

By the Committee on Community Affairs; and Senator Rodriguez

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1                                   A bill to be entitled  
2       An act relating to Resiliency Energy Environment  
3       Florida programs; amending s. 163.08, F.S.; revising  
4       legislative intent; defining and revising terms;  
5       providing that a property owner may apply to a  
6       Resiliency Energy Environment Florida (REEF) program  
7       for funding to finance a qualifying improvement and  
8       may enter into an assessment financing agreement with  
9       a local government; providing that REEF program costs  
10      may be collected as non-ad valorem assessments;  
11      authorizing a local government to enter into an  
12      agreement with a program administrator to administer a  
13      REEF program on the local government's behalf;  
14      revising and specifying public recording requirements  
15      for assessment financing agreements and notices of  
16      lien; revising requirements that apply to local  
17      governments or program administrators in determining  
18      eligibility for assessment financing; revising  
19      requirements for qualifying improvements; revising the  
20      calculation of non-ad valorem assessment limits;  
21      providing construction; specifying underwriting,  
22      financing estimate, disclosure, and confirmation  
23      requirements for program administrators relating to  
24      residential real property; authorizing a residential  
25      real property owner, under certain circumstances and  
26      within a certain timeframe, to cancel an assessment  
27      financing agreement without financial penalty;  
28      specifying limitations on assessment financing  
29      agreement terms for residential real property;

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30 prohibiting certain financing terms for residential  
31 real property; specifying requirements for, and  
32 certain prohibited acts by, program administrators  
33 relating to assessment financing agreements and  
34 contractors for qualifying improvements to residential  
35 real property; specifying additional annual reporting  
36 requirements for program administrators; providing  
37 construction and applicability; conforming provisions  
38 to changes made by the act; providing an effective  
39 date.

40  
41 Be It Enacted by the Legislature of the State of Florida:

42  
43 Section 1. Subsection (16) of section 163.08, Florida  
44 Statutes, is redesignated as subsection (32), a new subsection  
45 (16) and subsections (17) through (31) are added to that  
46 section, and subsections (1), (2), (4), and (6) though (14) are  
47 amended, to read:

48 163.08 Supplemental authority for improvements to real  
49 property.—

50 (1) (a) In chapter 2008-227, Laws of Florida, the  
51 Legislature amended the energy goal of the state comprehensive  
52 plan to provide, in part, that the state shall reduce its energy  
53 requirements through enhanced conservation and efficiency  
54 measures in all end-use sectors and reduce atmospheric carbon  
55 dioxide by promoting an increased use of renewable energy  
56 resources. That act also declared it the public policy of the  
57 state to play a leading role in developing and instituting  
58 energy management programs that promote energy conservation,

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59 energy security, and the reduction of greenhouse gases. In  
60 addition to establishing policies to promote the use of  
61 renewable energy, the Legislature provided for a schedule of  
62 increases in energy performance of buildings subject to the  
63 Florida Energy Efficiency Code for Building Construction. In  
64 chapter 2008-191, Laws of Florida, the Legislature adopted new  
65 energy conservation and greenhouse gas reduction comprehensive  
66 planning requirements for local governments. In the 2008 general  
67 election, the voters of this state approved a constitutional  
68 amendment authorizing the Legislature, by general law, to  
69 prohibit consideration of any change or improvement made for the  
70 purpose of improving a property's resistance to wind damage or  
71 the installation of a renewable energy source device in the  
72 determination of the assessed value of residential real  
73 property.

74 (b) The Legislature finds that all energy-consuming-improved  
75 properties that are not using energy conservation strategies  
76 contribute to the burden affecting all improved property  
77 resulting from fossil fuel energy production. Improved property  
78 that has been retrofitted with energy-related qualifying  
79 improvements receives the special benefit of alleviating the  
80 property's burden from energy consumption. All improved  
81 properties not protected from wind damage by wind resistance  
82 qualifying improvements contribute to the burden affecting all  
83 improved property resulting from potential wind damage. Improved  
84 property that has been retrofitted with wind resistance  
85 qualifying improvements receives the special benefit of reducing  
86 the property's burden from potential wind damage. Further, the  
87 installation and operation of qualifying improvements not only

