

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 Committee on Banking and Insurance

BILL: CS/SB 748

INTRODUCER: Senate Committee on Banking and Insurance and Senator Boyd

SUBJECT: My Safe Florida Home Program

DATE: March 17, 2023

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Knudson	BI	Fav/CS
2.			AEG	
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 748 revises provisions relating to the My Safe Florida Home Program (Program) to:

- Provide that the Program may select as a mitigation inspector a licensed home inspector who has completed certain training;
- Provide that an inspection under the Program may only be done on a property for which a homestead exemption has been granted;
- Delete the requirement that a property eligible for a mitigation grant must be located in the “wind-borne debris region”;
- Increase the amount, from \$5,000 to \$10,000, that low-income homeowners may receive from a grant and not have to provide a matching amount;
- Add the Citizens Property Insurance Corporation to the list of entities that may receive Program brochures for redistribution;
- Delete the requirement that contracts valued at \$1 million or more entered into by the Program be reviewed and approved by the Legislative Budget Commission; and
- Require the Department of Financial Services to develop a quality assurance and reinspection program.

The bill does not have a fiscal impact on state or local governments.

The bill is effective on July 1, 2023.

II. Present Situation:

My Safe Florida Home Program

In 2022, the Legislature reestablished the My Safe Florida Home Program (Program) within the Department of Financial Services (DFS) to provide financial incentives for Florida residential property owners to obtain free home inspections that identify mitigation measures and provide grants to retrofit such properties, thereby reducing their vulnerability to hurricane damage and helping decrease the cost of residential property insurance.¹

To implement the Program, \$150 million in nonrecurring funds from the General Revenue Fund was appropriated to the DFS. The funds were designated for the following purposes:

- \$25 million for hurricane mitigation inspections.
- \$115 million for hurricane mitigation grants.
- \$4 million for education and consumer awareness.
- \$1 million for public outreach to contractors, real estate brokers, and sales associates.
- \$5 million for administrative costs.²

The program was originally created in 2006³ following the 2004 and 2005 hurricane seasons, where 2.8 million Florida homeowners suffered more than \$33 billion in insured property damage.⁴ At that time, 86 percent of the 4.4 million homes in Florida were built prior to the adoption of stronger building codes in 2002. The average age of a home was 26 years.⁵ The original appropriation for the program in 2006 was \$250 million.⁶

Hurricane Mitigation Inspections

The Program provides trained and certified inspectors to perform inspections for owners of site-built, single-family, residential properties to determine what mitigation measures are needed, what insurance premium discounts may be available, and what improvements to existing residential properties are needed to reduce the property's vulnerability to hurricane damage. The inspections must include, at a minimum:

- A home inspection and report that summarizes the results and identifies recommended improvements a homeowner may take to mitigate hurricane damage.
- A range of cost estimates regarding the recommended mitigation improvements.
- Insurer-specific information regarding premium discounts correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.⁷

¹ Section 3, ch. 2022-268, L.O.F.

² Section 4, ch. 2022-268, L.O.F.

³ The Legislature initially established the program as the Florida Comprehensive Hurricane Damage Mitigation Program (ch. 2006-12, L.O.F.) however, the name was subsequently changed in 2007 (ch. 2007-126, L.O.F.).

⁴ Department of Financial Services, My Safe Florida Home, 2008 Annual Report (Feb. 2009) (On file with Senate Banking and Insurance Committee).

⁵ *Id.* My Safe Florida Home 2008 Annual Report.

⁶ Chapter 2006-12 L.O.F. Any unused funds appropriated to the program would revert to the state on June 30, 2009. According to an Operational Audit by the Auditor General, expenditures totaled approximately \$151.9 million of the \$250 million. See Florida Office of the Auditor General, Operational Audit of the Department of Financial Services, My Safe Florida Home program (Jan. 1010) REPORT NO. 2010-074, [Microsoft Word - 2010-074 DFS MSFH.docx \(flauditor.gov\)](#) (last accessed on February 21, 2023).

⁷ Section 215.5586(1)(a), F.S.

