

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 Banking and Insurance Committee

BILL: SB 1814

INTRODUCER: Senator Smith

SUBJECT: Uniform Home Grading Scale

DATE: January 30, 2012

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rubio	Burgess	BI	Pre-meeting
2.			BC	
3.				
4.				
5.				
6.				

I. Summary:

Current s. 215.55865, F.S., required that by 2007, the Financial Services Commission (Commission) was to adopt a uniform home grading scale to grade the ability of a home to withstand the wind load from a tropical storm or hurricane. Consistent with that statutory requirement, the Commission adopted the uniform home grading scale in 2007. Subsequent to the development of the uniform home grading scale, the legislature established three specific applications for which the uniform home grading scale was required to be used. More recently, however, the Legislature has repealed each of these three applications.

The bill repeals the language requiring the Financial Services Commission to develop a uniform home grading scale by 2007.

The bill also removes from the My Safe Florida Home Program (MSFH) a requirement that MSFH create a hurricane resistance rating scale that conforms to the uniform home grading scale. Because all funds originally appropriated to the program have been exhausted, MSFH is no longer operative.

This bill substantially amends the following section of the Florida Statutes: 215.5586

This bill repeals the following section of the Florida Statutes: 215.55865

II. Present Situation:

Uniform Home Grading Scale

In 2006, the Legislature required the Office of Insurance Regulation (OIR) to develop a program to provide an objective rating system allowing homeowners to evaluate the relative ability of Florida properties to withstand the wind load from a sustained severe tropical storm or hurricane.¹ In 2007, the Legislature created current s. 215.55865, F.S., requiring that by 2007, the Financial Services Commission (Commission) was to adopt a uniform home grading scale consistent with the 2006 legislation.² In 2007, pursuant to the statutory requirement, the Commission adopted the uniform home grading scale.³ The uniform home grading scale scores homes on a scale of 1 to 100 and takes into account the construction features of the home, the home's wind zone location, and the terrain surrounding the home. In evaluating the home, eight primary wind resistive building features are considered: roof shape, secondary water resistance, roof cover, roof deck attachment, roof-to-wall connection, opening protection, number of stories, and roof covering type. Eleven secondary factors are also considered.

In 2008, the Legislature passed a law that established a two-part phase-in of a requirement that sellers of homes located in the state's wind borne debris region disclose the home's windstorm mitigation rating based on the home grading scale to prospective purchasers:

- The first part of the phase-in was to begin in January 2010, and would have required sellers of homes insured by Citizens Property Insurance Corporation for \$500,000 or more to disclose the home's windstorm mitigation rating.⁴ However, in 2009, before it took effect, this disclosure requirement was repealed.⁵
- The second part of the phase-in, which was scheduled to begin on January 1, 2011, would have required sellers of any home in the wind borne debris region to disclose to the purchaser the home's mitigation rating.⁶ In 2010, however the Legislature repealed this disclosure provision, as well.⁷

In addition, in 2008, the Legislature passed s. 627.0629(1)(b), F.S.,⁸ which required the OIR to develop a method by February 1, 2011, to establish mitigation discounts for hurricane mitigation measures that correlate to the home's rating calculated by the uniform home grading scale. At that time, the OIR had already been enforcing an existing statutory requirement that property insurers provide discounts for hurricane loss mitigation, but because OIR's established discounts pre-dated the uniform home grading scale, those discounts did not directly correlate to the uniform home grading scale. In 2011, the Legislature repealed s. 627.0629(1)(b), F.S.,⁹ thereby removing the requirement that the OIR establish a new wind mitigation discount scale to correlate with the uniform home grading scale.

¹ Section 39, ch. 2006-12, L.O.F.

² Section 40, ch. 2007-1, L.O.F.

³ Rule 69O-167.015, F.A.C.

⁴ Section 13, ch. 2008-66, L.O.F.

⁵ Section 10, ch. 2009-87, L.O.F.

⁶ Section 15, ch. 2008-66, L.O.F.

⁷ Section 1, ch. 2010-275, L.O.F.

⁸ Section 12, ch. 2008-66, L.O.F.

⁹ Section 14, ch. 2011-39, L.O.F.

My Safe Florida Home

Section 215.5586, F.S., established within the Department of Financial Services (DFS) the My Safe Florida Home Program (MSFH), which was created to provide Florida residential property owners with mitigation inspections and grants for installation of specified mitigation features in order to make property less vulnerable to hurricane damage. The inspections provided to homeowners under the MSFH program must at a minimum include:

1. A home inspection and report that summarizes the results and identifies recommended improvements a homeowner may take to mitigate hurricane damage.
2. A range of cost estimates regarding the recommended mitigation improvements.
3. Insurer-specific information regarding premium discounts correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.
4. A hurricane resistance rating scale specifying the home's current as well as projected wind resistance capabilities. The statute directs that, as soon as practical, this rating scale must conform to the uniform home grading scale, under s. 215.55865, F.S.¹⁰

The MSFH program expired on June 30, 2009, and is no longer operative. All funds originally appropriated to the program were exhausted and no additional funding has been appropriated.¹¹

III. Effect of Proposed Changes:

Section 1 repeals s. 215.55865, F.S., relating to the uniform home grading scale. This section required the Commission to develop the uniform home grading scale by 2007. The uniform home grading scale was timely developed by the Commission. There is nothing in current law that requires the use of the uniform home grading scale.

Section 2 amends s. 215.5586, F.S., to remove the requirement that the MSFH program adopt a hurricane resistance rating scale that conforms to the uniform home grading scale.

The act is effective July 1, 2012.

Other Potential Implications:

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹⁰ Section 215.5586(1)(a), F.S.

¹¹ My Safe Florida Home website, <http://www.mysafefloridahome.com> (last viewed January 27, 2012).

C. Trust Funds Restrictions:

None.

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.