

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER

1 Committee/Subcommittee hearing bill: Ways & Means Committee
2 Representative Fine offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6
7 Section 1. Subsections (1), (2), (4), (6), (7), (8), (9),
8 (10), (12), (13), and (14) of section 163.08, Florida Statutes,
9 are amended, and subsections (17) through (34) are added to that
10 section, to read:

11 163.08 Supplemental authority for improvements to real
12 property.—

13 (1) (a) In chapter 2008-227, Laws of Florida, the
14 Legislature amended the energy goal of the state comprehensive
15 plan to provide, in part, that the state shall reduce its energy
16 requirements through enhanced conservation and efficiency

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17 | measures in all end-use sectors and reduce atmospheric carbon
18 | dioxide by promoting an increased use of renewable energy
19 | resources. That act also declared it the public policy of the
20 | state to play a leading role in developing and instituting
21 | energy management programs that promote energy conservation,
22 | energy security, and the reduction of greenhouse gases. In
23 | addition to establishing policies to promote the use of
24 | renewable energy, the Legislature provided for a schedule of
25 | increases in energy performance of buildings subject to the
26 | Florida Energy Efficiency Code for Building Construction. In
27 | chapter 2008-191, Laws of Florida, the Legislature adopted new
28 | energy conservation and greenhouse gas reduction comprehensive
29 | planning requirements for local governments. In the 2008 general
30 | election, the voters of this state approved a constitutional
31 | amendment authorizing the Legislature, by general law, to
32 | prohibit consideration of any change or improvement made for the
33 | purpose of improving a property's resistance to wind damage or
34 | the installation of a renewable energy source device in the
35 | determination of the assessed value of residential real
36 | property.

37 | (b) The Legislature finds that all energy-consuming-
38 | improved properties that are not using energy conservation
39 | strategies contribute to the burden affecting all improved
40 | property resulting from fossil fuel energy production. Improved
41 | property that has been retrofitted with energy-related

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42 qualifying improvements receives the special benefit of
43 alleviating the property's burden from energy consumption. All
44 improved properties not protected from wind damage by wind
45 resistance qualifying improvements contribute to the burden
46 affecting all improved property resulting from potential wind
47 damage. Improved property that has been retrofitted with wind
48 resistance qualifying improvements receives the special benefit
49 of reducing the property's burden from potential wind damage.
50 Further, the installation and operation of qualifying
51 improvements not only benefit the affected properties for which
52 the improvements are made, but also assist in fulfilling the
53 goals of the state's energy and hurricane mitigation policies.

54 (c) Properties that do not use secondary or advanced
55 technologies for wastewater treatment and disposal contribute to
56 the water quality problems affecting the state and particularly
57 the coastal areas. Improved properties that have been
58 retrofitted with secondary or advanced onsite wastewater
59 treatment systems or have converted to central or distributed
60 sewerage significantly benefit the quality of water that may
61 enter streams, lakes, rivers, aquifers, canals, estuaries, or
62 coastal areas.

63 (d) In order to make qualifying improvements more
64 affordable and assist property owners who wish to undertake such
65 improvements, the Legislature finds that there is a compelling

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66 state interest in enabling property owners to voluntarily
67 finance such improvements with local government assistance.

68 (e)-(e) The Legislature determines that the actions
69 authorized under this section, including, but not limited to,
70 the financing of qualifying improvements through the execution
71 of assessment financing agreements and the related imposition of
72 voluntary assessments are reasonable and necessary to serve and
73 achieve a compelling state interest and are necessary for the
74 prosperity and welfare of the state and its property owners and
75 inhabitants.

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

77 (a) "Assessment" means the non-ad valorem assessment
78 securing the annual repayment of financing obtained by an owner
79 of commercial real property or residential real property for
80 qualifying improvements under this section.

81 (b) "Assessment financing agreement" means the financing
82 agreement, under a REEF program, between a local government and
83 a property owner for the acquisition or installation of
84 qualifying improvements.

85 (c) "Commercial real property" means any property not
86 defined as a residential real property which will be or is
87 improved by a qualifying improvement, including, but not limited
88 to, the following:

89 1. A multifamily residential property composed of five or
90 more dwelling units.

