

By Senator Justice

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1 A bill to be entitled
2 An act relating to the My Safe Florida Home Program;
3 amending s. 215.5586, F.S.; revising legislative
4 intent; revising criteria for eligibility for a
5 mitigation grant; requiring that the program secure
6 contractors through a competitive bid process;
7 requiring that the Department of Financial Services
8 assign contractors to homeowners; deleting a provision
9 authorizing certain mitigation inspectors to
10 participate as mitigation contractors; authorizing
11 fund grants to be made available to certain nonprofit
12 entities; deleting a provision requiring liberal
13 construction of certain requirements; expanding the
14 list of improvements for which grants may be used;
15 requiring that the department require certain
16 improvements as a condition of reimbursing a homeowner
17 approved for a grant; authorizing the department to
18 adopt rules; deleting provisions relating to the use
19 of grants; correcting a reference to the Florida
20 Division of Emergency Management; deleting provisions
21 relating to no-interest loans; requiring that
22 contracts valued at or greater than a specified amount
23 be subject to review and approval of the Legislative
24 Budget Commission; amending s. 627.711, F.S.;
25 authorizing an insurer to accept as valid a uniform
26 mitigation verification form signed by specified
27 parties; providing penalties for knowingly submitting
28 a false or fraudulent mitigation form with the intent
29 to receive an undeserved discount; providing an

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30 appropriation; providing an effective date.

31
32 Be It Enacted by the Legislature of the State of Florida:

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

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

53 (1) HURRICANE MITIGATION INSPECTIONS.—

54 (a) Free home-retrofit inspections of site-built, single-
55 family, residential property shall be offered throughout the
56 state to determine what mitigation measures are needed, what
57 insurance premium discounts may be available, and what
58 improvements to existing residential properties are needed to

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59 reduce the property's vulnerability to hurricane damage. The
60 Department of Financial Services shall contract with wind
61 certification entities to provide free hurricane mitigation
62 inspections. The inspections provided to homeowners, at a
63 minimum, must include:

64 1. A home inspection and report that summarizes the results
65 and identifies recommended improvements a homeowner may take to
66 mitigate hurricane damage.

67 2. A range of cost estimates regarding the recommended
68 mitigation improvements.

69 3. Insurer-specific information regarding premium discounts
70 correlated to the current mitigation features and the
71 recommended mitigation improvements identified by the
72 inspection.

73 4. A hurricane resistance rating scale specifying the
74 home's current as well as projected wind resistance
75 capabilities. As soon as practical, the rating scale must be the
76 uniform home grading scale adopted by the Financial Services
77 Commission pursuant to s. 215.55865.

78 (b) To qualify for selection by the department as a wind
79 certification entity to provide hurricane mitigation
80 inspections, the entity shall, at a minimum, meet the following
81 requirements:

82 1. Use hurricane mitigation inspectors who:

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

84 b. Are licensed as a general or residential contractor
85 under s. 489.111;

86 c. Are licensed as a professional engineer under s. 471.015
87 and who have passed the appropriate equivalency test of the

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88 Building Code Training Program as required by s. 553.841;

89 d. Are licensed as a professional architect under s.
90 481.213; or

91 e. Have at least 2 years of experience in residential
92 construction or residential building inspection and have
93 received specialized training in hurricane mitigation
94 procedures. Such training may be provided by a class offered
95 online or in person.

96 2. Use hurricane mitigation inspectors who also:

97 a. Have undergone drug testing and level 2 background
98 checks pursuant to s. 435.04. The department may conduct
99 criminal record checks of inspectors used by wind certification
100 entities. Inspectors must submit a set of the fingerprints to
101 the department for state and national criminal history checks
102 and must pay the fingerprint processing fee set forth in s.
103 624.501. The fingerprints shall be sent by the department to the
104 Department of Law Enforcement and forwarded to the Federal
105 Bureau of Investigation for processing. The results shall be
106 returned to the department for screening. The fingerprints shall
107 be taken by a law enforcement agency, designated examination
108 center, or other department-approved entity; and

109 b. Have been certified, in a manner satisfactory to the
110 department, to conduct the inspections.

