

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 1029 My Safe Florida Condominium Pilot Program
SPONSOR(S): State Administration & Technology Appropriations Subcommittee, Insurance & Banking Subcommittee, Lopez, V., Hunschofsky and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1366

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	18 Y, 0 N, As CS	Fortenberry	Lloyd
2) State Administration & Technology Appropriations Subcommittee	13 Y, 0 N, As CS	Perez	Topp
3) Commerce Committee			

SUMMARY ANALYSIS

The My Safe Florida Home (MSFH) Program was created in 2006 within the Department of Financial Services (DFS) to perform mitigation inspections of site-built, single-family, residential properties (inspections), and mitigation grants (grants) to eligible applicants to make their homes less vulnerable to hurricane damage. The MSFH Program received \$250 million in appropriations for the Fiscal Year 2006-2007, but was not funded again until 2022. Since then, the Legislature has provided approximately \$433 million in subsequent additional funding to the MSFH Program.

Mitigation inspections are limited to homesteaded properties. Funds may be used to inspect townhouses to determine if opening protection mitigation would help decrease the risk of hurricane damage and grant funds may be used to pay for such opening protection mitigation if warranted. The value of the mitigation grant-eligible homes is currently \$700,000. While initially limited to homes within the wind-borne debris region, the MSFH Program is currently a statewide program.

The bill establishes within DFS the My Safe Florida Condominium Pilot Program (MSFCP Program), with the intent that the Program provide licensed inspectors to perform inspections for and grants to eligible associations, as funding allows. Under the MSFCP Program, DFS must provide fiscal accountability, contract management, and strategic leadership for the MSFCP Program, consistent with the bill’s provisions. The MSFCP Program must be implemented pursuant to appropriations, and is subject to annual legislative appropriations thereafter.

Essentially, the bill provides to condominium associations a program similar to that of the MSFH Program in regards to requirements for participation, hurricane mitigation inspectors and inspections, eligibility for mitigation grants, contract management by DFS, and required annual reports.

The bill has no impact on state or local government revenues and expenditures. The implementation of the MSFCP Program is subject to funding in the General Appropriations Act (GAA). The bill may have a positive direct economic impact on the private sector.

The bill provides an effective date of July 1, 2024.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

In 2006, the Legislature created the My Safe Florida Home (MSFH) Program within the Department of Financial Services (DFS) with the intent that the Program provide trained and certified inspectors to perform inspections for owners of site-built, single-family, residential properties (mitigation inspections) and grants to eligible applicants, subject to funding availability.¹ The purpose of the MSFH Program was to “develop and implement a comprehensive and coordinated approach for hurricane damage mitigation.”² The MSFH program allowed DFS to undertake a public outreach and advertising campaign to inform consumers of the availability, and benefits, of the mitigation inspections and grants.³ It required the development of brochures for distribution to general contractors, roofing contractors, and real estate brokers and sales associates to explain the benefits of residential hurricane damage mitigation to homeowners.⁴

Hurricane Mitigation Inspections

The purpose of the mitigation inspections was to determine:

- What mitigation measures were needed;
- What insurance premium discounts might have been available; and
- What improvements to existing residential properties were needed to reduce the properties’ susceptibility to hurricane damage.⁵

The mitigation inspections had to include, at a minimum:

- A report that summarized the results and identified recommended improvements the homeowner could take to mitigate hurricane damage;
- A range of cost estimates regarding the recommended mitigation improvements; and
- Insurer-specific information regarding premium discounts correlated to current and recommended hurricane mitigation improvements.⁶

DFS was required to maintain a list of hurricane mitigation inspectors who were authorized to conduct the mitigation inspections for the MSFH Program.⁷ DFS entered contracts with wind certification entities to provide mitigation inspections. In order to be eligible for the contracts, the entities had to use hurricane mitigation inspectors who, at a minimum:

- Were certified building inspectors;
- Were licensed as general or residential contractors;
- Were licensed and professional engineers and had passed the appropriate equivalency test of the building code training program;
- Were licensed professional architects; or
- Had at least two years of experience in residential construction or residential building inspection and had received specialized training in hurricane mitigation procedures.⁸

Mitigation Grants

The purpose of the mitigation grants component of the MSFH Program was to retrofit single-family

¹ S. 215.5586, F.S.

² *Id.*

³ S. 215.5586(3), F.S.

⁴ S. 215.5586(7), F.S.

⁵ S. 215.5586(1)(a), F.S.

