

**By** the Committees on Finance and Tax; and Community Affairs; and Senators Rodriguez, Burgess, Gruters, and Polsky

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1                                   A bill to be entitled  
2       An act relating to the Resiliency Energy Environment  
3       Florida (REEF) program; amending s. 163.08, F.S.;  
4       revising legislative findings; defining and redefining  
5       terms; specifying that a property owner may apply to a  
6       REEF program for certain purposes; providing that  
7       costs incurred by the REEF program may be collected as  
8       a non-ad valorem assessment; authorizing a local  
9       government to enter into agreements with program  
10      administrators and to incur debt; authorizing a local  
11      government to enter into an assessment financing  
12      agreement only with the record owner of the affected  
13      property; revising the items a local government or a  
14      program administrator must reasonably determine before  
15      entering into an assessment financing agreement;  
16      requiring a qualifying improvement to be affixed or  
17      plan to be affixed to specified properties before  
18      final funding; authorizing an assessment financing  
19      agreement to cover qualifying improvements on real  
20      properties under new construction; revising the  
21      written disclosure statement required to be given by  
22      sellers to prospective purchasers when executing a  
23      contract for the sale and purchase of certain  
24      properties; requiring a program administrator to make  
25      specified determinations about a property owner's  
26      ability to pay the annual assessment; specifying  
27      information a program administrator must provide to  
28      the residential real property owner or an authorized  
29      representative before entering into an assessment

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30 financing agreement; specifying a timeframe within  
31 which a residential real property owner may cancel an  
32 assessment financing agreement; prohibiting the term  
33 of an assessment financing agreement from exceeding  
34 specified timeframes; prohibiting a program  
35 administrator from offering specified types of  
36 financing for residential real properties; prohibiting  
37 a program administrator from enrolling certain  
38 contractors unless certain conditions are met;  
39 providing requirements that must be met before a  
40 program administrator may disburse funds; specifying  
41 marketing and communications guidelines that program  
42 administrators and contractors must comply with when  
43 communicating with residential real property owners;  
44 prohibiting a contractor from engaging in certain  
45 practices regarding pricing of qualifying improvements  
46 on residential real properties; specifying  
47 requirements for government leased property; providing  
48 exemptions for residential real property that meets  
49 certain conditions; providing an effective date.

50  
51 Be It Enacted by the Legislature of the State of Florida:

52  
53 Section 1. Subsections (1), (2), (4), (6) through (10),  
54 (12), (13), and (14) of section 163.08, Florida Statutes, are  
55 amended, and subsections (17) through (27) are added to that  
56 section, to read:

57 163.08 Supplemental authority for improvements to real  
58 property.—

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59 (1) (a) In chapter 2008-227, Laws of Florida, the  
60 Legislature amended the energy goal of the state comprehensive  
61 plan to provide, in part, that the state shall reduce its energy  
62 requirements through enhanced conservation and efficiency  
63 measures in all end-use sectors and reduce atmospheric carbon  
64 dioxide by promoting an increased use of renewable energy  
65 resources. That act also declared it the public policy of the  
66 state to play a leading role in developing and instituting  
67 energy management programs that promote energy conservation,  
68 energy security, and the reduction of greenhouse gases. In  
69 addition to establishing policies to promote the use of  
70 renewable energy, the Legislature provided for a schedule of  
71 increases in energy performance of buildings subject to the  
72 Florida Energy Efficiency Code for Building Construction. In  
73 chapter 2008-191, Laws of Florida, the Legislature adopted new  
74 energy conservation and greenhouse gas reduction comprehensive  
75 planning requirements for local governments. In the 2008 general  
76 election, the voters of this state approved a constitutional  
77 amendment authorizing the Legislature, by general law, to  
78 prohibit consideration of any change or improvement made for the  
79 purpose of improving a property's resistance to wind damage or  
80 the installation of a renewable energy source device in the  
81 determination of the assessed value of residential real  
82 property.