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88 benefit the affected properties for which the improvements are  
89 made, but also assist in fulfilling the goals of the state's  
90 energy and hurricane mitigation policies. All properties that  
91 are not using advanced technologies for wastewater removal  
92 contribute to the water quality problems affecting this state,  
93 particularly the coastal areas. Improved property that has been  
94 retrofitted with an advanced onsite sewage treatment and  
95 disposal system or has been converted to central sewerage  
96 significantly benefits the quality of water that may enter  
97 streams, lakes, rivers, aquifers, or coastal areas. All  
98 properties that are not protected from harmful environmental  
99 health hazards contribute to the environmental health burden  
100 affecting this state. Property that has been improved to  
101 mitigate against environmental health hazards benefits the  
102 general environmental health of people within this state.

103 (c) In order to make qualifying improvements more  
104 affordable and assist property owners who wish to undertake such  
105 improvements, the Legislature finds that there is a compelling  
106 state interest in enabling property owners to voluntarily  
107 finance such improvements with local government assistance.

108 (d)~~(e)~~ The Legislature determines that the actions  
109 authorized under this section, including, but not limited to,  
110 the financing of qualifying improvements through the execution  
111 of assessment financing agreements and the related imposition of  
112 voluntary assessments, are reasonable and necessary to serve and  
113 achieve a compelling state interest and are necessary for the  
114 prosperity and welfare of the state and its property owners and  
115 inhabitants.

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

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117 (a) "Assessment financing agreement" means the financing  
118 agreement, under a REEF program, between a local government and  
119 a property owner for the acquisition or installation of  
120 qualifying improvements.

121 (b) "Financing agreement" means an agreement, under a  
122 qualifying improvement program, between a local government and a  
123 property owner to finance the acquisition or installation of  
124 qualifying improvements through a non-ad valorem assessment.

125 (c)~~(a)~~ "Local government" means a county, a municipality, a  
126 dependent special district as defined in s. 189.012, or a  
127 separate legal entity created pursuant to s. 163.01(7).

128 (d) "Non-ad valorem assessment" or "assessment" has the  
129 same meaning as the term "non-ad valorem assessment" as defined  
130 in s. 197.3632(1)(d).

131 (e) "Nonresidential real property" means any property not  
132 defined as residential real property, including, but not limited  
133 to:

134 1. Agricultural real property.

135 2. Commercial real property.

136 3. Industrial real property.

137 4. Office real property.

138 5. Multifamily residential real property composed of five  
139 or more dwelling units.

140 (f) "Program administrator" means an entity, including, but  
141 not limited to, a for-profit or not-for-profit entity, with  
142 which a local government may contract to administer all or part  
143 of a qualifying improvement program under this section.

144 (g)~~(b)~~ "Qualifying improvement" means a program established  
145 under this section by a local government, alone or in

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146 partnership with other local governments or a program  
147 administrator, to finance qualifying improvements on real  
148 property and includes any:

149 1. Energy conservation and efficiency improvement, which is  
150 a measure to reduce consumption through conservation or a more  
151 efficient use of electricity, natural gas, propane, or other  
152 forms of energy on the property, including, but not limited to,  
153 air sealing; installation of insulation; installation of energy-  
154 efficient heating, cooling, or ventilation systems; building  
155 modifications to increase the use of daylight; replacement of  
156 windows; installation of energy controls or energy recovery  
157 systems; installation of electric vehicle charging equipment;  
158 and installation of efficient lighting equipment.

159 2. Renewable energy improvement, which is the installation  
160 of any system in which the electrical, mechanical, or thermal  
161 energy is produced from a method that uses one or more of the  
162 following fuels or energy sources: hydrogen, solar energy,  
163 geothermal energy, bioenergy, and wind energy.

164 3. Wind resistance improvement, which includes, but is not  
165 limited to:

166 a. Improving the strength of the roof deck attachment;  
167 b. Creating a secondary water barrier to prevent water  
168 intrusion;

169 c. Installing wind-resistant shingles;  
170 d. Installing gable-end bracing;  
171 e. Reinforcing roof-to-wall connections;  
172 f. Installing storm shutters; or  
173 g. Installing opening protections.

