury.

254 (h) The department shall establish objective, reasonable
 255 criteria for prioritizing grant applications, consistent with
 256 the requirements of this section.

257 (i) The department shall develop a process that ensures
 258 the most efficient means to collect and verify grant
 259 applications to determine eligibility and may direct hurricane
 260 mitigation inspectors to collect and verify grant application
 261 information or use the Internet or other electronic means to
 262 collect information and determine eligibility.

263 (j) The department shall transfer the amount of \$40
 264 million from funds appropriated to the program, including up to
 265 5 percent for administrative costs, to Volunteer Florida
 266 Foundation, Inc., for provision of inspections and grants to
 267 low-income homeowners, as defined in s. 420.0004(10), consistent
 268 with this section. Volunteer Florida Foundation, Inc., shall be
 269 responsible for inspections and grants management for low-income
 270 homeowners and shall report its activities and account for state
 271 funds on a quarterly and annual basis to the Chief Financial
 272 Officer, the President of the Senate, and the Speaker of the
 273 House of Representatives.

274 (3) EDUCATION AND CONSUMER AWARENESS.--The department may
 275 undertake a statewide multimedia public outreach and advertising
 276 campaign to inform consumers of the availability and benefits of
 277 hurricane inspections and of the safety and financial benefits
 278 of residential hurricane damage mitigation. The department may
 279 seek out and use local, state, federal, and private funds to
 280 support the campaign. ~~Multimedia public education, awareness,~~

281 ~~and advertising efforts designed to specifically address~~
282 ~~mitigation techniques shall be employed, as well as a component~~
283 ~~to support ongoing consumer resources and referral services.~~

284 (4) ADVISORY COUNCIL.--There is created an advisory
285 council to provide advice and assistance to the department
286 regarding ~~program administrator with regard to his or her~~
287 administration of the program. The advisory council shall
288 consist of:

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

292 (b) A representative of residential property insurers,
293 selected by the Financial Services Commission from a list of at
294 least three persons recommended by the Florida Insurance
295 Council.

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

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

302 (e) Two members of the House of Representatives, selected
303 by the Speaker of the House of Representatives.

304 (f) Two members of the Senate, selected by the President
305 of the Senate.

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

308 (h) The senior officer of the Florida Hurricane

309 Catastrophe Fund.

310 (i) The executive director of Citizens Property Insurance
311 Corporation.

312 (j) The director of the Division of Emergency Management
313 of the Department of Community Affairs.

314
315 Members appointed under paragraphs (a)-(d) shall serve at the
316 pleasure of the Financial Services Commission. Members appointed
317 under paragraphs (e) and (f) shall serve at the pleasure of the
318 appointing officer. All other members shall serve voting ex
319 officio. Members of the advisory council shall serve without
320 compensation but may receive reimbursement as provided in s.
321 112.061 for per diem and travel expenses incurred in the
322 performance of their official duties.

323 (5) ~~FEDERAL FUNDING.--~~The department may seek out and
324 leverage local, state, federal, or private funds to enhance
325 ~~shall use its best efforts to obtain grants or funds from the~~
326 ~~federal government to supplement~~ the financial resources of the
327 program.

328 (6) RULES.--The Department of Financial Services shall
329 adopt rules pursuant to ss. 120.536(1) and 120.54 to govern
330 ~~governing the Florida Comprehensive Hurricane Damage Mitigation~~
331 program, implement the provisions of this section, including
332 rules governing hurricane mitigation inspections, mitigation
333 contractors, and training of inspectors and contractors, and
334 carry out the duties of the department under this section. ~~The~~
335 ~~department shall also adopt rules establishing priorities for~~
336 ~~grants provided under this section based on objective criteria~~

337 ~~that gives priority to reducing the state's probable maximum~~
338 ~~loss from hurricanes. However, pursuant to this overall goal,~~
339 ~~the department may further establish priorities based on the~~
340 ~~insured value of the dwelling, whether or not the dwelling is~~
341 ~~insured by Citizens Property Insurance Corporation and whether~~
342 ~~or not the area under consideration has sufficient resources and~~
343 ~~the ability to perform the retrofitting required.~~

344 ~~(7) CONTRACTS WITH NOT FOR PROFIT CORPORATIONS.~~ The
345 Department of Financial Services is authorized to contract with
346 not for profit corporations to conduct all or portions of the
347 program and to increase the awareness of the benefits of
348 mitigation among homeowners in this state. The department shall
349 consider the not for profit corporation's ability to raise funds
350 from the private sector to provide for mitigation grants, as
351 well as administrative capabilities for conducting other
352 business related to the program.

