

HB 7103

2008

1 A bill to be entitled
2 An act relating to mitigation enhancement; amending s.
3 215.5586, F.S.; revising eligibility criteria for
4 qualifying as a wind certification entity for certain
5 purposes; deleting an obsolete provision; requiring the
6 Department of Financial Services to implement a quality
7 assurance program; revising authority of the department to
8 require certain improvements to be made as a condition of
9 reimbursing a homeowner approved for a grant; deleting a
10 provision authorizing the department to transfer certain
11 funds to Volunteer Florida Foundation, Inc., for certain
12 purposes; deleting a requirement that Volunteer Florida,
13 Inc., undertake certain activities; requiring the
14 department to develop a no-interest loan program by a
15 certain date; expanding authority of the department to
16 contract with additional third parties for certain
17 purposes; amending s. 627.062, F.S.; requiring insurers to
18 account for county ordinances and local amendments to the
19 Florida Building Code in certain rate filings; amending s.
20 627.711, F.S.; requiring insurers to accept as valid
21 uniform mitigation verification forms certified by the
22 department or signed by certain professionals; providing
23 an effective date.

24
25 Be It Enacted by the Legislature of the State of Florida:
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27 Section 1. Subsection (1), paragraphs (e) and (j) of
28 subsection (2), and subsections (8) and (10) of section
29 215.5586, Florida Statutes, are amended to read:

30 215.5586 My Safe Florida Home Program.--There is
31 established within the Department of Financial Services the My
32 Safe Florida Home Program. The department shall provide fiscal
33 accountability, contract management, and strategic leadership
34 for the program, consistent with this section. This section does
35 not create an entitlement for property owners or obligate the
36 state in any way to fund the inspection or retrofitting of
37 residential property in this state. Implementation of this
38 program is subject to annual legislative appropriations. It is
39 the intent of the Legislature that the My Safe Florida Home
40 Program provide inspections for at least 400,000 site-built,
41 single-family, residential properties and provide grants to at
42 least 35,000 applicants before June 30, 2009. The program shall
43 develop and implement a comprehensive and coordinated approach
44 for hurricane damage mitigation that shall include the
45 following:

46 (1) HURRICANE MITIGATION INSPECTIONS.--

47 (a) Free home-retrofit inspections of site-built, single-
48 family, residential property shall be offered throughout the
49 state to determine what mitigation measures are needed, what
50 insurance premium discounts may be available, and what
51 improvements to existing residential properties are needed to
52 reduce the property's vulnerability to hurricane damage. The
53 Department of Financial Services shall contract with wind
54 certification entities to provide free hurricane mitigation

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55 inspections. The inspections provided to homeowners, at a
56 minimum, must include:

57 1. A home inspection and report that summarizes the
58 results and identifies recommended improvements a homeowner may
59 take to mitigate hurricane damage.

60 2. A range of cost estimates regarding the recommended
61 mitigation improvements.

62 3. Insurer-specific information regarding premium
63 discounts correlated to the current mitigation features and the
64 recommended mitigation improvements identified by the
65 inspection.

66 4. A hurricane resistance rating scale specifying the
67 home's current as well as projected wind resistance
68 capabilities. As soon as practical, the rating scale must be the
69 uniform home grading scale adopted by the Financial Services
70 Commission pursuant to s. 215.55865.

71 (b) To qualify for selection by the department as a wind
72 certification entity to provide hurricane mitigation
73 inspections, the entity shall, at a minimum:

74 1. Use hurricane mitigation inspectors who:

75 a. Are certified as a building code inspector under s.
76 468.607;

77 b. Are licensed as a general contractor or residential
78 contractor under s. 489.111;

79 c. Are licensed as a professional engineer under s.
80 471.015 and have passed the appropriate equivalency test of the
81 Building Code training program as required by s. 553.841;

82 d. Are licensed as a professional architect under s.
 83 481.213; or

84 e.a. Have at least 2 years' ~~prior~~ experience in
 85 residential construction or residential building inspection and
 86 have received specialized training in hurricane mitigation
 87 procedures. Such training may be provided by a class offered
 88 online or in person.

89 2. Use hurricane mitigation inspectors who:

90 a.b. Have undergone drug testing and level 2 background
 91 checks pursuant to s. 435.04. The department may ~~is authorized~~
 92 ~~to~~ conduct criminal record checks of inspectors used by wind
 93 certification entities. Inspectors must submit a set of the
 94 fingerprints to the department for state and national criminal
 95 history checks and must pay the fingerprint processing fee set
 96 forth in s. 624.501. The fingerprints shall be sent by the
 97 department to the Department of Law Enforcement and forwarded to
 98 the Federal Bureau of Investigation for processing. The results
 99 shall be returned to the department for screening. The
 100 fingerprints shall be taken by a law enforcement agency,
 101 designated examination center, or other department-approved
 102 entity. ~~Hurricane mitigation inspectors participating in the~~
 103 ~~program on January 25, 2007, shall have until June 1, 2007, to~~
 104 ~~meet the requirements for a criminal record check.~~

105 b.e. Have been certified, in a manner satisfactory to the
 106 department, to conduct the inspections.

107 3.2. Provide a quality assurance program including a
 108 reinspection component.