174 4. Wastewater improvement, which includes, but is not

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175 limited to:

176 a. The removal, replacement, or improvement of an onsite  
177 sewage treatment and disposal system with a secondary or  
178 advanced onsite sewage treatment and disposal system or  
179 technology;

180 b. The replacement or conversion of an onsite sewage  
181 treatment and disposal system to a central sewerage system or  
182 distributed sewerage system, including, but not limited to, the  
183 installation of a sewer lateral and anything necessary to  
184 connect the onsite sewage treatment and disposal system or the  
185 building's plumbing to a central sewerage system or distributed  
186 sewerage system; or

187 c. Any removal, repairs, or modifications made to an onsite  
188 sewage treatment and disposal system, including any repair,  
189 modification, or replacement of a system required under a local  
190 ordinance enacted pursuant to ss. 381.0065 and 381.00651.

191 5. Flood and water damage mitigation and resiliency  
192 improvement, which includes, but is not limited to, projects and  
193 installation for:

194 a. The raising of a structure above the base flood  
195 elevation to reduce flood damage;

196 b. A flood diversion apparatus or sea wall improvement,  
197 which includes seawall repairs and seawall replacements;

198 c. Flood-damage-resistant building materials;

199 d. Electrical, mechanical, plumbing, or other system  
200 improvements that reduce flood damage; or

201 e. Other improvements that qualify for reductions in flood  
202 insurance premiums.

203 6. Environmental health improvement, which is an

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204 improvement or measure intended to mitigate harmful  
205 environmental health effects to property occupants, including,  
206 but not limited to, measures that do any of the following:

207 a. Mitigate the presence of lead, heavy metals,  
208 polyfluoroalkyl substance contamination, or other harmful  
209 contaminants in potable water systems, such as conversion of  
210 well water to municipal water systems, replacing lead water  
211 service lines, or installing water filters;

212 b. Mitigate lead paint contamination in housing built  
213 before 1978; or

214 c. Mitigate indoor air pollution or contaminants, such as  
215 particulate matter, viruses, bacteria, and mold.

216 (h) "Residential real property" means a residential real  
217 property composed of four or fewer dwelling units.

218 (i) "Resiliency Energy Environment Florida (REEF) program"  
219 means a program established by a local government, alone or in  
220 partnership with other local governments or a program  
221 administrator, to finance qualifying improvements on  
222 nonresidential real property or residential real property.

223 (4) Subject to local government ordinance or resolution, a  
224 property owner may apply to the REEF program ~~local government~~  
225 for funding to finance a qualifying improvement and enter into  
226 an assessment ~~a~~ financing agreement with the local government.  
227 Costs incurred by the REEF program ~~local government~~ for such  
228 purpose may be collected as a non-ad valorem assessment. A non-  
229 ad valorem assessment shall be collected pursuant to s. 197.3632  
230 and, notwithstanding s. 197.3632 (8) (a), shall not be subject to  
231 discount for early payment. However, the notice and adoption  
232 requirements of s. 197.3632 (4) do not apply if this section is



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233 used and complied with, and the intent resolution, publication  
234 of notice, and mailed notices to the property appraiser, tax  
235 collector, and Department of Revenue required by s.

236 197.3632(3)(a) may be provided on or before August 15 in  
237 conjunction with any non-ad valorem assessment authorized by  
238 this section, if the property appraiser, tax collector, and  
239 local government agree.

240 (6) A local government may enter into an agreement with a  
241 program administrator to administer a REEF program on behalf of  
242 the local government ~~A qualifying improvement program may be~~  
243 ~~administered by a for-profit entity or a not-for-profit~~  
244 ~~organization on behalf of and at the discretion of the local~~  
245 ~~government.~~

246 (7) A local government may incur debt for the purpose of  
247 providing financing for qualifying such improvements, which debt  
248 is payable from revenues received from the improved property, or  
249 from any other available revenue source authorized under this  
250 section or by other law.

251 (8) A local government may enter into an assessment a  
252 financing agreement to finance or refinance a qualifying  
253 improvement only with the record owner of the affected property.  
254 Any assessment financing agreement entered into pursuant to this  
255 section or a summary memorandum of such agreement shall be  
256 submitted for recording ~~recorded~~ in the public records of the  
257 county within which the property is located by the ~~sponsoring~~  
258 ~~unit of~~ local government within 10 ~~5~~ days after execution of the  
259 agreement. The recorded agreement shall provide constructive  
260 notice that the assessment to be levied on the property  
261 constitutes a lien of equal dignity to county taxes and

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262 assessments from the date of recordation. A notice of lien for  
263 the full amount of the financing may be recorded in the public  
264 records of the county where the property is located. Such lien  
265 is not enforceable in a manner that results in the acceleration  
266 of the remaining nondelinquent unpaid balance under the  
267 assessment financing agreement.