⁶ *Id.*

⁷ S. 215.55186(6), F.S.

⁸ S. 215.5586(1)(b), F.S.

homes to make them less vulnerable to hurricane damage.⁹ To be eligible for a grant, the following criteria must have been met:

- The homeowner must have had a homestead exemption on the home to be retrofitted;
- The home must have had an insured value of \$300,000 or less, unless the homeowner was classified as a low-income person;
- The home must have undergone an acceptable hurricane mitigation inspection after May 1, 2007;
- The home must have been located in the “wind-borne debris region” as defined in the International Building Code; and
- The building permit application for initial construction of the home must have been made before March 1, 2002.¹⁰

In addition, the homeowner had to match the grant award on a dollar-for-dollar basis up to \$10,000, for the actual cost of the mitigation project, and the state’s contribution could not exceed \$5,000.¹¹ Low-income homeowners were eligible for grants of up to \$5,000, and were not required to provide a matching amount to receive a grant.¹² Matching fund grants were also available to local governments and nonprofit entities for projects to reduce hurricane damages to single-family homes.¹³

Grants could be used on previously-inspected existing structures or on rebuilds.¹⁴ If recommended by a hurricane mitigation inspection, grants could be used for the following improvements:

- Opening protection.
- Upgrading exterior doors, including garage doors.
- Bracing gable ends.
- Reinforcing roof-to-wall connections.
- Improving the strength of roof-deck attachments.
- Upgrading roof coverings from code to code plus.
- Installing secondary water barrier for roofs.¹⁵

DFS was required to issue an annual report on the activities of the MSFH Program that accounted for the use of any appropriated state funds, the number of inspections requested and performed, the number of grant applications received, and the number and value of grants approved.¹⁶

The MSFH Program was appropriated \$250 million in Fiscal Year 2006-07.¹⁷ As of May 2009, approximately \$93 million in MSFH grants were allocated to 32,000 homes, and approximately 400,000 homes received a MSFH home inspection.¹⁸ DFS requested that Risk Management Solutions (RMS), conduct an impact analysis of the MSFH program, and RMS released a report of the impact analysis on May 14, 2009 (report).¹⁹ In the report, RMS concluded that the MSFH grants were beneficial to the State of Florida, individual homeowners, and the insurance industry.²⁰ RMS indicated that the predicted reduction in loss as a result of the grant projects completed far exceeded the grant money spent.²¹ While the MSFH Program was never repealed from law, additional funding was not provided until May 2022.

2022 Renewal of the MSFH Program

⁹ S. 215.5586(2), F.S.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ Rebuilds were defined as site-built, single-family dwellings under construction to replace homes that were destroyed or significantly damaged by hurricanes and deemed unlivable by a regulatory authority. S. 215.5586(2)(e), F.S.

¹⁵ S. 215.5586(2)(e), F.S.

¹⁶ S. 215.5586(10), F.S.

¹⁷ Risk Management Solutions, *Analyzing the Effects of the My Safe Florida Home Program on Florida Insurance Risk*, May 14, 2009, https://www.ipcc.ch/apps/nj-lite/srex/nj-lite_download.php?id=5036 (last visited Jan. 26, 2024).

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

During the 2022D Special Session, the Legislature passed a property insurance bill (SB 2-D), in which it renewed the funding for the MSFH Program by appropriating \$150 million in nonrecurring funds from General Revenue (GR) to DFS for the Program for the 2022-2023 fiscal year. The funds appropriated were allocated as follows:

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

SB 2-D reappropriated any unexpended balance of funds from the appropriation remaining on June 30, 2023, to DFS for the 2023-2024 fiscal year to be used for the MSFH Program. The appropriation will expire on October 1, 2024. SB 2-D gave DFS the authority to adopt emergency rules to implement the MSFH Program.

SB 2-D made additional modifications to the MSFH Program. It required that an application for a mitigation grant include a provision that requires an applicant to make his or her home available for inspection once a mitigation project is completed. The bill changed the monetary limits for eligibility for mitigation grants so that homes with an insured value of \$500,000, or less, qualify for the program.

SB 2-D required that homes that receive mitigation grants have undergone home mitigation inspections after July 1, 2008, and have received permits for initial construction before January 1, 2008. The homeowner must also match grant funds on the basis of \$1 from the homeowner for every \$2 provided by the state up to a maximum state contribution of \$10,000 towards the actual cost of the mitigation project undertaken on the eligible home.