353 ~~(7)(8) WIND CERTIFICATION AND HURRICANE MITIGATION~~
354 INSPECTOR LIST.--The department shall develop and maintain as a
355 public record a current list of ~~wind certification and~~ hurricane
356 mitigation inspectors authorized to conduct ~~wind certification~~
357 ~~and~~ hurricane mitigation inspections pursuant to this section.

358 (8) NO-INTEREST LOANS.--The department may develop a no-
359 interest loan program by December 31, 2007, to encourage the
360 private sector to provide loans to owners of site-built, single-
361 family, residential property to pay for mitigation measures
362 listed in subsection (2). A loan eligible for interest payments
363 pursuant to this subsection may be for a term of up to 3 years
364 and cover up to \$5,000 in mitigation measures. The department

365 shall pay the creditor the market rate of interest using funds
366 appropriated for the My Safe Florida Home program. In no case
367 shall the department pay more than the interest rate set by s.
368 687.03. To be eligible for a loan, a loan applicant must first
369 obtain a home inspection and report that specifies what
370 improvements are needed to reduce the property's vulnerability
371 to windstorm damage pursuant to this section and meet loan
372 underwriting requirements set by the lender. The department may
373 set aside up to \$10 million from funds appropriated for the My
374 Safe Florida Home program to implement this subsection. The
375 department shall adopt rules pursuant to ss. 120.36(1) and
376 120.54 to implement this subsection which may include
377 eligibility criteria.

378 (9) PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE
379 BROKERS AND SALES ASSOCIATES.--The program shall develop
380 brochures for distribution to general contractors, roofing
381 contractors, and real estate brokers and sales associates
382 licensed under part I of chapter 475 explaining the benefits to
383 homeowners of residential hurricane damage mitigation. The
384 program shall encourage contractors to distribute the brochures
385 to homeowners at the first meeting with a homeowner who is
386 considering contracting for home or roof repairs or contracting
387 for the construction of a new home. The program shall encourage
388 real estate brokers and sales associates licensed under part I
389 of chapter 475 to distribute the brochures to clients prior to
390 the purchase of a home. The brochures may be made available
391 electronically.

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

393 with third parties for grants management, inspection services,
 394 educational outreach, and auditing services. Such contracts
 395 shall be considered direct costs of the program and shall not be
 396 subject to administrative cost limits, but contracts valued at
 397 \$500,000 or more shall be subject to review and approval by the
 398 Legislative Budget Commission. The department shall contract
 399 with providers that have a demonstrated record of successful
 400 business operations in areas directly related to the services to
 401 be provided and shall ensure the highest accountability for use
 402 of state funds, consistent with this section.

403 (11) INTENT.--It is the intent of the Legislature that
 404 grants made to residential property owners under this section
 405 shall be considered disaster-relief assistance within the
 406 meaning of s. 139 of the Internal Revenue Code of 1986, as
 407 amended.

408 (12) REPORTS.--The department shall make an annual report
 409 on the activities of the program that shall account for the use
 410 of state funds and indicate the number of inspections requested,
 411 the number of inspections performed, the number of grant
 412 applications received, and the number and value of grants
 413 approved. The report shall be delivered to the President of the
 414 Senate and the Speaker of the House of Representatives by
 415 February 1 of each year.