268 (9) Before entering into an assessment ~~a~~ financing  
269 agreement, the local government, or the program administrator  
270 acting on its behalf, shall reasonably determine that all of the  
271 following conditions are met:

272 (a) All property taxes and any other assessments levied on  
273 the same bill as property taxes are current ~~paid~~ and have not  
274 been delinquent for more than 30 days for the preceding 3 years  
275 or the property owner's period of ownership, whichever is less. ~~†~~

276 (b) ~~that~~ There are no involuntary liens greater than  
277 \$1,000, including, but not limited to, construction liens on the  
278 property. ~~†~~

279 (c) ~~that~~ No notices of default or other evidence of  
280 property-based debt delinquency have been recorded and not  
281 released during the preceding 3 years or the property owner's  
282 period of ownership, whichever is less. ~~†~~

283 (d) The local government or program administrator has asked  
284 the property owner whether any other assessments under this  
285 section have been recorded or have been funded and not yet  
286 recorded on the property. The failure of a property owner to  
287 disclose information set forth in this paragraph does not  
288 invalidate an assessment financing agreement or any obligation  
289 thereunder, even if the total financed amount of the qualifying  
290 improvements exceeds the amount that would otherwise be

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291 authorized under paragraph (12) (a).

292 (e) and that The property owner is current on all mortgage  
293 debt on the property.

294 (f) The residential property is not subject to an existing  
295 home equity conversion mortgage or reverse mortgage product.

296 This paragraph does not apply to nonresidential real property.

297 (g) The property is not currently a residential property  
298 gifted to a homeowner for free by a nonprofit entity as may be  
299 disclosed by the property owner. The failure of a property owner  
300 to disclose information set forth in this paragraph does not  
301 invalidate an assessment financing agreement or any obligation  
302 thereunder. This paragraph does not apply to nonresidential real  
303 property.

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

318 (11) Any work requiring a license under any applicable law  
319 to make a qualifying improvement shall be performed by a

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320 contractor properly certified or registered pursuant to ~~part I~~  
321 ~~or part II~~ of chapter 489, as applicable.

322 (12) (a) Without the consent of the holders or loan  
323 servicers of any mortgage encumbering or otherwise secured by  
324 the property, the total amount of any non-ad valorem assessment  
325 for a property under this section may not exceed 20 percent of  
326 the fair market just value of the real property ~~as determined by~~  
327 ~~the county property appraiser.~~ The combined mortgage-related  
328 debt and total amount of any non-ad valorem assessments funded  
329 under this section for residential real property may not exceed  
330 100 percent of the fair market value of the residential real  
331 property. However, the failure of a property owner to disclose  
332 information set forth in paragraph (9) (d) does not invalidate an  
333 assessment financing agreement or any obligation thereunder,  
334 even if the total financed amount of the qualifying improvements  
335 exceeds the amount that would otherwise be authorized under this  
336 paragraph. For purposes of this paragraph, fair market value may  
337 be determined using reputable third parties.

338 (b) Notwithstanding paragraph (a), a non-ad valorem  
339 assessment for a qualifying improvement defined in subparagraph  
340 (2) (g) 1. ~~(2) (b) 1.~~ or subparagraph (2) (g) 2. which ~~(2) (b) 2.~~ that  
341 is supported by an energy audit is not subject to the limits in  
342 this subsection if the audit demonstrates that the annual energy  
343 savings from the qualified improvement equals or exceeds the  
344 annual repayment amount of the non-ad valorem assessment.