The bill enhanced the reporting requirements for DFS under the MSFH Program by requiring that the report include the following received by homeowners from insurers as a result of the mitigation funded by the program:

- The average annual amount of insurance premium discounts; and
- The total annual amount of insurance premium discounts.

2022 MSFH Program Implementation

Following the passage of SB 2-D, DFS procured a vendor to administer the MSFH 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.²² DFS compiled a list of approved vendors that homeowners participating in the MSFH Program may choose for inspections and mitigation work.²³

On November 18, 2022, a web-based application for homeowners to request mitigation inspections and grant funds went live.²⁴ Between May 26, 2022 and February 28, 2023, 16,724 mitigation inspections were completed and 2,979 grant applications were approved.²⁵

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, 2023.²⁶ The mitigation inspection report provided to the homeowner includes the completed Inspection Form, as well as the information already required by statute,²⁷ including:

- A summary of the results of the mitigation inspection identifying recommended improvements a homeowner may undertake;

²² Florida Department of Financial Services, Agency Analysis of 2023 House Bill 881, p. 1 (Mar. 1, 2023).

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ S. 215.5586(1)(a), F.S.

- A range of cost estimates regarding the recommended improvements; and
- Estimated property insurance premium discounts based on the mitigation measures the homeowner has completed.²⁸

2023 Developments to the MSFH Program

Following the significant interest in the program in 2022 and early 2023, the Legislature made additional changes to the statutory framework for the MSFH Program during the 2023 Regular Session. These changes included changes to the inspection and grant eligibility requirements, and program management changes.

Single-family home eligibility for mitigation inspections was limited only to homesteaded properties.²⁹ Funds from the MSFH Program may now be used to inspect townhouses to determine if opening protection mitigation would help decrease the risk of hurricane damage.³⁰ If an inspection determines that opening protection mitigation would decrease such risk, grant funds from the MSFH Program may be used to pay for the mitigation.³¹ The value of the mitigation grant-eligible homes was also increased from \$500,000 to \$700,000.³²

The designation of a specific portion of the grant funds for low-income recipients was removed, but increases the overall grant award for low-income recipients from \$5,000 to \$10,000.³³ The program's geographic eligibility area was broadened to include otherwise in eligible homes outside the wind-borne debris region, in effect making it a statewide program.

Among the project management changes implemented, home inspectors must be licensed, in addition to certified.³⁴ This requirement conforms with other statutory chapters that address home inspectors.

Funding for the MSFH Program

As of December 2023, the Legislature has appropriated a total of \$433 million for the MSFH Program since May 2022.³⁵ In addition to the \$150 million appropriated during the 2022D Special Session, this includes \$100 million in grant funding appropriated during the 2023 Regular Session and an additional \$176 million in grant funding appropriated during the 2023C Special Session.³⁶

Results of the MSFH Program

Between November 2022, and December 2023, the MSFH Program has provided more than 94,000 homeowners with hurricane mitigation inspections and approved more than 23,000 grant applications.³⁷ Over 73 percent of those homeowners who have completed participation in the grant component of the MSFH Program have seen their homeowners insurance premiums drop or stabilize, and many are paying premiums at or below the state average.³⁸ According to DFS, upon applying to the MSFH Program, the average premium of the applicants was 55.1 percent higher than the average Florida homeowner's premium.³⁹ Based upon the decrease in premium following participation, DFS has concluded that the MSFH Program participation is comprised of higher-than-average risk homeowners,

²⁸ Department of Financial Services, *supra* note 22, at 2.

²⁹ The homestead requirement was already in place for the grant portion of the MSFH Program under s. 215.5586(2), F.S., prior to the 2023 Regular Session.

³⁰ S. 215.5586(1)(a), F.S.

³¹ S. 215.5586(2)(f), F.S.

³² S. 215.5586(2)(e)2., F.S.

³³ S. 215.5586(2)(h), F.S.

³⁴ S. 215.5586, F.S.

³⁵ Department of Financial Services, *2023 Annual Report of My Safe Florida Home*, p. 1.

³⁶ *Id.* at p. 6. The mitigation grant funding is by far the largest component of the MSFH Program.

³⁷ *Id.* at p. 1. Because the grant portion of the MSFH Program is fulfilled based on reimbursement to homeowners after proof of completion of mitigation projects, the money to fulfill these grants has been reserved, but not all of it has been paid to the homeowners yet.

