

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 implement a no-interest loan program by a
15 certain date; providing program requirements; requiring
16 the department to set aside certain moneys for certain
17 purposes; authorizing the department to adopt rules;
18 expanding authority of the department to contract with
19 additional third parties for certain purposes; amending s.
20 627.062, F.S.; requiring insurers to account for county
21 ordinances and local amendments to the Florida Building
22 Code in certain rate filings; amending s. 627.711, F.S.;
23 requiring insurers to accept as valid uniform mitigation
24 verification forms certified by the department or signed
25 by certain professionals; providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:
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29 Section 1. Subsection (1), paragraphs (e) and (j) of
 30 subsection (2), and subsections (8) and (10) of section
 31 215.5586, Florida Statutes, are amended to read:

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

48 (1) HURRICANE MITIGATION INSPECTIONS.--

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

57 inspections. The inspections provided to homeowners, at a
58 minimum, must include:

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

62 2. A range of cost estimates regarding the recommended
63 mitigation improvements.

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

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

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

76 1. Use hurricane mitigation inspectors who:

77 a. Are certified as a building code inspector under s.
78 468.607;

79 b. Are licensed as a general contractor or residential
80 contractor under s. 489.111;

81 c. Are licensed as a professional engineer under s.
82 471.015 and have passed the appropriate equivalency test of the
83 Building Code training program as required by s. 553.841;

84 d. Are licensed as a professional architect under s.
 85 481.213; or

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

91 2. Use hurricane mitigation inspectors who:

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

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

109 3.2. Provide a quality assurance program including a
 110 reinspection component.

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

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

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

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

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

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

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

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

150 (8) NO-INTEREST LOANS.--The department shall implement ~~may~~
151 ~~develop~~ a no-interest loan program by October 1, 2008,
152 contingent upon the selection of a qualified vendor and
153 execution of a contract acceptable to the department and the
154 vendor. The department shall partner with ~~December 31, 2007,~~ to
155 ~~encourage~~ the private sector to provide loans to owners of site-
156 built, single-family, residential property to pay for mitigation
157 measures listed in subsection (2). A loan eligible for interest
158 payments pursuant to this subsection may be for a term of up to
159 3 years and cover up to \$5,000 in mitigation measures. The
160 department shall pay the creditor the market rate of interest
161 using funds appropriated for the My Safe Florida Home Program.
162 In no case shall the department pay more than the interest rate
163 set by s. 687.03. To be eligible for a loan, a loan applicant
164 must first obtain a home inspection and report that specifies
165 what improvements are needed to reduce the property's
166 vulnerability to windstorm damage pursuant to this section and

167 meet loan underwriting requirements set by the lender. The
 168 department shall ~~may~~ set aside ~~up to~~ \$10 million from funds
 169 appropriated for the My Safe Florida Home Program to implement
 170 this subsection. The department may ~~shall~~ adopt rules pursuant
 171 to ss. 120.536(1) and 120.54 to implement this subsection which
 172 may include eligibility criteria.

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

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

188 627.062 Rate standards.--

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

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

195
196 The provisions of this subsection shall not apply to workers'
197 compensation and employer's liability insurance and to motor
198 vehicle insurance.

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

201 627.711 Notice of premium discounts for hurricane loss
202 mitigation; uniform mitigation verification inspection form.--

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

213 (a) A hurricane mitigation inspector employed by an
214 approved My Safe Florida Home wind certification entity;

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

216 (c) A general or residential contractor licensed under s.
217 489.111;

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

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

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