

FINAL BILL ANALYSIS

BILL #: HB 4129

FINAL HOUSE FLOOR ACTION:

112 Y's 6 N's

SPONSOR: Rep. Crisafulli

GOVERNOR'S ACTION: Approved

COMPANION BILLS: SB 636

SUMMARY ANALYSIS

HB 4129 passed the House on March 24, 2011, and passed the Senate on April 6, 2011. The bill was approved by the Governor on April 27, 2011, chapter 2011-12, Laws of Florida, and becomes effective July 1, 2011.

The bill repeals s. 627.0629(8), F.S., which establishes a mitigation evaluation grant program for policyholders of Citizens Property Insurance Corporation (Citizens) insured in the high-risk account.

There is no fiscal impact on state or local government.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Section 627.0629(8), F.S., enacted in 1997,¹ requires the Department of Community Affairs to establish a program to provide grants for policyholders of Citizens Property Insurance Corporation (Citizens) insured in the high-risk account² to pay for a wind mitigation evaluation of their home. The program is administered by Citizens.³ The statute conditions implementation of the program on an appropriation in the General Appropriations Act (GAA). No appropriation in the GAA has ever been made for the program.

The bill repeals s. 627.0629(8), F.S., which establishes the mitigation evaluation grant program because the statute conditions the program on appropriation of funds and no appropriation has ever been made for the program and due to budget constraints no future appropriation for the program is anticipated

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None. No funds were ever appropriated in the GAA for the program, according to a representative of the Division of Emergency Management within the Department of Community Affairs.⁴

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

¹ Section 4, ch. 97-55, L.O.F.

² The high-risk account consists of personal lines, commercial residential and commercial non-residential wind-only and multi-peril policies issued by Citizens Property Insurance Corporation in limited eligible coastal areas which cover damage to property from windstorm only or from windstorm and other perils.

³ When s. 627.0629(8), F.S., was initially enacted, Citizens had not been created. Thus, the original statute established the grant program for policyholders of the Florida Windstorm Underwriting Association (Association), the predecessor of Citizens. The original statute also required the Association to administer the grant program. When Citizens was created in 2002 by the merger of the Association and the Florida Residential Property and Casualty Joint Underwriting Association, the statute was amended to make the grant program available for Citizens' policyholders and to require Citizens administer the program. (s. 1067, ch. 2003-261, L.O.F.).

⁴ Telephone conversation between staff from the Insurance & Banking Subcommittee and William Booher of the Division of Emergency Management on 2/21/11.

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Repealing s. 627.0629(8), F.S., will preclude certain policyholders of Citizens from receiving grants from the state to use to pay for a mitigation inspection. However, no funding has been provided by the state since the program's authorization. According to representatives of Citizens, no grants have been awarded under this program since the inception of Citizens in 2002 because funds have not been provided in the GAA.

D. FISCAL COMMENTS:

None.