³⁸ *Id.*

³⁹ *Id.* at p. 2.

which is consistent with the goal of helping those with homes at greatest risk.⁴⁰

Condominiums

While the current MSFH Program provides for the inspections of, and some mitigation projects to, townhouses, Florida law does not currently provide a program for condominium owners similar to the MSFH Program.

Effect of the Bill

The bill establishes within DFS the My Safe Florida Condominium Pilot Program (MSFCP Program), with the intent that the Program provide licensed inspectors to perform inspections for and grants to eligible associations, as funding allows. Under the MSFCP Program, DFS must provide fiscal accountability, contract management, and strategic leadership for the MSFCP Program, consistent with the bill's provisions.

The MSFCP Program must be implemented pursuant to appropriations, and is subject to annual legislative appropriations thereafter. The bill provides that its provisions do not create an entitlement for associations or unit owner or obligate the state in any way to fund the inspection or retrofitting of condominiums in Florida.

Essentially, the bill provides to condominium owners a program similar to that of the MSFH Program.

Definitions

The bill creates definitions for the following terms:

- “Association” means, in addition to any entity responsible for the operation of common elements owned in undivided shares by unit owners, any entity which operates or maintains other real property in which unit owners have use rights, where membership in the entity is composed exclusively of unit owners or their elected or appointed representatives and is a required condition of unit ownership.⁴¹
- “Association property” means that property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to, the association for the use and benefit of its members and is located in the service area.
- “Board of administration” means the board of directors or other representative body which is responsible for administration of the association.⁴²
- “Condominium” means that form of ownership of real property created pursuant to ch. 718, F.S., which is comprised entirely of units that may be owned by one or more persons, and in which there is, appurtenant to each unit, an undivided share in common elements.⁴³
- “Condominium property” means the lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium and are located in the service area.
- “Property” means association property and condominium property, as applicable, located in the service area.
- “Rebuild” means property under construction to replace a structure that was destroyed or significantly damaged by a hurricane and deemed unlivable by a regulatory authority.
- “Service area” means the area of the state 15 miles inward of the coastline.⁴⁴
- “Unit” means a part of the condominium property which is subject to exclusive ownership. A unit

⁴⁰ *Id.*

⁴¹ See s. 718.103(3), F.S.

⁴² See s. 718.103(5), F.S.

⁴³ See s. 718.103(12), F.S.

⁴⁴ S. 376.031, F.S., defines coastline as the line of mean low water along the portion of the coast that is in direct contact with the open sea and the line marking the seaward limit of inland waters, as determined under the Convention on Territorial Seas and the Contiguous Zone, 15 U.S.T. (Pt. 2) 1606.

may be in improvements, land, or land and improvements together, as specified in an association's declaration.⁴⁵

- "Unit owner" means a record owner of legal title to a condominium parcel.⁴⁶

Participation

The bill provides that, to apply for an inspection or grant for association property or condominium property, an association must receive approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association to participate in the pilot program.

Additionally, to apply for a grant which improves one or more units within a condominium, an association must receive both of the following:

- Approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association to participate in a mitigation inspection.
- A unanimous vote of all unit owners within the structure or building that is the subject of the mitigation grant.

The votes required by this section of the bill may take place at the annual budget meeting of the association or at a unit owner meeting called for the purpose of taking such vote. However, before a vote of the unit owners can be taken, the association must provide to the unit owners a clear disclosure of the MSFCP Program on form created by DFS. The bill further provides that:

- The president and the treasurer of the board of administration must sign the disclosure form indicating that a copy of the form was provided to each unit owner of the association;
- The signed disclosure form and the minutes from the meeting at which the unit owners voted to participate in the MSFCP Program must be maintained as part of the official records of the association;
- Within 14 days after an affirmative vote to participate in the MSFCP Program, the association must provide written notice in the same manner as required under s. 718.112(2)(d), F.S.,⁴⁷ to all unit owners of the decision to participation in the MSFCP Program.

The bill provides that a unit owner may participate in the MSFCP Program through a mitigation grant awarded to the association, but a unit owner may not participate individually in the MSFCP Program.

Hurricane Mitigation Inspectors

Licensed inspectors under the MSFCP Program are to provide inspections of the property to determine the mitigation measures that are needed, the insurance premium discounts that may be available to the association, and the improvements to existing properties of the association that are needed to reduce a property's vulnerability to hurricane damage.