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91 2. A commercial real property.

92 3. An industrial building or property.

93 4. An agricultural property.

94 5. A government leased property.

95 (d) "Contractor" means an independent contractor who
96 contracts with a property owner to install qualifying
97 improvements on real property but who is not the owner of such
98 property.

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

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

105 (g) "Nongovernmental lessee" means a person or entity
106 other than a local government which is the lessee of government
107 leased real property.

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

111 (i)-(b) "Qualifying improvement" includes any:

112 1. Energy conservation and efficiency improvement, which
113 is a measure to reduce consumption through conservation or a
114 more efficient use of electricity, natural gas, propane, or
115 other forms of energy on the property, including, but not

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116 limited to, air sealing; installation of insulation;
117 installation of energy-efficient heating, cooling, or
118 ventilation systems; building modifications to increase the use
119 of daylight; replacement of windows; installation of energy
120 controls or energy recovery systems; installation of electric
121 vehicle charging equipment; and installation of efficient
122 lighting equipment.

123 2. Renewable energy improvement, which is the installation
124 of any system in which the electrical, mechanical, or thermal
125 energy is produced from a method that uses one or more of the
126 following fuels or energy sources: hydrogen, solar energy,
127 geothermal energy, bioenergy, and wind energy.

128 3. Wind resistance improvement, which includes, but is not
129 limited to:

- 130 a. Improving the strength of the roof deck attachment;
131 b. Creating a secondary water barrier to prevent water
132 intrusion;
133 c. Installing wind-resistant shingles;
134 d. Installing gable-end bracing;
135 e. Reinforcing roof-to-wall connections;
136 f. Installing storm shutters; or
137 g. Installing opening protections.

138 4. Wastewater treatment improvements, but only if such
139 improvements are located in areas included by the Department of
140 Environmental Protection in the Wastewater Treatment Improvement

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141 Pilot Program under subsection (34). For purposes of this
142 section, the term "wastewater treatment improvement" includes
143 the removal, replacement, or improvement of an onsite sewage
144 treatment and disposal system with a secondary or advanced
145 onsite treatment and disposal system or technology or the
146 replacement of an onsite sewage treatment and disposal system
147 with a central or distributed sewage system. The term
148 "wastewater treatment improvement" also includes removal,
149 repairs, or modifications made to an onsite sewage treatment and
150 disposal system under s. 381.0065.

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

154 (k) "Resiliency Energy Environment Florida program" or
155 "REEF program" means a program established by a local
156 government, alone or in partnership with other local governments
157 or a program administrator, to finance qualifying improvements
158 on commercial real property or residential real property.

159 (4) Subject to local government ordinance or resolution, a
160 property owner may apply to the REEF program ~~the local~~
161 ~~government~~ for funding to finance a qualifying improvement and
162 enter into an assessment ~~a~~ financing agreement with the local
163 government. Costs incurred by the REEF program ~~local government~~
164 for such purpose may be collected as a non-ad valorem
165 assessment. A non-ad valorem assessment shall be collected

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166 pursuant to s. 197.3632 and, notwithstanding s. 197.3632(8)(a),
167 is ~~shall~~ not ~~be~~ subject to discount for early payment. However,
168 the notice and adoption requirements of s. 197.3632(4) do not
169 apply if this section is used and complied with, and the intent
170 resolution, publication of notice, and mailed notices to the
171 property appraiser, tax collector, and Department of Revenue
172 required by s. 197.3632(3)(a) may be provided on or before
173 August 15 in conjunction with any non-ad valorem assessment
174 authorized by this section, if the property appraiser, tax
175 collector, and local government agree.

176 (6) A local government may enter into an agreement with a
177 program administrator to administer a REEF program ~~A qualifying~~
178 ~~improvement program may be administered by a for-profit entity~~
179 ~~or a not-for-profit organization on behalf of and at the~~
180 ~~discretion of the local government.~~

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

185 (8) A local government may enter into an assessment ~~a~~
186 financing agreement to finance or refinance a qualifying
187 improvement only with the record owner of the affected property.
188 Any assessment financing agreement entered into pursuant to this
189 section or a summary memorandum of such agreement shall be
190 submitted for recording ~~recorded~~ in the public records of the

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191 county within which the property is located by the ~~sponsoring~~
192 ~~unit of~~ local government within 5 days after execution of the
193 agreement. The recorded agreement shall provide constructive
194 notice that the assessment to be levied on the property
195 constitutes a lien of equal dignity to county taxes and
196 assessments from the date of recordation. A notice of lien for
197 the full amount of the financing may be recorded in the public
198 records of the county where the property is located. Such lien
199 shall not be enforceable in a manner that results in the
200 acceleration of the remaining non-delinquent unpaid balance of
201 the assessment financing agreement.

