

By the Committee on Banking and Insurance; and 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 hurricane mitigation
5 inspections; revising criteria for eligibility for a
6 mitigation grant; expanding the list of improvements
7 for which grants may be used; correcting a reference
8 to the Florida Division of Emergency Management;
9 deleting provisions relating to no-interest loans;
10 requiring that contracts valued at or greater than a
11 specified amount be subject to review and approval of
12 the Legislative Budget Commission; requiring the
13 Department of Financial Services to implement a
14 condominium mitigation loan program for certain
15 purposes; specifying program requirements; specifying
16 an administration requirement for the program;
17 requiring the department to adopt rules; amending s.
18 627.711, F.S.; revising eligible entities authorized
19 to certify uniform mitigation inspection forms;
20 authorizing insurers to contract with inspection firms
21 to review certain verification forms and reinspect
22 properties for certain purposes; providing for such
23 contracts to be at the insurer's expense; providing a
24 criminal penalty for knowingly submitting a false or
25 fraudulent mitigation form with the intent to receive
26 an undeserved discount; providing an effective date.

27
28 Be It Enacted by the Legislature of the State of Florida:
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30 Section 1. Section 215.5586, Florida Statutes, as amended
31 by section 1 of chapter 2009-10, Laws of Florida, is amended to
32 read:

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

50 (1) HURRICANE MITIGATION INSPECTIONS.

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

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59 hurricane mitigation inspections. The inspections provided to
60 homeowners, at a minimum, must include:

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

64 2. A range of cost estimates regarding the recommended
65 mitigation improvements.

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

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

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

79 1. Use hurricane mitigation inspectors who:

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

81 b. Are licensed as a general or residential contractor
82 under s. 489.111;

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

86 d. Are licensed as a professional architect under s.
87 481.213; or

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

93 2. Use hurricane mitigation inspectors who also:

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

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

108 3. Provide a quality assurance program including a
109 reinspection component.

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

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

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

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

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

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

131 2. The home must be a dwelling with an insured value of
132 \$300,000 or less. Homeowners who are low-income persons, as
133 defined in s. 420.0004(10), are exempt from this requirement.

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

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

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

142
143 An application for a grant must contain a signed or
144 electronically verified statement made under penalty of perjury
145 that the applicant has submitted only a single application and

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146 must have attached documents demonstrating the applicant meets
147 the requirements of this paragraph.

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

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

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

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

- 172 1. Opening protection.
- 173 2. Exterior doors, including garage doors.
- 174 3. Brace gable ends.

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175 4. Reinforcing roof-to-wall connections.

176 5. Improving the strength of roof-deck attachments.

177 6. Upgrading roof covering from code to code plus.

178 7. Secondary water barrier for roof.

179
180 The department may require that improvements be made to all
181 openings, including exterior doors and garage doors, as a
182 condition of reimbursing a homeowner approved for a grant. The
183 department may adopt, by rule, the maximum grant allowances for
184 any improvement allowable under this paragraph.

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

194 (g) Low-income homeowners, as defined in s. 420.0004(10),
195 who otherwise meet the requirements of paragraphs (a), (c), (e),
196 and (f) are eligible for a grant of up to \$5,000 and are not
197 required to provide a matching amount to receive the grant.
198 Additionally, for low-income homeowners, grant funding may be
199 used for repair to existing structures leading to any of the
200 mitigation improvements provided in paragraph (e), limited to 20
201 percent of the grant value. The program may accept a
202 certification directly from a low-income homeowner that the
203 homeowner meets the requirements of s. 420.0004(10) if the

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204 homeowner provides such certification in a signed or
205 electronically verified statement made under penalty of perjury.

206 (h) The department shall establish objective, reasonable
207 criteria for prioritizing grant applications, consistent with
208 the requirements of this section.

209 (i) The department shall develop a process that ensures the
210 most efficient means to collect and verify grant applications to
211 determine eligibility and may direct hurricane mitigation
212 inspectors to collect and verify grant application information
213 or use the Internet or other electronic means to collect
214 information and determine eligibility.