83 (b) The Legislature finds that all energy-consuming-  
84 improved properties that are not using energy conservation  
85 strategies contribute to the burden affecting all improved  
86 property resulting from fossil fuel energy production. Improved  
87 property that has been retrofitted with energy-related

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88 qualifying improvements receives the special benefit of  
89 alleviating the property's burden from energy consumption. All  
90 improved properties not protected from wind or flood damage by  
91 wind or flood resistant ~~resistance~~ qualifying improvements  
92 contribute to the burden affecting all improved property  
93 resulting from potential wind or flood damage. Improved property  
94 that has been retrofitted with wind or flood resistant  
95 ~~resistance~~ qualifying improvements receives the special benefit  
96 of reducing the property's burden from potential wind or flood  
97 damage. Further, the installation and operation of qualifying  
98 improvements not only benefit the affected properties for which  
99 the improvements are made, but also assist in fulfilling the  
100 goals of the state's energy and hurricane mitigation policies.

101 (c) Properties that do not use secondary or advanced  
102 technologies for wastewater treatment and disposal contribute to  
103 the water quality problems affecting the state and particularly  
104 the coastal areas. Improved properties that have been  
105 retrofitted with secondary or advanced onsite wastewater  
106 treatment systems or have converted to central sewerage  
107 significantly benefit the quality of water that may enter  
108 streams, lakes, rivers, aquifers, canals, estuaries, or coastal  
109 areas. Properties that are not protected from harmful  
110 environmental health hazards contribute to the environmental  
111 health burdens affecting the state. Properties that have been  
112 improved to mitigate against or prevent environmental health  
113 hazards benefit the general environmental health of the people  
114 within this state.

115 (d) In order to make qualifying improvements more  
116 affordable and assist property owners who wish to undertake such

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117 improvements, the Legislature finds that there is a compelling  
118 state interest in enabling property owners to voluntarily  
119 finance such improvements with local government assistance.

120 (e)~~(e)~~ The Legislature determines that the actions  
121 authorized under this section, including, but not limited to,  
122 the financing of qualifying improvements through the execution  
123 of assessment financing agreements and the related imposition of  
124 voluntary assessments are reasonable and necessary to serve and  
125 achieve a compelling state interest and are necessary for the  
126 prosperity and welfare of the state and its property owners and  
127 inhabitants.

128 (2) As used in this section, the term:

129 (a) "Assessment" means the non-ad valorem assessment  
130 securing the annual repayment of financing obtained by an owner  
131 of commercial real property or residential real property for a  
132 qualifying improvement under this chapter.

133 (b) "Assessment financing agreement" means the financing  
134 agreement, under a REEF program, between a local government and  
135 a property owner for the acquisition or installation of  
136 qualifying improvements.

137 (c) "Commercial real property" means any property not  
138 defined as a residential real property which will be or is  
139 improved by a qualifying improvement, including, but not limited  
140 to, the following:

141 1. A multifamily residential property composed of five or  
142 more dwelling units.

143 2. A commercial real property.

144 3. An industrial building or property.

145 4. An agricultural property.

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146 5. A government leased property.

147 (d) "Contractor" means an independent contractor who  
148 contracts with a property owner to install qualifying  
149 improvements on real property and is not the owner of such  
150 property.

151 (e) "Government leased property" means real property owned  
152 by any local government which has become subject to taxation due  
153 to lease of the property to a nongovernmental lessee.

154 (f)(a) "Local government" means a county, a municipality, a  
155 dependent special district as defined in s. 189.012, or a  
156 separate legal entity created pursuant to s. 163.01(7).

157 (g) "Nongovernmental lessee" means a person or entity other  
158 than a local government which is the lessee of government leased  
159 real property.

160 (h) "Program administrator" means an entity, including, but  
161 not limited to, for-profit or not-for-profit entities, with whom  
162 a local government contracts to administer a REEF program.

163 (i)(b) "Qualifying improvement" includes any:

164 1. Energy conservation and efficiency improvement, which is  
165 a measure to reduce consumption through conservation or a more  
166 efficient use of electricity, natural gas, propane, or other  
167 forms of energy on the property, including, but not limited to,  
168 air sealing; installation of insulation; installation of energy-  
169 efficient heating, cooling, or ventilation systems; building  
170 modifications to increase the use of daylight; replacement of  
171 windows; installation of energy controls or energy recovery  
172 systems; installation of electric vehicle charging equipment;  
173 installation of battery storage systems; and installation of  
174 efficient lighting equipment.

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175           2. Renewable energy improvement, which is the installation  
176 of any system in which the electrical, mechanical, or thermal  
177 energy is produced from a method that uses one or more of the  
178 following fuels or energy sources: hydrogen, solar energy,  
179 geothermal energy, bioenergy, and wind energy.