202 (9) Before entering into an assessment a financing
203 agreement, the local government or the program administrator
204 acting on its behalf, shall reasonably determine that:

205 (a) All property taxes and any other assessments levied on
206 the same bill as property taxes are current and have been paid
207 and have not been delinquent for more than 60 days for the
208 preceding 3 years or the property owner's period of ownership,
209 whichever is less;

210 (b) ~~that~~ There are no involuntary liens greater than
211 \$1,000, including, but not limited to, construction liens on the
212 property;

213 (c) ~~that~~ No notices of default or other evidence of
214 property-based debt delinquency have been recorded and not

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215 released during the preceding 3 years or the property owner's
216 period of ownership, whichever is less;

217 (d) The local government or program administrator has
218 asked the property owner whether any other assessments under
219 this section have been recorded or have been funded and not yet
220 recorded on the property. The failure of a property owner to
221 disclose information set forth in this subsection does not
222 invalidate an assessment financing agreement or any obligation
223 thereunder, even if the total financed amount of the qualifying
224 improvement exceeds the amount that would otherwise be
225 authorized under paragraph (12) (a); and

226 (e) ~~that~~ The property owner is current on all mortgage
227 debt on the property.

228 (10) Before final funding may be provided, a qualifying
229 improvement ~~must shall~~ be affixed or plan to be affixed to a
230 commercial or residential real ~~building or facility that is part~~
231 of the property and constitutes shall constitute an improvement
232 to that property the ~~building or facility or a fixture attached~~
233 to the ~~building or facility~~. An assessment financing agreement
234 between a local government and a qualifying property owner may
235 not cover qualifying wind-resistance improvements on commercial
236 or residential properties ~~in buildings or facilities~~ under new
237 construction ~~or construction for which a certificate of~~
238 occupancy or similar evidence of substantial completion of new
239 construction or improvement has not been issued.

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240 (12) (a) Without the consent of the holders or loan
241 servicers of any mortgage encumbering or otherwise secured by
242 the property, the total amount of any non-ad valorem assessment
243 for a property under this section may not exceed 20 percent of
244 the just value of the property as determined by the county
245 property appraiser. The combined mortgage-related debt and total
246 amount of any non-ad valorem assessments authorized under this
247 section for residential real property may not exceed 100 percent
248 of the fair market value of the residential real property.

249 (b) Notwithstanding paragraph (a), a non-ad valorem
250 assessment for a qualifying improvement defined in subparagraph
251 (2) (i)1. ~~(2) (b)1.~~ or subparagraph (2) (i)2. ~~(2) (b)2.~~ that is
252 supported by an energy audit is not subject to the limits in
253 this subsection if the audit demonstrates that the annual energy
254 savings from the qualified improvement equals or exceeds the
255 annual repayment amount of the non-ad valorem assessment.

256 (13) At least 30 days before entering into an assessment ~~a~~
257 financing agreement, the property owner shall provide to the
258 holders or loan servicers of any existing mortgages encumbering
259 or otherwise secured by the property a notice of the owner's
260 intent to enter into an assessment ~~a~~ financing agreement
261 together with the maximum principal amount to be financed and
262 the maximum annual assessment necessary to repay that amount. A
263 verified copy or other proof of such notice shall be provided to
264 the local government. A provision in any agreement between a

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265 mortgagee or other lienholder and a property owner, or otherwise
266 now or hereafter binding upon a property owner, which allows for
267 acceleration of payment of the mortgage, note, or lien or other
268 unilateral modification solely as a result of entering into an
269 assessment ~~a~~ financing agreement as provided for in this section
270 is not enforceable. This subsection does not limit the authority
271 of the holder or loan servicer to increase the required monthly
272 escrow by an amount necessary to ~~annually~~ pay the annual
273 ~~qualifying improvement~~ assessment.