215 (3) EDUCATION AND CONSUMER AWARENESS.—The department may
216 undertake a statewide multimedia public outreach and advertising
217 campaign to inform consumers of the availability and benefits of
218 hurricane inspections and of the safety and financial benefits
219 of residential hurricane damage mitigation. The department may
220 seek out and use local, state, federal, and private funds to
221 support the campaign.

222 (4) ADVISORY COUNCIL.—There is created an advisory council
223 to provide advice and assistance to the department regarding
224 administration of the program. The advisory council shall
225 consist of:

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

229 (b) A representative of residential property insurers,
230 selected by the Financial Services Commission from a list of at
231 least three persons recommended by the Florida Insurance
232 Council.

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

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

239 (e) Two members of the House of Representatives, selected
240 by the Speaker of the House of Representatives.

241 (f) Two members of the Senate, selected by the President of
242 the Senate.

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

245 (h) The senior officer of the Florida Hurricane Catastrophe
246 Fund.

247 (i) The executive director of Citizens Property Insurance
248 Corporation.

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

251
252 Members appointed under paragraphs (a)-(d) shall serve at the
253 pleasure of the Financial Services Commission. Members appointed
254 under paragraphs (e) and (f) shall serve at the pleasure of the
255 appointing officer. All other members shall serve as voting ex
256 officio members. Members of the advisory council shall serve
257 without compensation but may receive reimbursement as provided
258 in s. 112.061 for per diem and travel expenses incurred in the
259 performance of their official duties.

260 (5) FUNDING.—The department may seek out and leverage
261 local, state, federal, or private funds to enhance the financial

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262 resources of the program.

263 (6) RULES.—The Department of Financial Services shall adopt
264 rules pursuant to ss. 120.536(1) and 120.54 to govern the
265 program; implement the provisions of this section; including
266 rules governing hurricane mitigation inspections and grants,
267 mitigation contractors, and training of inspectors and
268 contractors; and carry out the duties of the department under
269 this section.

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

274 ~~(8) NO-INTEREST LOANS.—The department shall implement a no-~~
275 ~~interest loan program by October 1, 2008, contingent upon the~~
276 ~~selection of a qualified vendor and execution of a contract~~
277 ~~acceptable to the department and the vendor. The department~~
278 ~~shall enter into partnerships with the private sector to provide~~
279 ~~loans to owners of site-built, single-family, residential~~
280 ~~property to pay for mitigation measures listed in subsection~~
281 ~~(2). A loan eligible for interest payments pursuant to this~~
282 ~~subsection may be for a term of up to 3 years and cover up to~~
283 ~~\$5,000 in mitigation measures. The department shall pay the~~
284 ~~creditor the market rate of interest using funds appropriated~~
285 ~~for the My Safe Florida Home Program. In no case shall the~~
286 ~~department pay more than the interest rate set by s. 687.03. To~~
287 ~~be eligible for a loan, a loan applicant must first obtain a~~
288 ~~home inspection and report that specifies what improvements are~~
289 ~~needed to reduce the property's vulnerability to windstorm~~
290 ~~damage pursuant to this section and meet loan underwriting~~

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291 ~~requirements set by the lender. The department may adopt rules~~
292 ~~pursuant to ss. 120.536(1) and 120.54 to implement this~~
293 ~~subsection which may include eligibility criteria.~~

294 (8)~~(9)~~ PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE
295 BROKERS AND SALES ASSOCIATES.—The program shall develop
296 brochures for distribution to general contractors, roofing
297 contractors, and real estate brokers and sales associates
298 licensed under part I of chapter 475 explaining the benefits to
299 homeowners of residential hurricane damage mitigation. The
300 program shall encourage contractors to distribute the brochures
301 to homeowners at the first meeting with a homeowner who is
302 considering contracting for home or roof repairs or contracting
303 for the construction of a new home. The program shall encourage
304 real estate brokers and sales associates licensed under part I
305 of chapter 475 to distribute the brochures to clients prior to
306 the purchase of a home. The brochures may be made available
307 electronically.