The DFS is authorized to contract with “wind certification entities” as vendors to provide such inspections. Each wind certification entity must, at a minimum, meet the following requirements

- Use hurricane mitigation inspectors who:
 - Are certified as a building inspector under s. 468.607, F.S.;
 - Are licensed as a general or residential contractor under s. 489.111, F.S.;
 - Are licensed as a professional engineer under s. 471.015, F.S. and who have passed the appropriate equivalency test of the building code training program as required by s. 553.841, F.S.;
 - Are licensed as a professional architect under s. 481.213, F.S.; or
 - Have at least 2 years of experience in residential construction or residential building inspection and have received specialized training in hurricane mitigation procedures.
- Use hurricane mitigation inspectors who also:
 - Have undergone drug testing and a background screening; and
 - Have been certified satisfactorily to the department to conduct the inspections.
- Provide a quality assurance program that includes a reinspection component.⁸

Hurricane Mitigation Grants

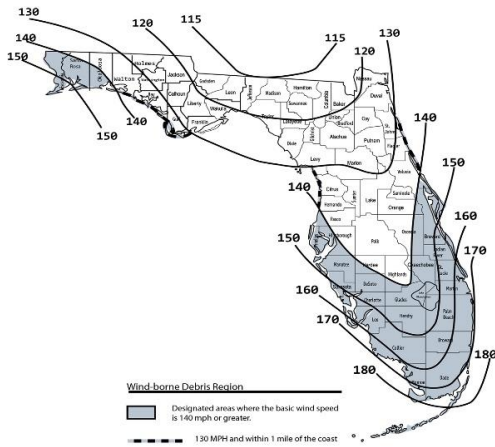
The homeowner eligibility requirements for the mitigation grants are:

- The homeowner must have been granted a homestead exemption on the home
- The home must be a dwelling with an insured value of \$500,000 or less. Low-income homeowners are exempt from this requirement.
- The home must have undergone an acceptable hurricane mitigation inspection after July 1, 2008.
- As a condition for participation in the program, a building permit for the initial construction of the home must have been made before January 1, 2008.
- The homeowner must agree to make the home available for inspection upon completion of the mitigation project.
- The home must be in the “wind-borne debris region” (*see* shaded area in image below) as that term is defined in the Florida Building Code.⁹

Windborne-Debris Map – Florida

⁸ Section 215.5586(1)(b), F.S.

⁹ Section 215.5586(2)(a), F.S.



All program grants must be matched on the basis of \$1 provided by the applicant for \$2 provided by the state, up to a maximum state contribution of \$10,000 toward the actual cost of the mitigation project.¹⁰ Low-income homeowners may receive up to \$5,000 in grant funds without providing matching dollars.¹¹ A homeowner who receives a Program grant must agree to make his or her home available for inspection after the mitigation project is completed.¹²

Program Transparency Requirements

The DFS must submit an annual report of program activities to the President of the Senate and the Speaker of the House of Representatives. The report must include the average annual amount of insurance premium discounts and the total of such discounts homeowners received from insurers resulting from the mitigation funded through the program.¹³

2022 MSFH Program Implementation

Following the passage of SB 2-D in 2022, The DFS procured a vendor to administer the Program, qualified inspectors to conduct mitigation inspections, and qualified contractors who agreed to provide mitigation repairs and retrofitting under the grant portion of the Program.¹⁴ The DFS compiled a list of approved vendors that homeowners participating in the Program may choose for inspections and mitigation work.¹⁵

On November 18, 2022, a web-based application for homeowners to request mitigation inspections and grant funds went live.¹⁶ Between May 26, 2022 and February 28, 2023, 16,724 mitigation inspections were completed and 2,979 grant applications were approved.¹⁷

¹⁰ Section 215.5586(2)(b), F.S.

¹¹ Section 215.5586(2)(g), F.S.

¹² Section 215.5586(2)(a)6., F.S.

¹³ Section 215.5586(10), F.S.