274 (14) At or before the time a purchaser executes a contract
275 for the sale and purchase of any property for which a non-ad
276 valorem assessment has been levied under this section and has an
277 unpaid balance due, the seller must ~~shall~~ give the prospective
278 purchaser a written disclosure statement in the following form,
279 which shall be set forth in the contract or in a separate
280 writing:

281 QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY,
282 ~~OR~~ WIND RESISTANCE, OR ADVANCED TECHNOLOGIES FOR WASTEWATER
283 TREATMENT.—The property being purchased is located within the
284 jurisdiction of a local government that has placed an assessment
285 on the property pursuant to s. 163.08, Florida Statutes. The
286 assessment is for a qualifying improvement to the property
287 relating to energy efficiency, renewable energy, ~~or~~ wind
288 resistance, or advanced technologies for wastewater treatment,
289 and is not based on the value of property. You are encouraged to

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290 contact the county property appraiser's office to learn more
291 about this and other assessments that may be provided by law.

292 (17) Before entering into an assessment financing
293 agreement for a qualifying improvement on a residential real
294 property, a program administrator must reasonably determine that
295 the property owner has an ability to pay the estimated annual
296 assessment. To do so, the program administrator must, at a
297 minimum, use the underwriting requirement in subsection (9), to
298 confirm that the property owner is not in bankruptcy and
299 determine that the total estimated annual payment amount for all
300 the assessment financing agreements authorized under this
301 section on the property do not exceed 10 percent of the property
302 owner's annual household income. Income may be confirmed using
303 information gathered from reputable third-parties that provide
304 reasonably reliable evidence of the property owner's household
305 income. Income may not be confirmed solely from a property
306 owner's statement.

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

310 (a) Provide a financing estimate and disclosure to the
311 residential real property owner which includes all of the
312 following:

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313 1. The total amount estimated to be funded, including the
314 cost of the qualifying improvements, program fees, and
315 capitalized interest, if any.

316 2. The estimated annual assessment.

317 3. The term of the assessment.

318 4. The fixed interest charged and estimated annual
319 percentage rate.

320 5. A description of the qualifying improvement.

321 6. A disclosure that if the property owner sells or
322 refinances the property, the property owner, as a condition of
323 the sale or the refinance, may be required by a mortgage lender
324 to pay off the full amount owed under each assessment financing
325 agreement.

326 7. A disclosure that the assessment will be collected
327 along with the property owner's property taxes and will result
328 in a lien on the property from the date the assessment financing
329 agreement is executed.

330 8. A disclosure that failure to pay the assessment may
331 result in penalties and fees, along with the issuance of a tax
332 certificate that could result in the property owner losing the
333 real property.

334 (b) Conduct, with a residential real property owner or an
335 authorized representative, an oral, recorded telephone call
336 during which time the program administrator must use plain
337 language. The program administrator must ask the residential

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338 real property owner if he or she would like to communicate
339 primarily in a language other than English. A program
340 administrator may not leave a voicemail to the residential real
341 property owner to satisfy this requirement. A program
342 administrator, as part of such telephone call, must confirm all
343 of the following with the residential real property owner:

- 344 1. That at least one residential real property owner has
345 access to a copy of the assessment financing agreement and
346 financing estimates and disclosures.
- 347 2. The qualifying improvement that is being financed.
- 348 3. The total estimated annual costs that the residential
349 real property owner will have to pay under the assessment
350 financing agreement, including applicable fees.
- 351 4. The total estimated average monthly equivalent amount
352 of funds the residential real property owner would have to save
353 to pay the annual costs of the assessment, including applicable
354 fees.
- 355 5. The estimated date the residential real property
356 owner's first property tax payment that includes the assessment
357 will be due.
- 358 6. The term of the assessment financing agreement.
- 359 7. That payments for the assessment financing agreement
360 will cause the residential real property owner's annual tax bill
361 to increase and that payments will be made through an additional
362 annual assessment on the property and will be paid either

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363 directly to the county tax collector's office as part of the
364 total annual secured property tax bill or through the
365 residential real property owner's mortgage escrow account.