345 (13) At least 30 days before entering into an assessment a  
346 financing agreement, the property owner shall provide to the  
347 holders or loan servicers of any existing mortgages encumbering  
348 or otherwise secured by the property a notice of the owner's

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349 intent to enter into an assessment a financing agreement  
 350 together with the maximum principal amount to be financed and  
 351 the maximum annual assessment necessary to repay that amount. A  
 352 verified copy or other proof of such notice shall be provided to  
 353 the local government. A provision in any agreement between a  
 354 mortgagee or other lienholder and a property owner, or otherwise  
 355 now or hereafter binding upon a property owner, which allows for  
 356 acceleration of payment of the mortgage, note, or lien or other  
 357 unilateral modification solely as a result of entering into an  
 358 assessment a financing agreement as provided for in this section  
 359 is not enforceable. This subsection does not limit the authority  
 360 of the holder or loan servicer to increase the required monthly  
 361 escrow by an amount necessary to ~~annually~~ pay the annual  
 362 ~~qualifying improvement~~ assessment.

363 (14) At or before the time a seller ~~purchaser~~ executes a  
 364 contract for the sale ~~and purchase~~ of any property for which a  
 365 non-ad valorem assessment has been levied under this section and  
 366 has an unpaid balance due, the seller must ~~shall~~ give the  
 367 prospective purchaser a written disclosure statement in the  
 368 following form, which shall be set forth in the contract or in a  
 369 separate writing:

370  
 371 QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY,  
 372 RENEWABLE ENERGY, FLOOD MITIGATION, ADVANCED  
 373 TECHNOLOGIES FOR WASTEWATER REMOVAL, OR ENVIRONMENTAL  
 374 HEALTH OR WIND RESISTANCE.—The property being  
 375 purchased is located within the jurisdiction of a  
 376 local government that has placed an assessment on the  
 377 property pursuant to s. 163.08, Florida Statutes. The

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378 assessment is for a qualifying improvement to the  
379 property relating to energy efficiency, renewable  
380 energy, or wind resistance, and is not based on the  
381 value of property. This agreement uses a program  
382 formerly referred to as Property Assessed Clean  
383 Energy, or PACE. You are encouraged to contact the  
384 county property appraiser's office to learn more about  
385 this and other assessments that may be provided by  
386 law.

387  
388 (16) (a) Before final approval of an assessment financing  
389 agreement for a qualifying improvement on a residential real  
390 property, a program administrator shall reasonably determine  
391 that the property owner has the ability to pay the estimated  
392 annual assessment. To do so, the program administrator shall, at  
393 a minimum, use the underwriting requirements in subsection (9),  
394 confirm that the property owner is not in bankruptcy, and  
395 determine that the total estimated annual payment amount for all  
396 assessment financing agreements funded under this section on the  
397 property does not exceed 10 percent of the property owner's  
398 annual household income. Income may be confirmed using  
399 information gathered from reputable third parties that provide  
400 reasonably reliable evidence of the property owner's household  
401 income. Income may not be confirmed solely by a property owner's  
402 statement.

403 (b) In the event that a court or tribunal determines, by  
404 clear and convincing evidence, that the program administrator's  
405 determination of the property owner's ability to pay was not  
406 objectively reasonable based on the information provided by the

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407 property owner, the yearly assessment payment shall be reduced  
408 in the amount which is within the property owner's ability to  
409 pay. This paragraph does not require or authorize the  
410 administrator to reduce the amount owed on the assessment.

411 (c) The failure of a property owner to disclose information  
412 set forth in paragraph (9)(d) does not invalidate an assessment  
413 financing agreement or any obligation thereunder, even if the  
414 total estimated annual payment amount exceeds the amount that  
415 would otherwise be authorized under this subsection.

416 (17) Before or contemporaneously with a property owner  
417 signing an assessment financing agreement on a residential real  
418 property, the program administrator shall provide a financing  
419 estimate and disclosure to the residential real property owner  
420 which includes all of the following:

421 (a) The total amount estimated to be funded, including the  
422 cost of the qualifying improvements, program fees, and  
423 capitalized interest, if any.

424 (b) The estimated annual assessment.

425 (c) The term of the assessment.

426 (d) The interest charged and estimated annual percentage  
427 rate.

428 (e) A description of the qualifying improvement.

429 (f) A disclosure that if the property owner sells or  
430 refinances the property, the property owner, as a condition of  
431 the sale or the refinance, may be required by a mortgage lender  
432 to pay off the full amount owed under each assessment financing  
433 agreement.

434 (g) A disclosure that the assessment will be collected  
435 along with the property owner's property taxes and will result

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436 in a lien on the property from the date the assessment financing  
437 agreement is recorded.