308 (9)~~(10)~~ CONTRACT MANAGEMENT.—The department may contract
309 with third parties for grants management, inspection services,
310 contractor services for low-income homeowners, information
311 technology, educational outreach, and auditing services. Such
312 contracts shall be considered direct costs of the program and
313 shall not be subject to administrative cost limits, but
314 contracts valued at \$1 million ~~\$500,000~~ or more shall be subject
315 to review and approval by the Legislative Budget Commission. The
316 department shall contract with providers that have a
317 demonstrated record of successful business operations in areas
318 directly related to the services to be provided and shall ensure
319 the highest accountability for use of state funds, consistent

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320 with this section.

321 (10)~~(11)~~ INTENT.—It is the intent of the Legislature that
322 grants made to residential property owners under this section
323 shall be considered disaster-relief assistance within the
324 meaning of s. 139 of the Internal Revenue Code of 1986, as
325 amended.

326 (11)~~(12)~~ REPORTS.—The department shall make an annual
327 report on the activities of the program that shall account for
328 the use of state funds and indicate the number of inspections
329 requested, the number of inspections performed, the number of
330 grant applications received, and the number and value of grants
331 approved. The report shall be delivered to the President of the
332 Senate and the Speaker of the House of Representatives by
333 February 1 of each year.

334 (12) CONDOMINIUM MITIGATION LOAN PROGRAM.—

335 (a) The department may implement a condominium mitigation
336 loan program to assist condominiums in mitigating all units in
337 their structure against wind damage. The program shall have the
338 following minimum requirements:

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

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

346 3. A participating condominium homeowners' association must
347 agree to purchase and install approved mitigation measures for
348 100 percent of the units in the condominium structure.

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

353 5. Condominiums of more than 200 units are not eligible for
354 the loan program.

355 6. The department may contract with third parties for
356 auditing and related services to ensure accountability and
357 program quality.

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

360 (c) The department shall adopt rules to implement the loan
361 program.

362 Section 2. Subsection (2) of section 627.711, Florida
363 Statutes, is amended, and subsection (3) is added to that
364 section, to read:

365 627.711 Notice of premium discounts for hurricane loss
366 mitigation; uniform mitigation verification inspection form.—

367 (2)(a) By July 1, 2007, the Financial Services Commission
368 shall develop by rule a uniform mitigation verification
369 inspection form that shall be used by all insurers when
370 submitted by policyholders for the purpose of factoring
371 discounts for wind insurance. In developing the form, the
372 commission shall seek input from insurance, construction, and
373 building code representatives. Further, the commission shall
374 provide guidance as to the length of time the inspection results
375 are valid. An insurer shall accept as valid a uniform mitigation
376 verification form certified by the Department of Financial
377 Services or signed by:

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- 378 ~~(a) A hurricane mitigation inspector employed by an~~
379 ~~approved My Safe Florida Home wind certification entity;~~
- 380 1.~~(b)~~ A building code inspector certified under s. 468.607;
- 381 2.~~(e)~~ A general, building, or residential contractor
382 licensed under s. 489.111;
- 383 3.~~(d)~~ A professional engineer licensed under s. 471.015 who
384 has passed the appropriate equivalency test of the Building Code
385 Training Program as required by s. 553.841; or
- 386 4.~~(e)~~ A professional architect licensed under s. 481.213.
- 387 (b) An insurer may contract with inspection firms at the
388 insurer's expense to review mitigation verification forms and to
389 reinspect properties for which the insurer receives mitigation
390 verification forms to ensure that the forms are valid.
- 391 (3) An individual or entity who knowingly provides or
392 utters a false or fraudulent mitigation verification form with
393 the intent to obtain or receive a discount on an insurance
394 premium to which the individual or entity is not entitled
395 commits a misdemeanor of the first degree, punishable as
396 provided in s. 775.082 or s. 775.083.
- 397 Section 3. This act shall take effect July 1, 2009.