366 8. That the qualifying residential property owner has
367 disclosed whether the property has received or is seeking
368 additional assessments authorized under this section and has
369 disclosed all other assessments authorized under this section
370 that are or are about to be placed on the property.

371 9. That the property will be subject to a lien during the
372 term of the assessment financing agreement and that the
373 obligations under the agreement may be required to be paid in
374 full before the residential real property owner sells or
375 refinances the property.

376 10. That any potential utility or insurance savings are
377 not guaranteed and will not reduce the assessment or total
378 assessment amount.

379 11. That the program administrator or contractor do not
380 provide tax advice and that the residential real property owner
381 should seek professional tax advice if he or she has questions
382 regarding tax credits, tax deductibility, or other tax impacts
383 of the qualifying improvement or the assessment financing
384 agreement.

385 (19) The residential real property owner may cancel the
386 assessment financing agreement within 3 business days after

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387 signing the assessment financing agreement without any financial
388 penalty for doing so.

389 (20) The term of an assessment financing agreement on
390 residential real property may not exceed:

391 (a) The estimated useful life of the qualifying
392 improvement being installed if one improvement is being
393 financed; or

394 (b) The weighted average estimated useful life of all
395 qualifying improvements being financed or the estimated useful
396 life of the qualifying improvements to which the greatest
397 portion of funds are disbursed if multiple qualifying
398 improvements are being financed.

399
400 A financing term on residential real property may not exceed 30
401 years.

402 (21) A REEF program may not offer assessment financing on
403 any residential real property if the financing includes any of
404 the following:

405 (a) A negative amortization schedule.

406 (b) A balloon payment.

407 (c) Prepayment fees, other than nominal administrative
408 costs.

409 (22) For residential real property, a program
410 administrator:

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- 411 (a) May not enroll a contractor who contracts with
412 residential real property owners to install qualifying
413 improvements unless:
- 414 1. The program administrator makes a reasonable effort to
415 review that the contractor maintains in good standing an
416 appropriate license from the state, if applicable, as well as
417 any other permits, licenses, or registrations required for
418 engaging in business in the jurisdiction in which he or she
419 operates and that the contractor maintains all state required
420 bond and insurance coverage.
- 421 2. The program administrator obtains the contractor's
422 written agreement that the contractor will act in accordance
423 with all applicable laws, including applicable advertising and
424 marketing laws and regulations.
- 425 (b) Must maintain a process to enroll new contractors
426 which includes reasonable review of the following for each
427 contractor:
- 428 1. Relevant work or project history.
429 2. Financial and reputational background checks.
430 3. A criminal background check. A program administrator
431 may rely on a background check conducted by the Construction
432 Industry Licensing Board within the Department of Business and
433 Professional Regulation to comply with this requirement.
- 434 4. Status on Better Business Bureau or other online
435 platform that track contractor reviews.

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436 (23) (a) Before disbursing funds to a contractor for a
437 qualifying improvement on residential real property, a program
438 administrator must first confirm that the applicable work or
439 service has been completed, either through a written
440 certification from the property owner, a recorded telephone call
441 with the property owner, or a site inspection through third-
442 party means.

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

447 (24) Each program administrator and contractor must comply
448 with the following marketing and communications guidelines when
449 communicating with residential real property owners:

450 (a) A program administrator or contractor may not suggest
451 or imply:

452 1. That a REEF program or assessment financing is a
453 government assistance program;

454 2. That qualifying improvements are free or that
455 assessment financing is a free program; or

456 3. That the financing of a qualifying improvement using
457 the REEF program does not require the property owner to repay
458 the financial obligation.

459 (b) A program administrator or contractor may not make any
460 representation as to the tax deductibility of an assessment

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461 authorized under this section. A program administrator or
462 contractor may encourage a property owner to seek the advice of
463 a tax professional regarding tax matters related to assessments.

464 (25) A contractor should not present a higher price for a
465 qualifying improvement on residential real property financed by
466 an assessment financing agreement than the contractor would
467 otherwise reasonably present if the qualifying improvement was
468 not being financed through an assessment financing agreement.

