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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/06/2009	.	
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	.	
	.	

The Committee on Banking and Insurance (Fasano) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Section 215.5586, Florida Statutes, as amended
by section 1 of chapter 2009-10, Laws of Florida, is amended to
read:

215.5586 My Safe Florida Home Program.—There is established
within the Department of Financial Services the My Safe Florida
Home Program. The department shall provide fiscal
accountability, contract management, and strategic leadership



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12 for the program, consistent with this section. This section does
13 not create an entitlement for property owners or obligate the
14 state in any way to fund the inspection or retrofitting of
15 residential property in this state. Implementation of this
16 program is subject to annual legislative appropriations. It is
17 the intent of the Legislature that the My Safe Florida Home
18 Program provide trained and certified inspectors to perform
19 inspections for owners of ~~for at least 400,000~~ site-built,
20 single-family, residential properties and ~~provide~~ grants to
21 eligible at least 35,000 applicants as funding allows before
22 ~~June 30, 2009~~. The program shall develop and implement a
23 comprehensive and coordinated approach for hurricane damage
24 mitigation that may ~~shall~~ include the following:

25 (1) HURRICANE MITIGATION INSPECTIONS.

26 (a) Certified inspectors to provide ~~free~~ home-retrofit
27 inspections of site-built, single-family, residential property
28 may ~~shall~~ be offered ~~throughout the state~~ to determine what
29 mitigation measures are needed, what insurance premium discounts
30 may be available, and what improvements to existing residential
31 properties are needed to reduce the property's vulnerability to
32 hurricane damage. The Department of Financial Services shall
33 contract with wind certification entities to provide ~~free~~
34 hurricane mitigation inspections. The inspections provided to
35 homeowners, at a minimum, must include:

36 1. A home inspection and report that summarizes the results
37 and identifies recommended improvements a homeowner may take to
38 mitigate hurricane damage.

39 2. A range of cost estimates regarding the recommended
40 mitigation improvements.



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41 3. Insurer-specific information regarding premium discounts
42 correlated to the current mitigation features and the
43 recommended mitigation improvements identified by the
44 inspection.

45 4. A hurricane resistance rating scale specifying the
46 home's current as well as projected wind resistance
47 capabilities. As soon as practical, the rating scale must be the
48 uniform home grading scale adopted by the Financial Services
49 Commission pursuant to s. 215.55865.

50 (b) To qualify for selection by the department as a wind
51 certification entity to provide hurricane mitigation
52 inspections, the entity shall, at a minimum, meet the following
53 requirements:

54 1. Use hurricane mitigation inspectors who:

55 a. Are certified as a building inspector under s. 468.607;

56 b. Are licensed as a general or residential contractor
57 under s. 489.111;

58 c. Are licensed as a professional engineer under s. 471.015
59 and who have passed the appropriate equivalency test of the
60 Building Code Training Program as required by s. 553.841;

61 d. Are licensed as a professional architect under s.
62 481.213; or

63 e. Have at least 2 years of experience in residential
64 construction or residential building inspection and have
65 received specialized training in hurricane mitigation
66 procedures. Such training may be provided by a class offered
67 online or in person.

68 2. Use hurricane mitigation inspectors who also:

69 a. Have undergone drug testing and level 2 background



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70 checks pursuant to s. 435.04. The department may conduct
71 criminal record checks of inspectors used by wind certification
72 entities. Inspectors must submit a set of the fingerprints to
73 the department for state and national criminal history checks
74 and must pay the fingerprint processing fee set forth in s.
75 624.501. The fingerprints shall be sent by the department to the
76 Department of Law Enforcement and forwarded to the Federal
77 Bureau of Investigation for processing. The results shall be
78 returned to the department for screening. The fingerprints shall
79 be taken by a law enforcement agency, designated examination
80 center, or other department-approved entity; and

81 b. Have been certified, in a manner satisfactory to the
82 department, to conduct the inspections.

83 3. Provide a quality assurance program including a
84 reinspection component.

85 (c) The department shall implement a quality assurance
86 program that includes a statistically valid number of
87 reinspections.

88 (d) An application for an inspection must contain a signed
89 or electronically verified statement made under penalty of
90 perjury that the applicant has submitted only a single
91 application for that home.

92 (e) The owner of a site-built, single-family, residential
93 property may apply for and receive an inspection without also
94 applying for a grant pursuant to subsection (2) and without
95 meeting the requirements of paragraph (2)(a).

96 (2) MITIGATION GRANTS.—Financial grants shall be used to
97 encourage single-family, site-built, owner-occupied, residential
98 property owners to retrofit their properties to make them less



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99 vulnerable to hurricane damage.