111 3. Provide a quality assurance program including a
112 reinspection component.

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

116 (d) An application for an inspection must contain a signed

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117 or electronically verified statement made under penalty of
118 perjury that the applicant has submitted only a single
119 application for that home.

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

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

128 (a) For a homeowner to be eligible for a grant, the
129 following criteria ~~for persons who have obtained a completed~~
130 ~~inspection after May 1, 2007, a residential property~~ must be
131 met:

132 1. The homeowner must have been granted a homestead
133 exemption under chapter 196.

134 2. The home must be a dwelling with an insured value of
135 \$300,000 or less. Homeowners who are low-income persons, as
136 defined in s. 420.0004(10), are exempt from this requirement.

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

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

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

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146 An application for a grant must contain a signed or
147 electronically verified statement made under penalty of perjury
148 that the applicant has submitted only a single application and
149 must have attached documents demonstrating the applicant meets
150 the requirements of this paragraph.

151 (b) All grants must be matched on a dollar-for-dollar basis
152 up to ~~for~~ a total of \$10,000 for the actual cost of the
153 mitigation project with the state's contribution not to exceed
154 \$5,000.

155 (c) The program shall secure contractors through a
156 competitive bid process, ~~create a process in which contractors~~
157 ~~agree to participate~~ and homeowners shall be assigned to a
158 contractor selected by the department ~~homeowners select from a~~
159 ~~list of participating contractors~~. All mitigation must be based
160 upon the securing of all required local permits and inspections
161 and must be performed by properly licensed contractors.
162 Mitigation projects are subject to random reinspection of up to
163 at least 5 percent of all projects. ~~Hurricane mitigation~~
164 ~~inspectors qualifying for the program may also participate as~~
165 ~~mitigation contractors as long as the inspectors meet the~~
166 ~~department's qualifications and certification requirements for~~
167 ~~mitigation contractors.~~

168 (d) Matching fund grants may ~~shall~~ also be made available
169 to local governments and nonprofit entities with experience in
170 managing residential mitigation programs for projects that will
171 reduce hurricane damage to single-family, site-built, owner-
172 occupied, residential property. ~~The department shall liberally~~
173 ~~construe those requirements in favor of availing the state of~~
174 ~~the opportunity to leverage funding for the My Safe Florida Home~~

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175 ~~Program with other sources of funding.~~

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

- 178 1. Opening protection.
- 179 2. Exterior doors, including garage doors.
- 180 3. Brace gable ends.
- 181 4. Reinforcing roof-to-wall connections.
- 182 5. Improving the strength of roof-deck attachments.
- 183 6. Upgrading roof covering.
- 184 7. Secondary water barrier for roof.

185
186 The department shall ~~may~~ require that improvements be made to
187 all glazed openings, including exterior doors ~~and garage doors~~,
188 as a condition of reimbursing a homeowner approved for a grant.
189 The department may establish, by rule, maximum grant allowances
190 for any of the improvements allowable under this paragraph.

191 ~~(f) Grants may be used on a previously inspected existing~~
192 ~~structure or on a rebuild. A rebuild is defined as a site-built,~~
193 ~~single-family dwelling under construction to replace a home that~~
194 ~~was destroyed or significantly damaged by a hurricane and deemed~~
195 ~~unlivable by a regulatory authority. The homeowner must be a~~
196 ~~low-income homeowner as defined in paragraph (g), must have had~~
197 ~~a homestead exemption for that home prior to the hurricane, and~~
198 ~~must be intending to rebuild the home as that homeowner's~~
199 ~~homestead.~~

200 (f) ~~(g)~~ Low-income homeowners, as defined in s.
201 420.0004(10), who otherwise meet the requirements of paragraphs
202 (a), (c), and (e), ~~and (f)~~ are eligible for a grant of up to
203 \$5,000 and are not required to provide a matching amount to

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204 receive the grant. Additionally, for low-income homeowners,
205 grant funding may be used for repair to existing structures
206 leading to any of the mitigation improvements provided in
207 paragraph (e), limited to 20 percent of the grant value. The
208 program may accept a certification directly from a low-income
209 homeowner that the homeowner meets the requirements of s.
210 420.0004(10) if the homeowner provides such certification in a
211 signed or electronically verified statement made under penalty
212 of perjury.