469 (26) A program administrator shall use appropriate
470 methodologies or technologies to identify and verify the
471 identity of the residential real property owners who execute an
472 assessment financing agreement.

473 (27) Residential property subject to an existing home
474 equity conversion mortgage, reverse mortgage product, or
475 residential properties gifted to homeowners by non-profit
476 entities are not eligible for assessment financing under this
477 section.

478 (28) A program administrator shall not provide a
479 contractor with any payment, fee, or kickback in exchange for
480 referring assessment financing business relating to a specific
481 assessment financing agreement.

482 (29) A program administrator must develop and implement
483 policies and procedures for responding, tracking, and timely
484 helping to resolve questions and property owner complaints as
485 soon as reasonably practicable.

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486 (30) A program administrator must maintain a process for
487 monitoring contractors that contract with residential real
488 property owners to install qualifying improvements with regard
489 to performance and compliance with program policies and shall
490 implement policies for suspending and terminating contractors
491 based on violations of program policies or unscrupulous
492 behavior. A program administrator shall maintain a policy for
493 determining the conditions on which a contractor may be
494 reinstated to the program.

495 (31) As part of its annual audit report, a dependent
496 special district as defined in s. 189.012 or a separate legal
497 entity created pursuant to s. 163.01(7) that implements a
498 program authorized under this section shall include information
499 and data related to the following:

500 (a) The total number of property owner complaints received
501 that are associated with a project funding in the report year.

502 (b) Of the total number of complaints received associated
503 with project funding in the report year:

504 1. The number and percentage of complaints that relate to
505 the assessment financing.

506 2. The number and percentage of complaints that relate to
507 a contractor or the workmanship of a contractor and are not
508 related to assessment financing.

509 3. The number and percentage of complaints that relate to
510 both a contractor and the assessment financing.

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511 4. The number and percentage of complaints under
512 subparagraphs 1., 2., and 3. that were resolved and the number
513 and percentage of complaints that were not resolved.

514 (c) The percentage of complaints in subparagraphs (b)1.,
515 2., and 3. expressed as a total of all projects funded in the
516 report year.

517 (32) Notwithstanding any provision of this section to the
518 contrary, the following applies to government leased property:

519 (a) The assessment financing agreement must be executed by
520 either:

521 1. The local government and the nongovernmental lessee; or
522 2. Solely by the nongovernmental lessee but with the
523 written consent of the local government which evidences the
524 local government's consent to the program administrator or REEF
525 program.

526 (b) The assessment financing agreement must provide that
527 the nongovernmental lessee is the only party obligated to pay
528 the assessment.

529 (c) A delinquent assessment shall be enforced in the
530 manner provided in ss. 196.199(8) and 197.432(10).

531 (d) The recorded assessment financing agreement or a
532 summary memorandum of such recorded agreement must provide
533 constructive notice that the assessment to be levied on the
534 property is subject to enforcement in the manner provided in ss.
535 196.199(8) and 197.432(10).

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536 (e) For purposes of subsections (9) and (13) only,
537 references to the property owner are deemed to refer to the
538 nongovernmental lessee and references to the period of ownership
539 are deemed to refer to the period that the nongovernmental
540 lessee has been leasing the property from the local government.

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

543 1. The useful life of the qualifying improvement being
544 financed if one improvement is being financed, or, either the
545 weighted average estimated useful life of all qualifying
546 improvements being financed or the estimated useful life of the
547 qualifying improvements to which the greatest portion of funds
548 are disbursed if multiple qualifying improvements are being
549 financed;

550 2. The remaining term of the lease on the government
551 leased property; or

552 3. Thirty years.

553 (33) (a) Subsections (17)-(30) do not apply to residential
554 real property if the program administrator reasonably determines
555 that:

556 1. The residential real property is owned by a business
557 entity that owns more than one residential real property; and

558 2. The business entity's managing member, partner, or
559 beneficial owner does not reside in the residential real
560 property.

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561 (b) Subsections (17)-(30) only apply to a program
562 administrator when administering a REEF program for qualifying
563 improvements on residential real property. Subsections (17)-(30)
564 do not apply with respect to a local government.