180           3. Wind, storm, and flood resistance improvement, which  
181 includes, but is not limited to:

182           a. Improving the strength of the roof deck attachment.~~†~~

183           b. Creating a secondary water barrier to prevent water  
184 intrusion.~~†~~

185           c. Installing wind-resistant shingles.~~†~~

186           d. Installing gable-end bracing.~~†~~

187           e. Reinforcing roof-to-wall connections.~~†~~

188           f. Installing storm shutters.~~†~~~~or~~

189           g. Installing opening protections.

190           h. Installing backup power or battery storage systems.

191           4. Wastewater treatment improvement, which includes the  
192 removal, replacement, or improvement of an onsite sewage  
193 treatment and disposal system with a secondary or advanced  
194 onsite treatment and disposal system or technology or the  
195 replacement of an onsite sewage treatment and disposal system  
196 with a central sewage system. For purposes of this section, the  
197 term "wastewater treatment improvement" includes removal,  
198 repairs, or modifications made to an onsite sewage treatment and  
199 disposal system under s. 381.0065.

200           5. Flood and water damage mitigation and resiliency  
201 improvement, which includes, but is not limited to, projects and  
202 installations:

203           a. To raise a structure above the base flood elevation to

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204 reduce flood damage.

205 b. To build or repair a flood diversion apparatus or  
206 seawall improvement, which includes, but is not limited to,  
207 seawall repairs, caps, and replacements; banks; berms; green-  
208 grey infrastructure; upland stem walls; or other infrastructure  
209 that impedes tidal waters from flowing onto adjacent property or  
210 public rights-of-way.

211 c. That use flood damage resistant building materials.

212 d. That mitigate or eliminate the potential for microbial  
213 growth.

214 e. That use electrical, mechanical, plumbing, or other  
215 system improvements to reduce flood damage.

216 f. That may qualify for reductions in flood insurance  
217 premiums or reduce repetitive loss such as those recognized by  
218 the National Flood Insurance Program, the Community Rating  
219 System, the Federal Emergency Management Agency, or other  
220 programs, including, but not limited to, those related to  
221 disaster recovery.

222 6. Health and environmental hazards measure or improvement,  
223 which is a measure or an improvement intended to mitigate  
224 harmful health and environmental hazards to property occupants,  
225 including measures or improvements that mitigate or remove:

226 a. The presence of lead, heavy metals, polyfluoroalkyl  
227 substance contamination, saltwater intrusion, or other harmful  
228 contaminants in potable water systems. Improvements may include  
229 conversion of well water to municipal water systems, replacement  
230 of lead water service lines, or installation of water filters.

231 b. Asbestos.

232 c. Lead paint contamination in housing built before 1978.



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233 d. Indoor air pollution or contaminants, including  
234 particulate matter, viruses, bacteria, and mold.

235 7. Water conservation or efficiency improvement, which is a  
236 measure or improvement to reduce the usage of water or increase  
237 the efficiency of water usage.

238 (j) "Residential real property" means a residential  
239 property of four or fewer dwelling units which is or will be  
240 improved by a qualifying improvement.

241 (k) "Resiliency Energy Environment Florida (REEF) program"  
242 means a program established by a local government, alone or in  
243 partnership with other local governments or a program  
244 administrator, to finance qualifying improvements on commercial  
245 real property or residential real property.

246 (4) Subject to local government ordinance or resolution, a  
247 property owner may apply to a REEF program ~~the local government~~  
248 for funding to finance a qualifying improvement and enter into  
249 an assessment ~~a financing agreement~~ with the local government.  
250 Costs incurred by the REEF program ~~local government~~ for such  
251 purpose may be collected as a non-ad valorem assessment. A non-  
252 ad valorem assessment shall be collected pursuant to s. 197.3632  
253 and, notwithstanding s. 197.3632(8)(a), is ~~shall~~ not be subject  
254 to a discount for early payment. However, the notice and  
255 adoption requirements of s. 197.3632(4) do not apply if this  
256 section is used and complied with, and the intent resolution,  
257 publication of notice, and mailed notices to the property  
258 appraiser, tax collector, and Department of Revenue required by  
259 s. 197.3632(3)(a) may be provided on or before August 15 in  
260 conjunction with any non-ad valorem assessment authorized by  
261 this section, if the property appraiser, tax collector, and

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262 local government agree.