438 (h) A disclosure that failure to pay the assessment may  
439 result in penalties and fees, along with the issuance of a tax  
440 certificate that could result in the property owner losing the  
441 real property.

442 (18) Before a notice to proceed is issued on residential  
443 real property, the program administrator shall conduct with the  
444 residential real property owner or an authorized representative  
445 an oral, recorded telephone call. The program administrator  
446 shall ask the residential real property owner if he or she would  
447 like to communicate primarily in a language other than English.  
448 A program administrator may not leave a voicemail on the  
449 residential real property owner's or authorized representative's  
450 telephone to satisfy this requirement. A program administrator,  
451 as part of such telephone call, shall confirm all of the  
452 following with the residential real property owner:

453 (a) That at least one residential real property owner has  
454 access to a copy of the assessment financing agreement and  
455 financing estimates and disclosures.

456 (b) The qualifying improvements being financed.

457 (c) The total estimated annual costs that the residential  
458 real property owner will have to pay under the assessment  
459 financing agreement, including applicable fees.

460 (d) The total estimated average monthly equivalent amount  
461 of funds the residential real property owner would have to save  
462 in order to pay the annual costs of the assessment, including  
463 applicable fees.

464 (e) The estimated due date of the residential real property



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465 owner's first property tax payment that includes the assessment  
466 will be due.

467 (f) The term of the assessment financing agreement.

468 (g) That payments for the assessment financing agreement  
469 will cause the residential real property owner's annual property  
470 tax bill to increase, and that payments will be made through an  
471 additional annual assessment on the property and either will be  
472 paid directly to the county tax collector's office as part of  
473 the total annual secured property tax bill or may be paid  
474 through the residential real property owner's mortgage escrow  
475 account.

476 (h) That the residential real property owner has disclosed  
477 whether the property has received, or the owner is seeking,  
478 additional assessments funded under this section and that the  
479 owner has disclosed all other assessments funded under this  
480 section which are or are about to be placed on the property.

481 (i) That the property will be subject to a lien during the  
482 term of the assessment financing agreement and that the  
483 obligations under the agreement may be required to be paid in  
484 full before the residential real property owner sells or  
485 refinances the property.

486 (j) That any potential utility or insurance savings are not  
487 guaranteed and will not reduce the assessment or total  
488 assessment amount.

489 (k) That the program administrator does not provide tax  
490 advice, and the residential real property owner should seek  
491 professional tax advice if he or she has questions regarding tax  
492 credits, tax deductibility, or other tax impacts of the  
493 qualifying improvement or the assessment financing agreement.

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494 (19) A residential real property owner may cancel an  
495 assessment financing agreement within 3 business days after  
496 signing the assessment financing agreement without any financial  
497 penalty from the program administrator for doing so.

498 (20) The term of an assessment financing agreement on  
499 residential real property may not exceed the lesser of:

500 (a) Thirty years; or

501 (b) The greater of either the weighted average estimated  
502 useful life of all qualifying improvements being financed or the  
503 estimated useful life of the qualifying improvements to which  
504 the greatest portion of funds is disbursed.

505 (21) An assessment financing agreement authorized under  
506 this section on residential real property may not include any of  
507 the following financing terms:

508 (a) A negative amortization schedule. Capitalized interest  
509 included in the original balance of the assessment financing  
510 agreement does not constitute negative amortization.

511 (b) A balloon payment.

512 (c) Prepayment fees, other than nominal administrative  
513 costs.

514 (22) For residential real property, a program  
515 administrator:

516 (a) May not enroll a contractor who contracts with  
517 residential real property owners to install qualifying  
518 improvements unless:

519 1. The program administrator makes a reasonable effort to  
520 review that the contractor maintains in good standing an  
521 appropriate license from the state, if applicable, as well as  
522 any other permit, license, or registration required for engaging

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523 in business in the jurisdiction in which he or she operates and  
524 that the contractor maintains all state-required bond and  
525 insurance coverage; and

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

530 (b) Shall maintain a process to enroll new contractors  
531 which includes reasonable review of the following for each  
532 contractor:

533 1. Relevant work or project history.

534 2. Financial and reputational background checks.

535 3. A criminal background check.

536 4. Status on the Better Business Bureau online platform or  
537 another online platform that tracks contractor reviews.