213 (g)~~(h)~~ The department shall establish objective, reasonable
214 criteria for prioritizing grant applications, consistent with
215 the requirements of this section.

216 (h)~~(i)~~ The department shall develop a process that ensures
217 the most efficient means to collect and verify grant
218 applications to determine eligibility and may direct hurricane
219 mitigation inspectors to collect and verify grant application
220 information or use the Internet or other electronic means to
221 collect information and determine eligibility.

222 (3) EDUCATION AND CONSUMER AWARENESS.—The department may
223 undertake a statewide multimedia public outreach and advertising
224 campaign to inform consumers of the availability and benefits of
225 hurricane inspections and of the safety and financial benefits
226 of residential hurricane damage mitigation. The department may
227 seek out and use local, state, federal, and private funds to
228 support the campaign.

229 (4) ADVISORY COUNCIL.—There is created an advisory council
230 to provide advice and assistance to the department regarding
231 administration of the program. The advisory council shall
232 consist of:

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

236 (b) A representative of residential property insurers,
237 selected by the Financial Services Commission from a list of at
238 least three persons recommended by the Florida Insurance
239 Council.

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

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

246 (e) Two members of the House of Representatives, selected
247 by the Speaker of the House of Representatives.

248 (f) Two members of the Senate, selected by the President of
249 the Senate.

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

252 (h) The senior officer of the Florida Hurricane Catastrophe
253 Fund.

254 (i) The executive director of Citizens Property Insurance
255 Corporation.

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

258
259 Members appointed under paragraphs (a)-(d) shall serve at the
260 pleasure of the Financial Services Commission. Members appointed
261 under paragraphs (e) and (f) shall serve at the pleasure of the

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262 appointing officer. All other members shall serve as voting ex
263 officio members. Members of the advisory council shall serve
264 without compensation but may receive reimbursement as provided
265 in s. 112.061 for per diem and travel expenses incurred in the
266 performance of their official duties.

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

270 (6) RULES.—The Department of Financial Services shall adopt
271 rules pursuant to ss. 120.536(1) and 120.54 to govern the
272 program; implement the provisions of this section; including
273 rules governing hurricane mitigation inspections, mitigation
274 contractors, and training of inspectors and contractors; and
275 carry out the duties of the department under this section.

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

280 ~~(8) NO-INTEREST LOANS.—The department shall implement a no-~~
281 ~~interest loan program by October 1, 2008, contingent upon the~~
282 ~~selection of a qualified vendor and execution of a contract~~
283 ~~acceptable to the department and the vendor. The department~~
284 ~~shall enter into partnerships with the private sector to provide~~
285 ~~loans to owners of site-built, single-family, residential~~
286 ~~property to pay for mitigation measures listed in subsection~~
287 ~~(2). A loan eligible for interest payments pursuant to this~~
288 ~~subsection may be for a term of up to 3 years and cover up to~~
289 ~~\$5,000 in mitigation measures. The department shall pay the~~
290 ~~creditor the market rate of interest using funds appropriated~~

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291 ~~for the My Safe Florida Home Program. In no case shall the~~
292 ~~department pay more than the interest rate set by s. 687.03. To~~
293 ~~be eligible for a loan, a loan applicant must first obtain a~~
294 ~~home inspection and report that specifies what improvements are~~
295 ~~needed to reduce the property's vulnerability to windstorm~~
296 ~~damage pursuant to this section and meet loan underwriting~~
297 ~~requirements set by the lender. The department may adopt rules~~
298 ~~pursuant to ss. 120.536(1) and 120.54 to implement this~~
299 ~~subsection which may include eligibility criteria.~~