263 (6) A local government may enter into an agreement with a  
264 program administrator to administer a REEF program ~~A qualifying~~  
265 ~~improvement program may be administered by a for-profit entity~~  
266 ~~or a not-for-profit organization on behalf of and at the~~  
267 ~~discretion of the local government.~~

268 (7) A local government may incur debt for the purpose of  
269 providing financing for the ~~such~~ improvements, which is payable  
270 from revenues received from the improved property, or any other  
271 available revenue source authorized by law.

272 (8) A local government may enter into an assessment ~~a~~  
273 financing agreement to finance or refinance a qualifying  
274 improvement only with the record owner of the affected property.  
275 Any assessment financing agreement entered into pursuant to this  
276 section or a summary memorandum of such agreement shall be  
277 submitted for recording ~~recorded~~ in the public records of the  
278 county within which the property is located by the ~~sponsoring~~  
279 ~~unit of~~ local government within 5 days after execution of the  
280 agreement. The recorded agreement shall provide constructive  
281 notice that the assessment to be levied on the property  
282 constitutes a lien of equal dignity to county taxes and  
283 assessments from the date of recordation.

284 (9) Before entering into an assessment ~~a~~ financing  
285 agreement, the local government or the program administrator  
286 acting on its behalf shall reasonably determine that:

287 (a) All property taxes and any other assessments levied on  
288 the same bill as property taxes are current and have been paid  
289 ~~and have not been delinquent~~ for the preceding 3 years or the  
290 property owner's period of ownership, whichever is less;

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291 (b) ~~That~~ There are no involuntary liens greater than  
292 \$1,000, including, but not limited to, construction liens on the  
293 property;

294 (c) ~~That~~ No notices of default or other evidence of  
295 property-based debt delinquency have been recorded and not  
296 released during the preceding 3 years or the property owner's  
297 period of ownership, whichever is less;

298 (d) The local government or program administrator has asked  
299 the property owner whether any other assessments have been  
300 recorded or that have been funded and not yet recorded on the  
301 property; and

302 (e) ~~That~~ The property owner is current on all mortgage debt  
303 on the property.

304 (10) Before final funding, a qualifying improvement must  
305 shall be affixed or plan to be affixed to a commercial or  
306 residential real building or facility that is part of the  
307 property and shall constitute an improvement to that property  
308 ~~the building or facility or a fixture attached to the building~~  
309 ~~or facility. An assessment financing agreement An agreement~~  
310 ~~between a local government and a qualifying property owner may~~  
311 ~~not~~ cover qualifying wind-resistance improvements on commercial  
312 or residential real properties in buildings or facilities under  
313 new construction ~~or construction for which a certificate of~~  
314 ~~occupancy or similar evidence of substantial completion of new~~  
315 ~~construction or improvement has not been issued.~~

316 (12) (a) Without the consent of the holders or loan  
317 servicers of any mortgage encumbering or otherwise secured by  
318 the property, the total amount of any non-ad valorem assessment  
319 for a property under this section may not exceed 20 percent of

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320 the just value of the property as determined by the county  
321 property appraiser.

322 (b) Notwithstanding paragraph (a), a non-ad valorem  
323 assessment for a qualifying improvement defined in subparagraph  
324 (2)(i)1. ~~(2)(b)1.~~ or subparagraph (2)(i)2. ~~(2)(b)2.~~ that is  
325 supported by an energy audit is not subject to the limits in  
326 this subsection if the audit demonstrates that the annual energy  
327 savings from the qualified improvement equals or exceeds the  
328 annual repayment amount of the non-ad valorem assessment.

329 (13) At least 30 days before entering into an assessment a  
330 financing agreement, the property owner shall provide to the  
331 holders or loan servicers of any existing mortgages encumbering  
332 or otherwise secured by the property a notice of the owner's  
333 intent to enter into an assessment a financing agreement  
334 together with the maximum principal amount to be financed and  
335 the maximum annual assessment necessary to repay that amount. A  
336 verified copy or other proof of such notice shall be provided to  
337 the local government. A provision in any agreement between a  
338 mortgagee or other lienholder and a property owner, or otherwise  
339 now or hereafter binding upon a property owner, which allows for  
340 acceleration of payment of the mortgage, note, or lien or other  
341 unilateral modification solely as a result of entering into an  
342 assessment a financing agreement as provided for in this section  
343 is not enforceable. This subsection does not limit the authority  
344 of the holder or loan servicer to increase the required monthly  
345 escrow by an amount necessary to ~~annually~~ pay the annual  
346 ~~qualifying improvement~~ assessment.