The bill requires DFS to contract with wind certification entities to provide hurricane mitigation inspections. To qualify for selection by DFS as a wind certification entity to provide hurricane mitigation inspections, the entity must, at a minimum, meet all of the following requirements:

- Use hurricane mitigation inspectors who are licensed or certified as a:
 - Building inspector,
 - General, building, or residential contractor,
 - A professional engineer,
 - A professional architect, or
 - A home inspector who has completed at least 3 hours of hurricane mitigation training approved by the Construction Industry Licensing Board, which must include hurricane mitigation techniques, compliance with the uniform mitigation verification form, and completion of a proficiency exam;
- Use hurricane mitigation inspectors who have undergone drug testing and a background

⁴⁵ See s. 718.103(29), F.S.

⁴⁶ See s. 718.103(30), F.S.

⁴⁷ Section 718.112(2)(d), F.S., are Florida's laws relating to unit owner meetings of condominium associations.

- screening;⁴⁸ and
- Provide a quality assurance program including a reinspection component.

Hurricane Mitigation Inspections

The bill provides that the inspections provided to an association under the MSFCP Program must, at a minimum, include all of the following:

- An inspection of the property, and a report that summarizes the results and identifies recommended improvements the association may take to mitigate hurricane damage;
- A range of cost estimates regarding the recommended mitigation improvements; and
- Information regarding estimated insurance premium discounts, correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.

An application for an inspection must contain a signed or electronically verified statement made under penalty of perjury by the president of the board of administration that the association has submitted only a single application for each property that the association operates or maintains. Additionally, an association may apply for an deceive an inspection without also applying for a grant.

Mitigation Grants

Financial grants under the MSFCP Program may be used to encourage associations to retrofit the property the association operates and maintains in order to make such property less vulnerable to hurricane damage. The bill provides that an application for a mitigation grant must:

- Contain a signed or electronically verified statement made under penalty of perjury by the president of the board of administration that the association has submitted only a single application for each property that the association operates or maintains;
- Include a notarized statement from the president of the board of administration containing the name and license number of the contractor the association intends to use for the mitigation project; and
- Include a notarized statement from the president of the board of administration which commits to DFS that the association will complete the mitigation improvements.⁴⁹

An association may select its own contractor for the mitigation project, provided such contractor meets all qualification, certification, or licensing requirements in general law. A mitigation project must be performed by a properly licensed contractor who has secured all required local permits necessary for the project. DFS must electronically verify that the contractor's state license number is accurate and up to date before approving a grant application.

An association awarded a grant must complete the entire mitigation project to receive the final grant award and must agree to make the property available for a final inspection once the mitigation project is finished to ensure the mitigation improvements are completed in a matter consistent with the intent of the MSFCP Program and meet or exceed the applicable Florida Building Code requirements.

Construction must be completed and the association must submit a request to DFS for a final inspection, or request an extension of time, within 1 year after receiving grant approval. If the association fails to comply with these provisions, the application is deemed abandoned and the grant money reverts back to DFS.

All grants must be matched on the basis of \$1 provided by the association for \$2 provided by the state,

⁴⁸ The bill provides that DFS may conduct criminal record checks of inspectors used by wind certification entities. Under the bill, inspectors must submit a set of fingerprints to DFS for state and national criminal history checks and must pay a fingerprint processing fee. The fingerprints must be sent by DFS to the Florida Department of Law Enforcement (FDLE) and forwarded to the Federal Bureau of Investigation for processing. The results must be returned to DFS for screening. The fingerprints must be taken by a law enforcement agency, designated examination center, or other DFS-approved entity. The bill includes the FDLE preferred language regarding fingerprinting.

⁴⁹ If the grant will be used to improve units, the application must also include an acknowledged statement from each unit owner who is required to provide approval for a grant under the other applicable provision of the bill.

up to a maximum contribution as provided in the General Appropriations Act. When recommended by a hurricane mitigation inspection report, grants for eligible associations may be used for the following improvements:

- Opening protection.
- Exterior doors, including garage doors.
- Reinforcing roof-to-wall connections.
- Improving the strength of roof-deck attachments.
- Secondary water barrier for roof.

Roof-related projects will be funded at \$11 per square foot times the square feet of the replacement roof, not to exceed \$1,000 per unit, and a maximum grant contribution of 50 percent of the project. Opening protection-related projects have a maximum contribution of \$750 per window or door replacement, not to exceed \$1,500, and a maximum contribution of 50 percent of the project. An association may receive grants for both roof and opening protection projects, but the maximum overall grant is limited to \$175,000 per association.