416 Section 2. Paragraph (b) of subsection (4) of section
 417 489.115, Florida Statutes, is amended to read:

418 489.115 Certification and registration; endorsement;
 419 reciprocity; renewals; continuing education.--

420 (4)

421 (b)1. Each certificateholder or registrant shall provide
422 proof, in a form established by rule of the board, that the
423 certificateholder or registrant has completed at least 14
424 classroom hours of at least 50 minutes each of continuing
425 education courses during each biennium since the issuance or
426 renewal of the certificate or registration. The board shall
427 establish by rule that a portion of the required 14 hours must
428 deal with the subject of workers' compensation, business
429 practices, ~~and~~ workplace safety, and, for applicable licensure
430 categories, wind mitigation methodologies. The board shall by
431 rule establish criteria for the approval of continuing education
432 courses and providers, including requirements relating to the
433 content of courses and standards for approval of providers, and
434 may by rule establish criteria for accepting alternative
435 nonclassroom continuing education on an hour-for-hour basis. The
436 board shall prescribe by rule the continuing education, if any,
437 which is required during the first biennium of initial
438 licensure. A person who has been licensed for less than an
439 entire biennium must not be required to complete the full 14
440 hours of continuing education.

441 2. In addition, the board may approve specialized
442 continuing education courses on compliance with the wind
443 resistance provisions for one and two family dwellings contained
444 in the Florida Building Code and any alternate methodologies for
445 providing such wind resistance which have been approved for use
446 by the Florida Building Commission. Division I
447 certificateholders or registrants who demonstrate proficiency
448 upon completion of such specialized courses may certify plans

449 and specifications for one and two family dwellings to be in
450 compliance with the code or alternate methodologies, as
451 appropriate, except for dwellings located in floodways or
452 coastal hazard areas as defined in ss. 60.3D and E of the
453 National Flood Insurance Program.

454 3. Each certificateholder or registrant shall provide to
455 the board proof of completion of the core curriculum courses, or
456 passing the equivalency test of the Building Code Training
457 Program established under s. 553.841, specific to the licensing
458 category sought, within 2 years after commencement of the
459 program or of initial certification or registration, whichever
460 is later. Classroom hours spent taking core curriculum courses
461 shall count toward the number required for renewal of
462 certificates or registration. A certificateholder or registrant
463 who passes the equivalency test in lieu of taking the core
464 curriculum courses shall receive full credit for core curriculum
465 course hours.

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

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

474 Section 4. Of the funds appropriated for the My Safe
475 Florida Home ~~Comprehensive Hurricane Damage Mitigation~~ Program
476 specified in s. 215.5586, Florida Statutes, as created by this

477 act, \$7.5 million shall be for the Manufactured Housing and
478 Mobile Home Mitigation and Enhancement Program specified in s.
479 215.559(4)(b), Florida Statutes, as created by this act. The
480 Department of Financial Services shall use these funds to
481 contract with Tallahassee Community College to implement the
482 Manufactured Housing and Mobile Home Mitigation and Enhancement
483 Program.

484 Section 39. (1) The Office of Insurance Regulation, in
485 consultation with the Department of Community Affairs, the
486 Department of Financial Services, the Federal Alliance for Safe
487 Homes, the Florida Insurance Council, the Florida Home Builders
488 Association, the Florida Manufactured Housing Association, the
489 Risk and Insurance Department of Florida State University, and
490 the Institute for Business and Homes Safety, shall study and
491 develop a program that will provide an objective rating system
492 that will allow homeowners to evaluate the relative ability of
493 Florida properties to withstand the wind load from a sustained
494 severe tropical storm or hurricane.

495 (2) The rating system will be designed in a manner that is
496 easy to understand for the property owner, based on proven
497 readily verifiable mitigation techniques and devices, and able
498 to be implemented based on a visual inspection program. The
499 Department of Financial Services shall implement a pilot program
500 for use in the My Safe Florida Home ~~Comprehensive Hurricane~~
501 ~~Damage Mitigation~~ Program.

502 (3) The Department shall provide a report to the Governor,
503 the President of the Senate, and the Speaker of the House of
504 Representatives by March 31, 2007, detailing the nature and

505 construction of the rating scale, its effectiveness based on
506 implementation in a pilot program, and an operational plan for
507 statewide implementation of the rating scale.

508 Section 42. (1) For the 2006-2007 fiscal year, the sum of
509 \$250 million is appropriated on a nonrecurring basis from the
510 General Revenue Fund to the Insurance Regulatory Trust Fund in
511 the Department of Financial Services for purposes of the My Safe
512 Florida Home ~~Comprehensive Hurricane Damage Mitigation~~ Program
513 specified in s. 215.5586, Florida Statutes, as created by this
514 act. The department shall establish a separate account within
515 the trust fund for accounting purposes.