347 (14) At or before the time a purchaser executes a contract  
348 for the sale and purchase of any property for which a non-ad

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349 valorem assessment has been levied under this section and has an  
350 unpaid balance due, the seller must ~~shall~~ give the prospective  
351 purchaser a written disclosure statement in the following form,  
352 which shall be set forth in the contract or in a separate  
353 writing:

354  
355 QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY,  
356 RENEWABLE ENERGY, FLOOD MITIGATION, ~~OR~~ WIND OR STORM  
357 RESILIENCE, ADVANCED TECHNOLOGIES FOR WASTEWATER  
358 TREATMENT, ENVIRONMENTAL HEALTH, OR WATER CONSERVATION  
359 ~~RESISTANCE~~.—The property being purchased is located  
360 within the jurisdiction of a local government that has  
361 placed an assessment on the property pursuant to s.  
362 163.08, Florida Statutes. The assessment is for a  
363 qualifying improvement to the property relating to  
364 energy efficiency, renewable energy, flood mitigation,  
365 ~~or wind or storm resilience,~~ advanced technologies for  
366 wastewater treatment, environmental health, or water  
367 conservation ~~resistance~~, and is not based on the value  
368 of property. You are encouraged to contact the county  
369 property appraiser's office to learn more about this  
370 and other assessments that may be provided by law.

371  
372 (17) Before entering into an assessment financing agreement  
373 for a qualifying improvement on a residential real property, a  
374 program administrator must reasonably determine that the  
375 property owner has an ability to pay the estimated annual  
376 assessment based, at a minimum, on the following:

377 (a) For property owners seeking financing where the total

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378 estimated annual payment amount of all assessments authorized  
379 under this section on the property is \$4,800 or less, or the  
380 equivalent of \$400 per month, the program administrator, at a  
381 minimum, must use the underwriting requirements in subsection  
382 (9) and confirm the property owner is not currently in  
383 bankruptcy in determining whether the property owner has a  
384 reasonable ability to pay the assessment. A program  
385 administrator shall annually recalculate the \$4,800 limit to  
386 account for the rate of inflation established by the United  
387 States Bureau of Labor Statistics' Consumer Price Index for All  
388 Urban Consumers (CPI-U), using the prior year 12-month average  
389 of the CPI-U, at an appropriate time following the release of  
390 the December CPI-U data from that prior year.

391 (b) For property owners seeking financing where the total  
392 estimated annual payment amount of all assessments authorized  
393 under this section on the property is greater than \$4,800, or  
394 the equivalent of \$400 per month, the program administrator, at  
395 a minimum, must use the underwriting requirements in subsection  
396 (9), to confirm that the property owner is not in bankruptcy and  
397 determine that the total estimated annual payment amount for all  
398 the assessment financing agreements authorized under this  
399 section on the property does not exceed 10 percent of the  
400 property owner's annual household income. Income may be  
401 confirmed using information gathered from reputable third-  
402 parties that provide reasonably reliable evidence of the  
403 property owner's household income. Income may not be confirmed  
404 solely from a property owner's statement. A program  
405 administrator shall annually recalculate the \$4,800 limit to  
406 account for the rate of inflation established by the United

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407 States Bureau of Labor Statistics' Consumer Price Index for All  
408 Urban Consumers (CPI-U), using the prior year 12-month average  
409 of the CPI-U, at an appropriate time following the release of  
410 the December CPI-U data from that prior year.

411 (18) Before an assessment financing agreement is entered  
412 into for a qualifying improvement on a residential real  
413 property, the program administrator must:

414 (a) Provide a financing estimate and disclosure to the  
415 residential real property owner which includes all of the  
416 following:

417 1. The total amount estimated to be funded, including the  
418 cost of the qualifying improvements, program fees, and  
419 capitalized interest, if any.

420 2. The estimated annual assessment.