565 (34) (a) The Department of Environmental Protection is
566 directed to create the Wastewater Treatment Improvement Pilot
567 Program, which may not exceed 5 years, beginning January 1,
568 2022. The department, by rule, may determine the areas in the
569 state in which a wastewater treatment improvement may
570 participate in the pilot program and be considered a "qualifying
571 improvement", as that term is defined in subsection (1) under
572 the REEF program.

573 (b) In determining areas, the department must consider
574 criteria that are consistent with the state's goals, objectives,
575 and policies of promoting clean water and environmental
576 protection. In addition, in developing the rules:

577 1. The department must consider the benefits accruing from
578 installation of wastewater treatment improvements to real
579 properties or the burdens relieved from installation of the
580 wastewater treatment improvements to real property;

581 2. The department may only include areas in the pilot
582 program located in counties that have agreed to participate in
583 the pilot program; and

584 3. The department must consider the program elements or
585 conditions that may inform or encourage property owners to

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586 | voluntarily install wastewater treatment improvements to
587 | accomplish identified state goals, objectives, or policies.

588 | 4. The department shall give preference to areas that
589 | impact the following:

590 | a. Indian River Lagoon National Estuary.

591 | b. Coastal and Heartland National Estuary.

592 | c. Tampa Bay Estuary.

593 | d. Sarasota Bay Estuary.

594 | e. Biscayne Bay Estuary.

595 | (c) Notwithstanding any other provision in this section,
596 | to the contrary, a local government may not impose any restraint
597 | or condition on funding and financing for wastewater treatment
598 | improvements except restraints or conditions that are expressly
599 | described by department rule or in this section.

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

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603 | **T I T L E A M E N D M E N T**

604 | Remove everything before the enacting clause and insert:

605 | A bill to be entitled

606 | An act relating to improvements to real property; amending s.
607 | 163.08, F.S.; revising legislative findings; providing and
608 | revising definitions; authorizing local governments to enter
609 | into agreements with program administrators to administer the
610 | REEF program; specifying that costs incurred by the REEF program

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611 may be collected as non-ad valorem assessments; authorizing a
612 notice of lien for the financing to be recorded in the public
613 records of specified counties; specifying instances when a lien
614 is not enforceable; revising the items a local government or a
615 program administrator must reasonably determine before entering
616 into an assessment financing agreement; requiring a qualifying
617 improvement to be affixed or plan to be affixed to specified
618 properties before final funding; specifying a cap on the
619 combined mortgage-related debt and non-ad valorem assessment
620 which are authorized under this act; revising the written
621 disclosure statement required to be given by sellers to
622 prospective purchasers to include advanced technologies for
623 wastewater treatment; requiring a program administrator to make
624 specified determinations about a property owner's ability to pay
625 the annual assessment; specifying information a program
626 administrator must provide to the residential real property
627 owner or an authorized representative before entering into an
628 assessment financing agreement; specifying a timeframe within
629 which a residential real property owner may cancel an assessment
630 financing agreement; prohibiting the term of an assessment
631 financing agreement from exceeding specified timeframes;
632 prohibiting a REEF program from offering specified types of
633 financing for residential real properties; prohibiting a program
634 administrator from enrolling certain contractors unless certain
635 conditions are met; providing requirements that must be met

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636 before a program administrator may disburse funds; specifying
637 marketing and communications guidelines that program
638 administrators and contractors must comply with when
639 communicating with residential real property owners; prohibiting
640 a contractor from engaging in certain practices regarding
641 pricing of qualifying improvements on residential real
642 properties; providing requirements for verifying the identity of
643 residential real property owners who enter into assessment
644 financing agreements; prohibiting certain types of properties
645 with reverse mortgages from using assessment financing
646 agreements; prohibiting kickbacks to contractors; providing
647 requirements and procedures for program administrators to
648 implement for responding to and tracking complaints; providing
649 requirements that program administrators maintain a process for
650 suspending and terminating contractors; establishing reporting
651 requirements; specifying requirements for government leased
652 property; providing exemptions for residential real property
653 that meets certain conditions; specifying that certain
654 provisions only apply to residential real property qualifying
655 improvements; authorizing a pilot program to be administered by
656 the Department of Environmental Protections for wastewater
657 treatment improvements; providing an effective date.