On the other hand, the association may not use a mitigation grant to install the same type of improvements that were previously installed or pay a deductible for a pending insurance claim for damage that is part of the property for which grant funds are being received. However, grants may be used for a previously inspected existing structure on the property or for a rebuild.

If improvements to protect the property which complied with the current applicable building code at the time have been previously installed, the association must use a mitigation grant to install improvements that do both of the following:

- Comply with or exceed the applicable building code in effect at the time the association applied for the grant.
- Provide more hurricane protection than the improvements that the association previously installed.

The bill requires DFS to develop a process that ensures the most efficient means to collect and verify grant applications to determine eligibility and may direct hurricane mitigation inspectors to collect and verify grant application information or use the internet or other electronic means to collect information and determine eligibility.

Further, the bill specifies the department is unable to accept grant applications or maintain a waiting list after the appropriation has been fully obligated, unless the Legislature provides the authority to do so.

Contract Management

The bill allows DFS to contract with third parties for grants management, inspection services, contractor services, information technology, educational outreach, and auditing services. Such contracts are considered direct costs of the MSFCP Program and are not subject to administrative cost limits. DFS must contract with providers that have a demonstrated record of successful business operations in areas directly related to the services to be provided and must ensure the highest accountability for use of state funds, consistent with the bill's provisions.

Further, the bill requires DFS to implement a quality assurance and reinspection program that determines whether initial inspections and mitigation improvements are completed in a manner consistent with the intent of the MSFCP Program. DFS may use a valid random sampling in order to perform the quality assurance portion of the MSFCP Program.

Reports

By February 1 of each year, DFS must submit a report to the President of the Senate and the Speaker of the House of Representatives on the activities of the MSFCP Program and the use of state funds.

The report must include all of the following information:

- The number of inspections requested;

- The number of inspections performed;
- The number of grant applications received;
- The number of grants approved and the monetary value of each grant;
- The estimated average annual amount of insurance premium discounts each association received and the total estimated annual amount of insurance premium discounts received by all associations participating in the MSFCP Program; and
- The estimated average annual amount of insurance premium discounts each unit owner received as a result of the improvements to the building or structure.

B. SECTION DIRECTORY:

Section 1. Creates s. 215.5587, F.S., relating to My Safe Florida Condominium Pilot Program.

Section 2. Provides an effective date of July 1, 2024.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

To the extent that homes that participate in the MSFCP Program receive mitigation credits or premium discounts under their property insurance policies and are less exposed to risk as a result of mitigation retrofitting using grant funds, the MSFCP Program may have a positive direct economic impact on homeowners. Hurricane mitigation inspectors and contractors may also see an increase in activity.

D. FISCAL COMMENTS:

The bill has no direct impact on state government expenditures. Instead, the bill establishes that the MSFCP Program will be implemented subject to funding in the General Appropriations Act (GAA). Currently HB 5001 appropriates \$25 million for grants, \$1.4 million for administrative costs, and \$600,000 for inspections.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not authorize DFS to adopt rules to administer the MSFCP Program. However, rulemaking authority should be considered to align this program with the rulemaking authority for the MSFH Program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

See Rule-making Authority.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 1, 2024, the Insurance & Banking Subcommittee considered the bill, adopted one amendment, and reported the bill favorably as a committee substitute. The amendment made the following changes to the bill:

- Defined a “service area” for the program that is the area of the state 15 miles inward of the coastline; making the pilot project statewide in this coastal zone.
- Clarified the fingerprinting requirement to comport with a recommendation by FDLE.

The analysis is drafted to the committee substitute as passed by the Insurance & Banking Subcommittee.

On February 13, 2024, the State Administration & Technology Appropriations Subcommittee considered the bill, adopted an amendment, and reported the bill as favorably as a committee substitute. The amendment made the following changes:

- Roof-related projects is set at \$11 per square foot times the square feet of the replacement roof, limited to \$1,000 per unit, and maximum grant contribution is limited to 50 percent of the project.
- Opening protection-related projects grant contribution is a maximum of \$750 per replacement window, limited to \$1,500 per unit, and a maximum grant contribution of 50 percent of the project.
- Allows an association to receive grant funds for both roof-related and opening protection-related projects, but the maximum grant contribution is limited to \$175,000.
- The department may not accept grant applications or maintain a waiting list after cumulative value of grants have been fully obligated. Unless the Legislature provides expressed authority.

The analysis is drafted to the committee substitute as passed by the State Administration & Technology Appropriations Subcommittee.