421 3. The term of the assessment.

422 4. The fixed interest charged and estimated annual  
423 percentage rate.

424 5. A description of the qualifying improvement.

425 6. A disclosure that if the property owner sells or  
426 refinances the property, the property owner, as a condition of  
427 the sale or the refinance, may be required by a mortgage lender  
428 to pay off the full amount owed under each assessment financing  
429 agreement.

430 7. A disclosure that the assessment will be collected along  
431 with the property owner's property taxes and will result in a  
432 lien on the property from the date the assessment financing  
433 agreement is executed.

434 8. A disclosure that failure to pay the assessment may  
435 result in penalties and fees, along with the issuance of a tax

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436 certificate that could result in the property owner losing the  
437 real property.

438 (b) Conduct, with a residential real property owner or an  
439 authorized representative, an oral, recorded telephone call  
440 during which time the program administrator must use plain  
441 language. The program administrator must ask the residential  
442 real property owner if he or she would like to communicate  
443 primarily in a language other than English. A program  
444 administrator may not leave a voicemail to the residential real  
445 property owner to satisfy this requirement. A program  
446 administrator, as part of such telephone call, must confirm all  
447 of the following with the residential real property owner:

448 1. That at least one residential real property owner has  
449 access to a copy of the assessment financing agreement and  
450 financing estimates and disclosures.

451 2. The qualifying improvement that is being financed.

452 3. The total estimated annual costs that the residential  
453 real property owner will have to pay under the assessment  
454 financing agreement, including applicable fees.

455 4. The total estimated average monthly equivalent amount of  
456 funds the residential real property owner would have to save in  
457 order to pay the annual costs of the assessment, including  
458 applicable fees.

459 5. The estimated date the residential real property owner's  
460 first property tax payment that includes the assessment will be  
461 due.

462 6. The term of the assessment financing agreement.

463 7. That payments for the assessment financing agreement  
464 will cause the residential real property owner's annual tax bill



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465 to increase and that payments will be made through an additional  
466 annual assessment on the property and will be paid either  
467 directly to the county tax collector's office as part of the  
468 total annual secured property tax bill or may be paid through  
469 the residential real property owner's mortgage escrow account.

470 8. That the qualifying residential property owner has  
471 disclosed whether the property has received or is seeking  
472 additional assessments authorized under this section and has  
473 disclosed all other assessments or special taxes that are or are  
474 about to be placed on the property.

475 9. That the property will be subject to a lien during the  
476 term of the assessment financing agreement and that the  
477 obligations under the agreement may be required to be paid in  
478 full before the residential real property owner sells or  
479 refinances the property.

480 10. That any potential utility or insurance savings are not  
481 guaranteed and will not reduce the assessment or total  
482 assessment amount.

483 11. That the program administrator or contractor do not  
484 provide tax advice and that the residential real property owner  
485 should seek professional tax advice if he or she has questions  
486 regarding tax credits, tax deductibility, or other tax impacts  
487 of the qualifying improvement or the assessment financing  
488 agreement.

489 (19) The residential real property owner may cancel the  
490 assessment financing agreement within 3 business days after  
491 signing the assessment financing agreement without any financial  
492 penalty for doing so.

493 (20) The term of an assessment financing agreement on

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494 residential real property may not exceed:

495 (a) The estimated useful life of the qualifying improvement  
496 being installed if one improvement is being financed; or

497 (b) Either the weighted average estimated useful life of  
498 all qualifying improvements being financed or the estimated  
499 useful life of the qualifying improvements to which the greatest  
500 portion of funds are disbursed if multiple qualifying  
501 improvements are being financed.

502

503 A financing term on residential real property may not exceed 30  
504 years.

505 (21) A program administrator may not offer assessment  
506 financing on any residential real property if the financing  
507 includes any of the following:

508 (a) A negative amortization schedule;

509 (b) A balloon payment; or

510 (c) Prepayment fees, other than nominal administrative  
511 costs.

512 (22) For residential real property, a program  
513 administrator:

514 (a) May not enroll a contractor who offers assessment  
515 financing on residential real property unless:

516 1. The program administrator makes a reasonable effort to  
517 review that the contractor maintains in good standing an  
518 appropriate license from the state, if applicable, as well as  
519 any other permits, licenses, or registrations required for  
520 engaging in business in the jurisdiction in which it operates  
521 and that the contractor maintains all state required bond and  
522 insurance coverage.