300 (8)~~(9)~~ PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE
301 BROKERS AND SALES ASSOCIATES.—The program shall develop
302 brochures for distribution to general contractors, roofing
303 contractors, and real estate brokers and sales associates
304 licensed under part I of chapter 475 explaining the benefits to
305 homeowners of residential hurricane damage mitigation. The
306 program shall encourage contractors to distribute the brochures
307 to homeowners at the first meeting with a homeowner who is
308 considering contracting for home or roof repairs or contracting
309 for the construction of a new home. The program shall encourage
310 real estate brokers and sales associates licensed under part I
311 of chapter 475 to distribute the brochures to clients prior to
312 the purchase of a home. The brochures may be made available
313 electronically.

314 (9)~~(10)~~ CONTRACT MANAGEMENT.—The department may contract
315 with third parties for grants management, inspection services,
316 contractor services for low-income homeowners, information
317 technology, educational outreach, and auditing services. Such
318 contracts shall be considered direct costs of the program and
319 shall not be subject to administrative cost limits, but

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320 contracts valued at \$5 million ~~\$500,000~~ or more shall be subject
321 to review and approval by the Legislative Budget Commission. The
322 department shall contract with providers that have a
323 demonstrated record of successful business operations in areas
324 directly related to the services to be provided and shall ensure
325 the highest accountability for use of state funds, consistent
326 with this section.

327 (10) ~~(11)~~ INTENT.—It is the intent of the Legislature that
328 grants made to residential property owners under this section
329 shall be considered disaster-relief assistance within the
330 meaning of s. 139 of the Internal Revenue Code of 1986, as
331 amended.

332 (11) ~~(12)~~ REPORTS.—The department shall make an annual
333 report on the activities of the program that shall account for
334 the use of state funds and indicate the number of inspections
335 requested, the number of inspections performed, the number of
336 grant applications received, and the number and value of grants
337 approved. The report shall be delivered to the President of the
338 Senate and the Speaker of the House of Representatives by
339 February 1 of each year.

340 Section 2. Subsection (2) of section 627.711, Florida
341 Statutes, is amended, and subsection (3) is added to that
342 section, to read:

343 627.711 Notice of premium discounts for hurricane loss
344 mitigation; uniform mitigation verification inspection form.—

345 (2) By July 1, 2007, the Financial Services Commission
346 shall develop by rule a uniform mitigation verification
347 inspection form that shall be used by all insurers when
348 submitted by policyholders for the purpose of factoring

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349 discounts for wind insurance. In developing the form, the
350 commission shall seek input from insurance, construction, and
351 building code representatives. Further, the commission shall
352 provide guidance as to the length of time the inspection results
353 are valid. An insurer shall accept as valid a uniform mitigation
354 verification form certified by the Department of Financial
355 Services or signed by:

356 (a) A hurricane mitigation inspector certified by the
357 ~~employed by an approved My Safe Florida Home program wind~~
358 ~~certification entity;~~

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

360 (c) A general or residential contractor licensed under s.
361 489.111;

362 (d) A professional engineer licensed under s. 471.015 who
363 has passed the appropriate equivalency test of the Building Code
364 Training Program as required by s. 553.841; or

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

366 (3) An individual or entity who knowingly submits a false
367 or fraudulent mitigation verification form with the intent to
368 receive, personally or for someone else, a discount on an
369 insurance premium to which the individual, entity, or third
370 party is not entitled, commits a felony of the third degree,
371 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

372 Section 3. There is appropriated from the General Revenue
373 Fund the sum of \$25 million for the 2009-2010 fiscal year to the
374 Department of Financial Services for the operation of the My
375 Safe Florida Home Program pursuant to s. 215.5586, Florida
376 Statutes.

377 Section 4. This act shall take effect July 1, 2009.