109 (c) The department shall implement a quality assurance
 110 program that includes a statistically valid number of
 111 reinspections.

112 (d)~~(e)~~ An application for an inspection must contain a
 113 signed or electronically verified statement made under penalty
 114 of perjury that the applicant has submitted only a single
 115 application for that home.

116 (e)~~(d)~~ The owner of a site-built, single-family,
 117 residential property may apply for and receive an inspection
 118 without also applying for a grant pursuant to subsection (2) and
 119 without meeting the requirements of paragraph (2)(a).

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

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

- 126 1. Opening protection.
- 127 2. Exterior doors, including garage doors.
- 128 3. Brace gable ends.

129
 130 The department may require that improvements be made to all
 131 openings, including exterior doors and garage doors, as a
 132 condition of reimbursing a homeowner who has been approved
 133 ~~approving an application for a grant if the department~~
 134 ~~determines that improvements to less than all openings would not~~
 135 ~~substantially improve the structure's ability to withstand~~
 136 ~~hurricane damage.~~

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137 ~~(j) The department shall transfer the amount of \$40~~
138 ~~million from funds appropriated to the program, including up to~~
139 ~~5 percent for administrative costs, to Volunteer Florida~~
140 ~~Foundation, Inc., for provision of inspections and grants to~~
141 ~~low-income homeowners, as defined in s. 420.0004(10), consistent~~
142 ~~with this section. Volunteer Florida Foundation, Inc., shall be~~
143 ~~responsible for inspections and grants management for low income~~
144 ~~homeowners and shall report its activities and account for state~~
145 ~~funds on a quarterly and annual basis to the Chief Financial~~
146 ~~Officer, the President of the Senate, and the Speaker of the~~
147 ~~House of Representatives.~~

148 (8) NO-INTEREST LOANS.--The department shall ~~may~~ develop a
149 no-interest loan program by August 31, 2008 ~~December 31, 2007~~,
150 to encourage the private sector to provide loans to owners of
151 site-built, single-family, residential property to pay for
152 mitigation measures listed in subsection (2). A loan eligible
153 for interest payments pursuant to this subsection may be for a
154 term of up to 3 years and cover up to \$5,000 in mitigation
155 measures. The department shall pay the creditor the market rate
156 of interest using funds appropriated for the My Safe Florida
157 Home Program. In no case shall the department pay more than the
158 interest rate set by s. 687.03. To be eligible for a loan, a
159 loan applicant must first obtain a home inspection and report
160 that specifies what improvements are needed to reduce the
161 property's vulnerability to windstorm damage pursuant to this
162 section and meet loan underwriting requirements set by the
163 lender. The department may set aside up to \$10 million from
164 funds appropriated for the My Safe Florida Home Program to

165 implement this subsection. The department shall adopt rules
 166 pursuant to ss. 120.536(1) and 120.54 to implement this
 167 subsection which may include eligibility criteria.

168 (10) CONTRACT MANAGEMENT.--The department may contract
 169 with third parties for grants management, inspection services,
 170 contractor services for low-income homeowners, information
 171 technology, educational outreach, and auditing services. Such
 172 contracts shall be considered direct costs of the program and
 173 shall not be subject to administrative cost limits, but
 174 contracts valued at \$500,000 or more shall be subject to review
 175 and approval by the Legislative Budget Commission. The
 176 department shall contract with providers that have a
 177 demonstrated record of successful business operations in areas
 178 directly related to the services to be provided and shall ensure
 179 the highest accountability for use of state funds, consistent
 180 with this section.

181 Section 2. Paragraph (k) is added to subsection (2) of
 182 section 627.062, Florida Statutes, to read:

183 627.062 Rate standards.--

184 (2) As to all such classes of insurance:

185 (k) With respect to residential property insurance rate
 186 filings, the rate filing must account for county ordinances and
 187 local amendments to the Florida Building Code that effectuate
 188 the reduction or elimination of geologic hazards and ordinances
 189 geared toward reducing insurer risk from geologic hazards.

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191 The provisions of this subsection shall not apply to workers'
 192 compensation and employer's liability insurance and to motor
 193 vehicle insurance.

194 Section 3. Subsection (2) of section 627.711, Florida
 195 Statutes, is amended to read:

196 627.711 Notice of premium discounts for hurricane loss
 197 mitigation; uniform mitigation verification inspection form.--

198 (2) By July 1, 2007, the Financial Services Commission
 199 shall develop by rule a uniform mitigation verification
 200 inspection form that shall be used by all insurers when
 201 factoring discounts for wind insurance. In developing the form,
 202 the commission shall seek input from insurance, construction,
 203 and building code representatives. Further, the commission shall
 204 provide guidance as to the length of time the inspection results
 205 are valid. An insurer shall accept as valid a uniform mitigation
 206 verification form certified by the Department of Financial
 207 Services or signed by:

208 (a) An approved My Safe Florida Home wind inspector;

209 (b) A building code inspector certified under s. 468.607;

210 (c) A general or residential contractor licensed under s.
 211 489.111;

212 (d) A professional engineer licensed under s. 471.015 who
 213 has passed the appropriate equivalency test of the Building Code
 214 training program as required by s. 553.841; or

215 (e) A professional architect licensed under s. 481.213.

216 Section 4. This act shall take effect July 1, 2008.