100 (a) For a homeowner to be eligible for a grant, the
101 following criteria ~~for persons who have obtained a completed~~
102 ~~inspection after May 1, 2007,~~ a residential property must be
103 met:

104 1. The homeowner must have been granted a homestead
105 exemption on the home under chapter 196.

106 2. The home must be a dwelling with an insured value of
107 \$300,000 or less. Homeowners who are low-income persons, as
108 defined in s. 420.0004(10), are exempt from this requirement.

109 3. The home must have undergone an acceptable hurricane
110 mitigation inspection after May 1, 2007.

111 4. The home must be located in the "wind-borne debris
112 region" as that term is defined in s. 1609.2, International
113 Building Code (2006), or as subsequently amended.

114 5. ~~Be a home for which~~ The building permit application for
115 initial construction of the home must have been ~~was~~ made before
116 March 1, 2002.

117
118 An application for a grant must contain a signed or
119 electronically verified statement made under penalty of perjury
120 that the applicant has submitted only a single application and
121 must have attached documents demonstrating the applicant meets
122 the requirements of this paragraph.

123 (b) All grants must be matched on a dollar-for-dollar basis
124 up to ~~for~~ a total of \$10,000 for the actual cost of the
125 mitigation project with the state's contribution not to exceed
126 \$5,000.

127 (c) The program shall create a process in which contractors



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128 agree to participate and homeowners select from a list of
129 participating contractors. All mitigation must be based upon the
130 securing of all required local permits and inspections and must
131 be performed by properly licensed contractors. Mitigation
132 projects are subject to random reinspection of up to at least 5
133 percent of all projects. Hurricane mitigation inspectors
134 qualifying for the program may also participate as mitigation
135 contractors as long as the inspectors meet the department's
136 qualifications and certification requirements for mitigation
137 contractors.

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

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

- 147 1. Opening protection.
- 148 2. Exterior doors, including garage doors.
- 149 3. Brace gable ends.
- 150 4. Reinforcing roof-to-wall connections.
- 151 5. Improving the strength of roof-deck attachments.
- 152 6. Upgrading roof covering from code to code plus.
- 153 7. Secondary water barrier for roof.

154
155 The department may require that improvements be made to all
156 openings, including exterior doors and garage doors, as a



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157 condition of reimbursing a homeowner approved for a grant. The
158 department may adopt, by rule, the maximum grant allowances for
159 any improvement allowable under this paragraph.

160 (f) Grants may be used on a previously inspected existing
161 structure or on a rebuild. A rebuild is defined as a site-built,
162 single-family dwelling under construction to replace a home that
163 was destroyed or significantly damaged by a hurricane and deemed
164 unlivable by a regulatory authority. The homeowner must be a
165 low-income homeowner as defined in paragraph (g), must have had
166 a homestead exemption for that home prior to the hurricane, and
167 must be intending to rebuild the home as that homeowner's
168 homestead.

169 (g) Low-income homeowners, as defined in s. 420.0004(10),
170 who otherwise meet the requirements of paragraphs (a), (c), (e),
171 and (f) are eligible for a grant of up to \$5,000 and are not
172 required to provide a matching amount to receive the grant.
173 Additionally, for low-income homeowners, grant funding may be
174 used for repair to existing structures leading to any of the
175 mitigation improvements provided in paragraph (e), limited to 20
176 percent of the grant value. The program may accept a
177 certification directly from a low-income homeowner that the
178 homeowner meets the requirements of s. 420.0004(10) if the
179 homeowner provides such certification in a signed or
180 electronically verified statement made under penalty of perjury.

181 (h) The department shall establish objective, reasonable
182 criteria for prioritizing grant applications, consistent with
183 the requirements of this section.

184 (i) The department shall develop a process that ensures the
185 most efficient means to collect and verify grant applications to



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186 determine eligibility and may direct hurricane mitigation
187 inspectors to collect and verify grant application information
188 or use the Internet or other electronic means to collect
189 information and determine eligibility.

190 (3) EDUCATION AND CONSUMER AWARENESS.—The department may
191 undertake a statewide multimedia public outreach and advertising
192 campaign to inform consumers of the availability and benefits of
193 hurricane inspections and of the safety and financial benefits
194 of residential hurricane damage mitigation. The department may
195 seek out and use local, state, federal, and private funds to
196 support the campaign.

197 (4) ADVISORY COUNCIL.—There is created an advisory council
198 to provide advice and assistance to the department regarding
199 administration of the program. The advisory council shall
200 consist of:

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

204 (b) A representative of residential property insurers,
205 selected by the Financial Services Commission from a list of at
206 least three persons recommended by the Florida Insurance
207 Council.

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

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

214 (e) Two members of the House of Representatives, selected



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215 by the Speaker of the House of Representatives.