516 (2) The sum of \$250 million is appropriated from the
517 Insurance Regulatory Trust Fund in the Department of Financial
518 Services for the purposes set forth in subsection (1). The
519 department may expend up to 1 percent of the funds appropriated
520 to administer the program. Beginning October 15, 2007, and
521 quarterly thereafter, the Chief Financial Officer shall provide
522 a report to the Executive Office of the Governor and the chair
523 and vice chair of the Legislative Budget Commission containing
524 information regarding expenditures made for the purposes set
525 forth in subsection (1).

526 (3) Notwithstanding the provisions of s. 216.301, Florida
527 Statutes, to the contrary, the unexpended balance of
528 appropriations authorized in subsections (1) and (2) shall not
529 revert until June 30, 2009.

530 Section 4. It is the intent of the Legislature that
531 scientifically valid and actuarially sound windstorm mitigation
532 rate factors, premium discounts, and differentials be provided

533 to residential and commercial property insurance policyholders.
534 In order to ensure the validity of such factors, the Office of
535 Insurance Regulation, in consultation with the Department of
536 Community Affairs and the Florida Building Commission, shall
537 conduct or cause to be conducted one or more wind-loss
538 mitigation studies, subject to appropriation of funds by the
539 Legislature for this purpose. The studies shall evaluate the
540 windstorm loss relativities for construction features,
541 including, but not limited to, those that enhance roof strength,
542 roof-covering performance, roof-to-wall strength, wall-to-floor-
543 to-foundation strength, opening protections, and window, door,
544 and skylight strength. The studies shall include residential
545 property, including single-family and multifamily homes, mobile
546 homes, and condominiums, and commercial nonresidential property.
547 The studies shall include, but need not be limited to, an
548 analysis of loss data from the 2004 and 2005 hurricanes. The
549 findings of the studies shall be reported to the Governor, the
550 President of the Senate, the Speaker of the House of
551 Representatives, the Chief Financial Officer, and the
552 Commissioner of Insurance Regulation by January 1, 2008, for the
553 studies related to residential property, and by March 1, 2008,
554 for the studies related to commercial nonresidential property.

555 Section 5. Section 553.844, Florida Statutes, is created
556 to read:

557 553.844 Windstorm loss mitigation; requirements for roofs
558 and opening protection.--

559 (1) The Legislature finds that:

560 (a) The effects of recent hurricanes on the state have

561 demonstrated the effectiveness of the Florida Building Code in
 562 reducing property damage to buildings constructed in accordance
 563 with its requirements, and have also exposed a vulnerability of
 564 some construction undertaken prior to implementation of the
 565 Florida Building Code.

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

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

572 (d) Cost-effective techniques for integrating proven
 573 methods of the Florida Building Code into buildings built prior
 574 to its implementation benefit all residents of the state as a
 575 whole.

576 (2) The Florida Building Commission shall:

577 (a) Analyze the extent to which a proposed Florida
 578 Building Code provision will mitigate property damage to
 579 buildings and their contents in evaluating that proposal. If the
 580 nature of the proposed Florida Building Code provision relates
 581 only to mitigation of property damage and not to a life safety
 582 concern, the proposal shall be reviewed based on its measurable
 583 benefits in relation to the costs imposed.

584 (b) Develop and adopt within the Florida Building Code a
 585 means to incorporate recognized mitigation techniques for site-
 586 built, single-family residential structures constructed prior to
 587 the implementation of the Florida Building Code, including, but
 588 not limited to:

589 1. Prescriptive techniques for the installation of gable-
 590 end bracing;

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

595 3. Prescriptive techniques for improvement of roof-to-wall
 596 connections. The Legislature recognizes that the cost of
 597 retrofitting existing buildings to meet the code requirements
 598 for new construction in this regard may exceed the practical
 599 benefit to be attained. The Legislature intends for the
 600 commission to provide for the integration of alternate, lower-
 601 cost means that may be employed to retrofit existing buildings
 602 that are not otherwise required to comply with the requirements
 603 of the Florida Building Code for new construction so that the
 604 cost of such improvements does not exceed approximately 15
 605 percent of the cost of reroofing;

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

608 5. Adding or strengthening opening protections.

