

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Community Affairs Committee

BILL: SB 638

INTRODUCER: Senator Simmons

SUBJECT: Residential Property/Evaluation Grant Program

DATE: March 8, 2011                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Burgess	Burgess	BI	<b>Favorable</b>
2.	Wood	Yeatman	CA	<b>Favorable</b>
3.			BC	
4.				
5.				
6.				

**I. Summary:**

This bill amends s. 627.0629, F.S., and deletes subsection (8) relating to a grant program for the evaluation of residential property structural soundness. This program, for homeowners insured by Citizens Property Insurance Corporation (Citizens) in the high risk account to obtain evaluations of the wind resistance of their homes, was to be administered by Citizens “to the extent that funds are provided for this purpose in the General Appropriations Act (GAA).”<sup>1</sup> However, no such appropriation has been awarded in recent years.

This bill substantially amends section 627.0629, Florida Statutes.

**II. Present Situation:**

In 1997, the Legislature enacted s. 627.0629(8), F.S.,<sup>2</sup> which established a grant program for homeowners insured by the Florida Windstorm Underwriting Association (FWUA) to obtain evaluations of the wind resistance of their homes. The Department of Community Affairs is required by statute to establish by rule standards to govern evaluation, recommendations for retrofitting, the eligibility of those who would perform the evaluations, and the selection of the applicants to obtain the grants. The program would be administered by the FWUA. All provisions of the program, however, are to be effected “to the extent that funds are provided for this purpose in the General Appropriations Act (GAA).” In 2002, the Florida Legislature combined the FWUA with the Florida Residential Property and Casualty Joint Underwriting Association (RPCJUA) and thereby created Citizens. At that point, Citizens assumed the

<sup>1</sup> Section 627.0629(8)(b), F.S.

<sup>2</sup> Chapter 97-55, s. 4, Laws of Fla.

responsibility for administering the structural soundness evaluation grant program, to the extent that funds are provided by the GAA.

Representatives for Citizens state that no grants have been awarded since the inception of the corporation in 2002 because funds have not been provided by the GAA.<sup>3</sup> Representatives of the Division of Emergency Management within the Department of Community Affairs report that the agency has not promulgated rules to establish the grant program because funds have not been provided by the GAA, which is a precondition for the program.<sup>4</sup>

### III. Effect of Proposed Changes:

**Section 1** deletes s. 627.0629(8), F.S., relating to a grant program for the evaluation of residential property structural soundness. The program is conditioned on funds being provided in the GAA, and no funds have been provided for that purpose. Accordingly, no grants have been awarded under s. 627.0629(8), F.S. The presently unfunded program, intended to provide homeowners a way to evaluate the wind resistance of their homes with respect to preventing damage from hurricanes, is terminated by this bill.

Current subsection (9) is renumbered as subsection (8).

The Office of Insurance Regulation (OIR) states that this bill has no impact on the OIR.<sup>5</sup>

**Section 2** provides an effective date of July 1, 2011.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

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<sup>3</sup> Conversation with Christine Ashburn, Director of Legislative and External Affairs, Citizens Property Insurance Corporation (Mar. 9, 2011).

<sup>4</sup> Conversation with Will Booher, Director of External Affairs, Department of Community Affairs Division of Emergency Management (Mar. 9, 2011).

<sup>5</sup> Office of Insurance Regulation, *Senate Bill 638 Response* (Feb. 3, 2011) (on file with the Senate Committee on Community Affairs).

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

## A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

## B. Amendments:

None.