216 (f) Two members of the Senate, selected by the President of
217 the Senate.

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

220 (h) The senior officer of the Florida Hurricane Catastrophe
221 Fund.

222 (i) The executive director of Citizens Property Insurance
223 Corporation.

224 (j) The director of the Florida Division of Emergency
225 Management ~~of the Department of Community Affairs~~.

226

227 Members appointed under paragraphs (a)-(d) shall serve at the
228 pleasure of the Financial Services Commission. Members appointed
229 under paragraphs (e) and (f) shall serve at the pleasure of the
230 appointing officer. All other members shall serve as voting ex
231 officio members. Members of the advisory council shall serve
232 without compensation but may receive reimbursement as provided
233 in s. 112.061 for per diem and travel expenses incurred in the
234 performance of their official duties.

235 (5) FUNDING.—The department may seek out and leverage
236 local, state, federal, or private funds to enhance the financial
237 resources of the program.

238 (6) RULES.—The Department of Financial Services shall adopt
239 rules pursuant to ss. 120.536(1) and 120.54 to govern the
240 program; implement the provisions of this section; including
241 rules governing hurricane mitigation inspections and grants,
242 mitigation contractors, and training of inspectors and
243 contractors; and carry out the duties of the department under



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244 this section.

245 (7) HURRICANE MITIGATION INSPECTOR LIST.—The department
246 shall develop and maintain as a public record a current list of
247 hurricane mitigation inspectors authorized to conduct hurricane
248 mitigation inspections pursuant to this section.

249 ~~(8) NO-INTEREST LOANS.—The department shall implement a no-~~
250 ~~interest loan program by October 1, 2008, contingent upon the~~
251 ~~selection of a qualified vendor and execution of a contract~~
252 ~~acceptable to the department and the vendor. The department~~
253 ~~shall enter into partnerships with the private sector to provide~~
254 ~~loans to owners of site-built, single-family, residential~~
255 ~~property to pay for mitigation measures listed in subsection~~
256 ~~(2). A loan eligible for interest payments pursuant to this~~
257 ~~subsection may be for a term of up to 3 years and cover up to~~
258 ~~\$5,000 in mitigation measures. The department shall pay the~~
259 ~~creditor the market rate of interest using funds appropriated~~
260 ~~for the My Safe Florida Home Program. In no case shall the~~
261 ~~department pay more than the interest rate set by s. 687.03. To~~
262 ~~be eligible for a loan, a loan applicant must first obtain a~~
263 ~~home inspection and report that specifies what improvements are~~
264 ~~needed to reduce the property's vulnerability to windstorm~~
265 ~~damage pursuant to this section and meet loan underwriting~~
266 ~~requirements set by the lender. The department may adopt rules~~
267 ~~pursuant to ss. 120.536(1) and 120.54 to implement this~~
268 ~~subsection which may include eligibility criteria.~~

269 (8) ~~(9)~~ PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE
270 BROKERS AND SALES ASSOCIATES.—The program shall develop
271 brochures for distribution to general contractors, roofing
272 contractors, and real estate brokers and sales associates



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273 licensed under part I of chapter 475 explaining the benefits to
274 homeowners of residential hurricane damage mitigation. The
275 program shall encourage contractors to distribute the brochures
276 to homeowners at the first meeting with a homeowner who is
277 considering contracting for home or roof repairs or contracting
278 for the construction of a new home. The program shall encourage
279 real estate brokers and sales associates licensed under part I
280 of chapter 475 to distribute the brochures to clients prior to
281 the purchase of a home. The brochures may be made available
282 electronically.

283 (9)~~(10)~~ CONTRACT MANAGEMENT.—The department may contract
284 with third parties for grants management, inspection services,
285 contractor services for low-income homeowners, information
286 technology, educational outreach, and auditing services. Such
287 contracts shall be considered direct costs of the program and
288 shall not be subject to administrative cost limits, but
289 contracts valued at \$1 million ~~\$500,000~~ or more shall be subject
290 to review and approval by the Legislative Budget Commission. The
291 department shall contract with providers that have a
292 demonstrated record of successful business operations in areas
293 directly related to the services to be provided and shall ensure
294 the highest accountability for use of state funds, consistent
295 with this section.

296 (10)~~(11)~~ INTENT.—It is the intent of the Legislature that
297 grants made to residential property owners under this section
298 shall be considered disaster-relief assistance within the
299 meaning of s. 139 of the Internal Revenue Code of 1986, as
300 amended.

301 (11)~~(12)~~ REPORTS.—The department shall make an annual



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302 report on the activities of the program that shall account for
303 the use of state funds and indicate the number of inspections
304 requested, the number of inspections performed, the number of
305 grant applications received, and the number and value of grants
306 approved. The report shall be delivered to the President of the
307 Senate and the Speaker of the House of Representatives by
308 February 1 of each year.