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523       2. The program administrator obtains the contractor's  
524 written agreement that the contractor will act in accordance  
525 with all applicable laws, including applicable advertising and  
526 marketing laws and regulations.

527       (b) Must maintain a process to enroll new contractors which  
528 includes reasonable review of the following for each contractor:

529       1. Relevant work or project history.

530       2. Financial and reputational background checks.

531       3. Criminal background check. A program administrator may  
532 rely on a background check conducted by the Florida Department  
533 of Business and Professional Regulation Construction Industry  
534 Licensing Board to comply with this requirement.

535       4. Status on Better Business Bureau or other online  
536 platforms that track contractor reviews.

537       (23) (a) Before disbursing funds to a contractor for a  
538 qualifying improvement on residential real property, a program  
539 administrator must first confirm the applicable work or service  
540 has been completed, either through written certification from  
541 the property owner, a recorded telephone call with the property  
542 owner, or a site inspection through third-party means.

543       (b) A program administrator may not disclose to a  
544 contractor or to a third party engaged in soliciting an  
545 assessment financing agreement the maximum financing amount for  
546 which a residential real property owner is eligible.

547       (24) Each program administrator and contractor must comply  
548 with the following marketing and communications guidelines when  
549 communicating with residential real property owners:

550       (a) A program administrator or contractor may not suggest  
551 or imply:

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552 1. That a REEF program or assessment financing is a  
553 government assistance program;

554 2. That qualifying improvements are free or that assessment  
555 financing is a free program; or

556 3. That the financing of a qualifying improvement using the  
557 REEF program does not require the property owner to repay the  
558 financial obligation.

559 (b) A program administrator or contractor may not make any  
560 representation as to the tax deductibility of an assessment  
561 authorized under this section on residential real property. A  
562 program administrator or contractor may encourage a property  
563 owner to seek the advice of a tax professional regarding tax  
564 matters related to assessments.

565 (25) A contractor should not present a higher price for a  
566 qualifying improvement on residential real property financed by  
567 assessment financing agreement than the contractor would  
568 otherwise reasonably present if the qualifying improvement were  
569 not being financed through a PACE assessment contract.

570 (26) Notwithstanding any provisions to the contrary  
571 contained in this section, the following applies to government  
572 leased property:

573 (a) The assessment financing agreement shall be executed by  
574 either:

575 1. Both the local government and the nongovernmental  
576 lessee; or

577 2. Solely by the nongovernmental lessee but with the  
578 written consent of the local government that must provide  
579 evidence of such consent to the program administrator or REEF  
580 program.

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581 (b) The assessment financing agreement must provide that  
582 the nongovernmental lessee is the only party obligated to pay  
583 the assessment.

584 (c) A delinquent assessment shall be enforced in the manner  
585 provided in s. 196.199(8).

586 (d) The recorded assessment financing agreement or a  
587 summary memorandum of such recorded agreement shall provide  
588 constructive notice that the assessment to be levied on the  
589 property is subject to enforcement in the manner provided in ss.  
590 197.432(10) and 196.199(8).

591 (e) For purposes of subsections (9) and (13) only,  
592 references to the property owner shall be deemed to refer to the  
593 nongovernmental lessee, and references to the period of  
594 ownership shall be deemed to refer to the period that the  
595 nongovernmental lessee has been leasing the property from the  
596 local government.

597 (f) The term of the assessment financing agreement on  
598 government leased property may not exceed the lesser of:

599 1. The useful life of the qualifying improvement being  
600 financed if one improvement is being financed, or, either the  
601 weighted average estimated useful life of all qualifying  
602 improvements being financed or the estimated useful life of the  
603 qualifying improvements to which the greatest portion of funds  
604 are disbursed if multiple qualifying improvements are being  
605 financed;

606 2. The remaining term of the lease on the government leased  
607 property; or

608 3. Thirty years.

609 (27) Residential real property is exempt from subsections

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610 (17) through (25) if:

611 (a) The residential real property is owned by a business  
612 entity that owns more than one residential real property; and

613 (b) The business entity's managing member, partner, or  
614 beneficial owner does not reside in the residential real  
615 property.

616 Section 2. This act shall take effect July 1, 2021.