609 (3) The Legislature finds that the integration of these
 610 specifically identified mitigation measures is critical to
 611 addressing the serious problem facing the state from damage
 612 caused by windstorms and that delay in the adoption and
 613 implementation constitutes a threat to the health, safety, and
 614 welfare of the state. Accordingly, the Florida Building
 615 Commission shall develop and adopt these measures by October 1,
 616 2007, by rule separate from the Florida Building Code, which

617 take immediate effect and shall incorporate such requirements
618 into the next edition of the Florida Building Code. Such rules
619 shall require or otherwise clarify that for site-built, single-
620 family residential structures:

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

623 (b) For a building that is located in the wind-borne
624 debris region as defined in s. 1609.2 of the International
625 Building Code (2006) and that has an insured value of \$300,000
626 or more or, if the building is uninsured or for which
627 documentation of insured value is not presented, has a just
628 valuation for the structure for purposes of ad valorem taxation
629 of \$300,000 or more, a roof replacement must incorporate the
630 techniques specified in subparagraph (2)(b)3.

631 (c) Any activity requiring a building permit that is
632 applied for on or after July 1, 2008, and for which the
633 estimated cost is \$50,000 or more, must include provision of
634 opening protections as required within the Florida Building Code
635 for new construction for a building that is located in the wind-
636 borne debris region as defined in s. 1609.2 of the International
637 Building Code (2006) and that has an insured value of \$750,000
638 or more, or, if the building is uninsured or for which
639 documentation of insured value is not presented, has a just
640 valuation for the structure for purposes of ad valorem taxation
641 of \$750,000 or more.

642 Section 6. Paragraph (a) of subsection (6) of section
643 627.351, Florida Statutes, as amended by section 21 of chapter
644 2007-1, Laws of Florida, is amended to read:

645 627.351 Insurance risk apportionment plans.--
646 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--
647 (a)1. The Legislature finds that actual and threatened
648 catastrophic losses to property in this state from hurricanes
649 have caused insurers to be unwilling or unable to provide
650 property insurance coverage to the extent sought and needed. It
651 is in the public interest and a public purpose to assist in
652 assuring that property in the state is insured so as to
653 facilitate the remediation, reconstruction, and replacement of
654 damaged or destroyed property in order to reduce or avoid the
655 negative effects otherwise resulting to the public health,
656 safety, and welfare; to the economy of the state; and to the
657 revenues of the state and local governments needed to provide
658 for the public welfare. It is necessary, therefore, to provide
659 property insurance to applicants who are in good faith entitled
660 to procure insurance through the voluntary market but are unable
661 to do so. The Legislature intends by this subsection that
662 property insurance be provided and that it continues, as long as
663 necessary, through an entity organized to achieve efficiencies
664 and economies, while providing service to policyholders,
665 applicants, and agents that is no less than the quality
666 generally provided in the voluntary market, all toward the
667 achievement of the foregoing public purposes. Because it is
668 essential for the corporation to have the maximum financial
669 resources to pay claims following a catastrophic hurricane, it
670 is the intent of the Legislature that the income of the
671 corporation be exempt from federal income taxation and that
672 interest on the debt obligations issued by the corporation be

673 exempt from federal income taxation.

674 2. The Residential Property and Casualty Joint
675 Underwriting Association originally created by this statute
676 shall be known, as of July 1, 2002, as the Citizens Property
677 Insurance Corporation. The corporation shall provide insurance
678 for residential and commercial property, for applicants who are
679 in good faith entitled, but are unable, to procure insurance
680 through the voluntary market. The corporation shall operate
681 pursuant to a plan of operation approved by order of the
682 Financial Services Commission. The plan is subject to continuous
683 review by the commission. The commission may, by order, withdraw
684 approval of all or part of a plan if the commission determines
685 that conditions have changed since approval was granted and that
686 the purposes of the plan require changes in the plan. The
687 corporation shall continue to operate pursuant to the plan of
688 operation approved by the Office of Insurance Regulation until
689 October 1, 2006. For the purposes of this subsection,
690 residential coverage includes both personal lines residential
691 coverage, which consists of the type of coverage provided by
692 homeowner's, mobile home owner's, dwelling, tenant's,
693 condominium unit owner's, and similar policies, and commercial
694 lines residential coverage, which consists of the type of
695 coverage provided by condominium association, apartment
696 building, and similar policies.