309 (12) CONDOMINIUM MITIGATION LOAN PROGRAM.—

310 (a) The department may implement a condominium mitigation
311 loan program to assist condominiums in mitigating all units in
312 their structure against wind damage. The program shall have the
313 following minimum requirements:

314 1. The department shall contract with lenders to offer
315 hurricane mitigation loan subsidies equal to a competitive rate
316 of interest on a loan balance of up to \$5,000 per condominium
317 unit for 3 years. This interest subsidy may be paid in advance
318 by the department to a lender participating in the program.

319 2. Loans must be used to purchase or install hurricane
320 mitigation measures identified in paragraph (2) (e).

321 3. A participating condominium homeowners' association must
322 agree to purchase and install approved mitigation measures for
323 100 percent of the units in the condominium structure.

324 4. To be eligible, a condominium must have been permitted
325 for construction on or before March 1, 2002, be located in the
326 wind-borne debris region, and be insured by Citizens Property
327 Insurance Corporation.

328 5. Condominiums of more than 200 units are not eligible for
329 the loan program.

330 6. The department may contract with third parties for



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331 auditing and related services to ensure accountability and
332 program quality.

333 (b) The loan program shall be administered on a first-come,
334 first-served basis.

335 (c) The department shall adopt rules to implement the loan
336 program.

337 Section 2. Subsection (2) of section 627.711, Florida
338 Statutes, is amended, and subsection (3) is added to that
339 section, to read:

340 627.711 Notice of premium discounts for hurricane loss
341 mitigation; uniform mitigation verification inspection form.—

342 (2) (a) By July 1, 2007, the Financial Services Commission
343 shall develop by rule a uniform mitigation verification
344 inspection form that shall be used by all insurers when
345 submitted by policyholders for the purpose of factoring
346 discounts for wind insurance. In developing the form, the
347 commission shall seek input from insurance, construction, and
348 building code representatives. Further, the commission shall
349 provide guidance as to the length of time the inspection results
350 are valid. An insurer shall accept as valid a uniform mitigation
351 verification form certified by the Department of Financial
352 Services or signed by:

353 ~~(a) A hurricane mitigation inspector employed by an~~
354 ~~approved My Safe Florida Home wind certification entity;~~

355 1. ~~(b)~~ A building code inspector certified under s. 468.607;

356 2. ~~(c)~~ A general, building, or residential contractor
357 licensed under s. 489.111;

358 3. ~~(d)~~ A professional engineer licensed under s. 471.015 who
359 has passed the appropriate equivalency test of the Building Code



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360 Training Program as required by s. 553.841; or
361 ~~4.(e)~~ A professional architect licensed under s. 481.213.
362 (b) An insurer may contract with inspection firms at the
363 insurer's expense to review mitigation verification forms and to
364 reinspect properties for which the insurer receives mitigation
365 verification forms to ensure that the forms are valid.
366 (3) An individual or entity who knowingly provides or
367 utters a false or fraudulent mitigation verification form with
368 the intent to obtain or receive a discount on an insurance
369 premium to which the individual or entity is not entitled
370 commits a misdemeanor of the first degree, punishable as
371 provided in s. 775.082 or s. 775.083.

372 Section 3. This act shall take effect July 1, 2009.

373
374 ===== T I T L E A M E N D M E N T =====

375 And the title is amended as follows:

376 Delete everything before the enacting clause
377 and insert:

378 A bill to be entitled
379 An act relating to the My Safe Florida Home Program;
380 amending s. 215.5586, F.S.; revising legislative
381 intent; revising criteria for hurricane mitigation
382 inspections; revising criteria for eligibility for a
383 mitigation grant; expanding the list of improvements
384 for which grants may be used; correcting a reference
385 to the Florida Division of Emergency Management;
386 deleting provisions relating to no-interest loans;
387 requiring that contracts valued at or greater than a
388 specified amount be subject to review and approval of



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389 the Legislative Budget Commission; requiring the
390 Department of Financial Services to implement a
391 condominium mitigation loan program for certain
392 purposes; specifying program requirements; specifying
393 an administration requirement for the program;
394 requiring the department to adopt rules; amending s.
395 627.711, F.S.; revising eligible entities authorized
396 to certify uniform mitigation inspection forms;
397 authorizing insurers to contract with inspection firms
398 to review certain verification forms and reinspect
399 properties for certain purposes; providing for such
400 contracts to be at the insurer's expense; providing a
401 criminal penalty for knowingly submitting a false or
402 fraudulent mitigation form with the intent to receive
403 an undeserved discount; providing an effective date.;