

By Senator Fasano

11-204B-07

1 A bill to be entitled
2 An act relating to insurance premiums; creating
3 the Insurance Premium Relief Grant Program for
4 the purpose of mitigating steep increases in
5 premiums on certain homestead properties;
6 providing for the administration of the
7 program; providing prerequisites to receiving a
8 grant; providing limitations on the amount of a
9 grant; providing for the distribution of grant
10 moneys to counties; providing an application
11 deadline; providing procedures to be followed
12 by county agencies, the Florida Housing Finance
13 Corporation, and the Legislative Budget
14 Commission; providing for administrative costs;
15 requiring that checks be made payable to grant
16 recipients; allowing the corporation to
17 reallocate grant moneys in specified
18 circumstances; providing appropriations;
19 providing an effective date.

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21 Be It Enacted by the Legislature of the State of Florida:

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23 Section 1. Insurance Premium Relief Grant Program;
24 creation; purpose; qualifications; procedures.--

25 (1) There is created the Insurance Premium Relief
26 Grant Program. The purpose of the program is to provide to
27 qualifying residents of this state grants that will mitigate
28 steep increases in the amount of premiums due on homestead
29 property. The county agencies that currently administer funds
30 for affordable housing under the State Housing Initiatives
31 Partnership Program shall administer this program.

1 (2) Prerequisites to receiving a grant are:

2 (a) The applicant must be a resident of this state;

3 (b) The applicant's annual income may not exceed that
4 of "moderate-income persons" as defined in s. 420.602(9),
5 Florida Statutes;

6 (c) The property for which the premium-relief grant is
7 sought must be the applicant's homestead and must have been
8 his or her homestead for at least 2 years immediately
9 preceding the date of application;

10 (d) The current fair market value of the homestead, as
11 determined by the property appraiser and stated on the
12 applicable notice of proposed property taxes, may not exceed
13 the lesser of the median sales price of homes in the county as
14 of the date of application or \$300,000, whichever is less; and

15 (e) The latest documented annual increase in the
16 amount of the insurance premium for the homestead property,
17 which increase is due to changes in the price for coverage and
18 not to changes in the types or amount of coverage or
19 deductibles or other policy changes, must equal at least 1
20 percent of the applicant's annual income; for example, the
21 amount of the increase in premium must be at least \$250 for an
22 applicant who has an annual income of \$25,000.

23 (3)(a) The amount of each grant shall be 50 percent of
24 the annual increase in the amount of the premium, with a
25 maximum grant amount of \$1,000. If the amount of relief for
26 which an applicant qualifies is \$10 or less, the grant may not
27 be awarded.

28 (b) Grants must be awarded in each county to the
29 extent that funds are available. Each county must receive a
30 pro rata amount of the appropriated funds. In allocating the
31 grant money, greater priority must be given to counties in

1 which the percentages of increase in insurance premiums are
2 the highest. Grant funds must be distributed to the various
3 counties in accordance with a formula that incorporates the
4 percentage of increase in the insurance premiums for each
5 county and the number of homestead properties in each county.

6 (4)(a) An applicant for a grant under this program
7 must submit the application on or before February 1, 2007.

8 (b) The county agency must rank all grant applications
9 that are received by the deadline on the basis of need. Each
10 county agency must formulate detailed plans for ranking
11 applications on the basis of need and for administering the
12 program in that county and must submit those plans to the
13 Florida Housing Finance Corporation for approval.

14 (c) The corporation must forward approved county
15 plans, together with the corporation's plan for administering
16 the program at the state level, to the Legislative Budget
17 Commission. The commission must approve the release of
18 appropriated funds.

19 (d) Each county agency may retain for administrative
20 costs up to 5 percent of the funds allocated to that county
21 for the program. Each county agency must provide adequate
22 public-awareness and education activities to notify county
23 residents of the availability of the grant program.

24 (e) Checks for the grant moneys must be made payable
25 to the recipients of the grants.

26 (f) Funds distributed to counties which are not
27 committed to specific grants or allocated for administrative
28 costs by June 1, 2007, must be returned to the Florida Housing
29 Finance Corporation for reallocation to counties where there
30 remains unmet need for the grant program. The Florida Housing
31

1 Finance Corporation is granted budget authority sufficient to
2 disburse the reallocated funds to counties.

3 (5) Moneys appropriated for the grant program must be
4 placed in unbudgeted reserve until the release of the funds is
5 approved by the Legislative Budget Commission.

6 Section 2. The sum of \$355 million is appropriated
7 from the Local Government Housing Trust Fund, and the sum of
8 \$145 million is appropriated from the State Housing Trust
9 Fund, to the Florida Housing Finance Corporation for the
10 purpose of funding the Insurance Premium Relief Grant Program
11 during the 2006-2007 fiscal year.

12 Section 3. This act shall take effect upon becoming a
13 law.

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15 SENATE SUMMARY

16
17 Creates the Insurance Premium Relief Grant Program for
18 the purpose of mitigating steep increases in premiums on
19 homestead properties of persons having moderate incomes.
20 Provides for the administration of the program by the
21 county agencies that administer the affordable housing
22 fund of the State Housing Initiatives Partnership
23 Program. Provides prerequisites to receiving a grant.
24 Provides limitations on the amount of a grant. Provides
25 for the distribution of grant moneys to counties.
26 Provides an application deadline. Provides procedures to
27 be followed by county agencies, the Florida Housing
28 Finance Corporation, and the Legislative Budget
29 Commission. Provides for administrative costs. Requires
30 that checks be made payable to grant recipients. Allows
31 the corporation to reallocate grant moneys in specified
circumstances. Provides appropriations.