697 3. For the purposes of this subsection, the term
698 "homestead property" means:

699 a. Property that has been granted a homestead exemption
700 under chapter 196;

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

705 c. An owner-occupied mobile home or manufactured home, as
 706 defined in s. 320.01, which is permanently affixed to real
 707 property, is owned by a Florida resident, and has been granted a
 708 homestead exemption under chapter 196 or, if the owner does not
 709 own the real property, the owner certifies that the mobile home
 710 or manufactured home is his or her principal place of residence;

711 d. Tenant's coverage;

712 e. Commercial lines residential property; or

713 f. Any county, district, or municipal hospital; a hospital
 714 licensed by any not-for-profit corporation qualified under s.
 715 501(c)(3) of the United States Internal Revenue Code; or a
 716 continuing care retirement community that is certified under
 717 chapter 651 and that receives an exemption from ad valorem taxes
 718 under chapter 196.

719 4. For the purposes of this subsection, the term
 720 "nonhomestead property" means property that is not homestead
 721 property.

722 5. Effective July 1, 2008, a personal lines residential
 723 structure that has a dwelling replacement cost of \$1 million or
 724 more, or a single condominium unit that has a combined dwelling
 725 and content replacement cost of \$1 million or more is not
 726 eligible for coverage by the corporation. Such dwellings insured
 727 by the corporation on June 30, 2008, may continue to be covered
 728 by the corporation until the end of the policy term. However,

729 such dwellings that are insured by the corporation and become
730 ineligible for coverage due to the provisions of this
731 subparagraph may reapply and obtain coverage in the high-risk
732 account and be considered "nonhomestead property" if the
733 property owner provides the corporation with a sworn affidavit
734 from one or more insurance agents, on a form provided by the
735 corporation, stating that the agents have made their best
736 efforts to obtain coverage and that the property has been
737 rejected for coverage by at least one authorized insurer and at
738 least three surplus lines insurers. If such conditions are met,
739 the dwelling may be insured by the corporation for up to 3
740 years, after which time the dwelling is ineligible for coverage.
741 The office shall approve the method used by the corporation for
742 valuing the dwelling replacement cost for the purposes of this
743 subparagraph. If a policyholder is insured by the corporation
744 prior to being determined to be ineligible pursuant to this
745 subparagraph and such policyholder files a lawsuit challenging
746 the determination, the policyholder may remain insured by the
747 corporation until the conclusion of the litigation.

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

754 7. It is the intent of the Legislature that policyholders,
755 applicants, and agents of the corporation receive service and
756 treatment of the highest possible level but never less than that

757 generally provided in the voluntary market. It also is intended
758 that the corporation be held to service standards no less than
759 those applied to insurers in the voluntary market by the office
760 with respect to responsiveness, timeliness, customer courtesy,
761 and overall dealings with policyholders, applicants, or agents
762 of the corporation.

763 8. Effective January 1, 2009, a personal lines residential
764 structure that is located in the "wind-borne debris region," as
765 defined in s. 1609.2, International Building Code (2006), and
766 that has an insured value on the structure of \$750,000 or more
767 is not eligible for coverage by the corporation unless the
768 structure has opening protections as required under the Florida
769 Building Code for a newly constructed residential structure in
770 that area. A residential structure shall be deemed to comply
771 with the requirements of this subparagraph if it has shutters or
772 opening protections on all openings and if such opening
773 protections complied with the Florida Building Code at the time
774 they were installed.

775 Section 7. From the funds appropriated to the My Safe
776 Florida Home Program by section 42 of chapter 2006-12, Laws of
777 Florida, the Department of Financial Services shall transfer \$1
778 million from the Insurance Regulatory Trust Fund to the Energy
779 Consumption Trust Fund within the Department of Community
780 Affairs for the purpose of funding the Low-income Emergency Home
781 Repair Program under s. 420.36, Florida Statutes.
782 Notwithstanding s. 420.36(3)(b), Florida Statutes,
783 administrative expenses of the program may not exceed 5 percent
784 of the total funds appropriated by this section.

785

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