538 (c) A program administrator may pay or reimburse  
539 contractors for any expense allowable under applicable state law  
540 and not otherwise prohibited under this section, including, but  
541 not limited to, marketing, training, and promotions.

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

546 (23) Before disbursing funds to a contractor for a  
547 qualifying improvement on residential real property, a program  
548 administrator must first confirm that the applicable work or  
549 service has been completed through any of the following:

550 (a) A written certification from the property owner;

551 (b) A recorded telephone call with the property owner;

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- 552       (c) A review of geotagged and time-stamped photographs;  
553       (d) A review of a final permit; or  
554       (e) A site inspection through third-party means.  
555       (24) A program administrator shall comply with the  
556 following marketing and communications guidelines when  
557 communicating with residential real property owners:  
558       (a) A program administrator may not represent:  
559       1. That the REEF program or assessment financing is a  
560 government assistance program;  
561       2. That qualifying improvements are free or that assessment  
562 financing is a free program; or  
563       3. That the financing of a qualifying improvement using the  
564 REEF program does not require the property owner to repay the  
565 financial obligation.  
566       (b) A program administrator may not make any representation  
567 as to the tax deductibility of an assessment authorized under  
568 this section. A program administrator may encourage a property  
569 owner to seek the advice of a tax professional regarding tax  
570 matters related to assessments.  
571       (25) A contractor may not present a higher price for a  
572 qualifying improvement on residential real property financed by  
573 an assessment financing agreement than the contractor would  
574 otherwise reasonably present if the qualifying improvement was  
575 not being financed through an assessment financing agreement.  
576       (26) A program administrator shall use appropriate  
577 methodologies or technologies to identify and verify the  
578 identity of the residential real property owner who executes an  
579 assessment financing agreement.  
580       (27) A program administrator may not provide a contractor

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581 with any payment, fee, or kickback in exchange for referring  
582 assessment financing business relating to a specific assessment  
583 financing agreement on residential real property.

584 (28) A program administrator shall develop and implement  
585 policies and procedures for responding to, tracking, and helping  
586 to resolve questions and property owner complaints as soon as  
587 reasonably practicable.

588 (29) A program administrator shall maintain a process for  
589 monitoring enrolled contractors that contract with residential  
590 real property owners to install qualifying improvements with  
591 regard to performance and compliance with program policies and  
592 shall implement policies for suspending and terminating enrolled  
593 contractors based on violations of program policies or  
594 unscrupulous behavior. A program administrator shall maintain a  
595 policy for determining the conditions on which a contractor may  
596 be reinstated to the program.

597 (30) A program administrator shall provide, at a reasonable  
598 time following the end of the prior calendar year, an annual  
599 report to the dependent special district as defined in s.  
600 189.012 or a separate legal entity created pursuant to s.  
601 163.01(7) which it has contracted with to administer a REEF  
602 program and shall include information and data related to the  
603 following:

604 (a) The total number of property owner complaints received  
605 which are associated with project funding in the report year.

606 (b) Of the total number of property owner complaints  
607 received which are associated with project funding in the report  
608 year:

609 1. The number and percentage of complaints that relate to

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610 the assessment financing.

611 2. The number and percentage of complaints that relate to a  
612 contractor or the workmanship of a contractor and are not  
613 related to assessment financing.

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

616 4. The number and percentage of complaints received  
617 pursuant to subparagraphs 1., 2., and 3. which were resolved and  
618 the number and percentage of complaints received pursuant to  
619 subparagraphs 1., 2., and 3. which were not resolved.

620 (c) The percentage of property owner complaints received  
621 pursuant to subparagraphs (b)1., 2., and 3. expressed as a total  
622 of all projects funded in the report year.

623 (31)(a) Subsections (16) through (30) do not apply to  
624 residential real property if the program administrator  
625 reasonably determines that:

626 1. The residential real property is owned by a business  
627 entity that owns more than four residential real properties; and

628 2. The business entity's managing member, partner, or  
629 beneficial owner does not reside in the residential real  
630 property.

631 (b) Subsections (16) through (30) apply to a program  
632 administrator only when administering a REEF program for  
633 qualifying improvements on residential real property.

634 Subsections (16) through (30) do not apply with respect to a  
635 local government, to residential property owned by a local  
636 government, or to nonresidential real property.

637 Section 2. This act shall take effect July 1, 2023.