¹⁴ Florida Department of Financial Services, Agency Analysis of 2023 Senate Bill 748, p. 1 (Mar. 1, 2023).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

Inspectors completing mitigation inspections under the MSFH Program must complete the Uniform Mitigation Verification Inspection Form (Inspection Form), as revised by the Office of Insurance Regulation on January 12, 2023.¹⁸ The mitigation inspection report provided to the homeowner includes the completed Inspection Form, as well as the information already required by statute,¹⁹ including:

- A summary of the results of the mitigation inspection identifying recommended improvements a homeowner may undertake;
- A range of cost estimates regarding the recommended improvements; and
- Estimated property insurance premium discounts based on the mitigation measures the homeowner has completed.²⁰

III. Effect of Proposed Changes:

Section 1 amends s. 215.5586, F.S., relating to the My Safe Florida Home Program to:

- Provide that the Program use licensed, rather than certified, inspectors to provide hurricane mitigation inspections on site-built, single-family, residential properties that have been granted a homestead exemption;
- Revise the information provided to homeowners as part of a hurricane mitigation inspection to include information regarding estimated premium discounts, rather than insurer-specific premium discounts;
- Provide that the Program may select as a mitigation inspector a home inspector licensed under s. 468.8314, F.S., who has completed at least 3 hours of hurricane mitigation training approved by the Construction Industry Licensing Board, which training includes hurricane mitigation techniques, compliance with the uniform mitigation verification form, and completion of a proficiency exam;
- Provide that the Program may no longer select as a mitigation inspector a person who has at least 2 years of experience in residential construction or residential building inspection and has received specialized training in hurricane mitigation procedures;
- Provide that the inspector background screening be a “level II” background screening;
- Provide that inspections may only be done on a property for which a homestead exemption has been granted;
- Remove the requirement that a property eligible for a mitigation grants must have undergone an acceptable hurricane mitigation inspection after July 1, 2008, but keep the requirement that the property must have undergone an acceptable hurricane mitigation inspection by the Program;
- Delete the requirement that a property eligible for a mitigation grant must be located in the “wind-borne debris region”;
- Delete the provision that mitigation projects be subject to random reinspection;
- Remove “brace gable ends” and “upgrading roof covering from code to code plus” from the list of eligible mitigation grant projects;
- Increase the amount, from \$5,000 to \$10,000, that low-income homeowners may receive from a grant and not have to provide a matching amount;

¹⁸ *Id.*

¹⁹S. 215.5586(1)(a), F.S.

²⁰ Department of Financial Services, *supra* note 14, at 2.

- Remove a provision authorizing low-income homeowners to use grant funds to make repairs to existing structures that are necessary for the mitigation improvement;
- Authorize, rather than require, the Program to develop brochures that provide information on the benefits of residential hurricane damage mitigation for distribution to Citizens Property Insurance Corporation, general contractors, roofing contractors, and real estate licensees;
- Delete the requirement that contracts valued at \$1 million or more entered into by the Program be reviewed and approved by the Legislative Budget Commission;
- Require the DFS to develop a quality assurance and reinspection program, which may use random sampling to perform the quality assurance portion of the program, that will determine whether initial inspections and mitigation improvements are completed in a manner consistent with the intent of the program; and
- Revise the contents of the annual report to include the “estimated” average annual amount of insurance premium discounts and total “estimated” annual amount of insurance premium discounts homeowners received from insurers as a result of mitigation projects funded by the program.

Section 2 reenacts s. 215.5588(3), F.S., relating to the Florida Disaster Recovery Program, to incorporate the amendments made to s. 215.5586, F.S., by the bill.

The effective date of the bill is July 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill increases the number of homeowners eligible for the Program.

C. Government Sector Impact:

While the bill increases the number of homeowners eligible for the Program, it does not appropriate additional finds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 215.5586 and 215.5588.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Banking and Insurance Committee on March 15, 2023:**

The committee substitute makes the following changes:

- Removes the proposed change to include townhomes in the Program;
- Deletes proposed authority for the Department of Financial Services to create criteria prioritizing inspection applications; and
- Adds the Citizens Property Insurance Corporation to the list of entities that may receive Program brochures for redistribution.

B. Amendments:

None.