

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 1466

INTRODUCER: Banking and Insurance Committee and Senator DiCeglie

SUBJECT: My Safe Florida Home Trust Fund/Department of Financial Services

DATE: April 1, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Knudson	BI	Fav/CS
2.			FT	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1466 creates the My Safe Florida Home Trust Fund within the Department of Financial Services. The trust fund shall consist of funds to be used exclusively for the purposes of the My Safe Florida Home Program. Following a declaration of emergency, the trust fund is to be supported by 20 percent of the Insurance Premium Tax collected pursuant to ss. 252.372, 624.4625, and 624.509-624.519, F.S.

Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund at the end of the year and shall be available for carrying out the purpose of the trust fund. The balance in the trust may not exceed \$300 million at any time. Any funds in excess of this amount must be transferred to the General Revenue Fund.

Pursuant to s. 19 (f), Art. III of the State Constitution, the My Safe Florida Home Trust Fund terminates on July 1, 2029, unless terminated sooner or recreated by the Legislature. Additionally, the trust fund shall be reviewed as provided in s. 215.3206, F.S., before its scheduled termination.

The total Insurance Premium Tax collected next year under these statutes is expected to exceed \$1 billion, with over \$650 million of that going to the General Revenue Fund. Under the bill, approximately \$214 million would go to the proposed trust fund.

This bill, creating a new trust fund, must pass by a three-fifths vote of the membership of each house to become law pursuant to s. 19 (f), Art. III of the State Constitution. The bill takes effect July 1, 2025.

II. Present Situation:

Trust Funds

Establishment of Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only.¹ Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.²

Review of Trust Funds

All state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund.³ The Legislature may set a shorter time period for which any trust fund is authorized.⁴ The Legislature must review all state trust funds at least once every 4 years prior to the regular session of the Legislature immediately preceding the date on which any executive or judicial branch trust fund is scheduled to be terminated, or such earlier date as the Legislature may specify.⁵

The agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.⁶ Each recommendation must be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary.⁷ A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund.⁸

When the Legislature terminates a trust fund, the agency or branch of state government that administers the trust fund must pay any outstanding debts or obligations of the trust fund as soon

¹ Art. III, s. 19(f)(1), Fla. Const.

² Section 215.3207, F.S.

³ Art. III, s. 19(f)(2), Fla. Const.

⁴ *Id.*

⁵ Section 215.3206(1), F.S.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

as practicable.⁹ The Legislature may also provide for the distribution of moneys in that trust fund. If no such distribution is provided, the moneys remaining after all outstanding obligations of the trust fund are met must be deposited in the General Revenue Fund.¹⁰

My Safe Florida Home Program

Background

Following the 2004 and 2005 hurricane seasons, where 2.8 million Florida homeowners suffered more than \$33 billion in insured property damage, 86 percent of the 4.4 million homes in Florida were built prior to the adoption of stronger building codes in 2002, and the average age of a home was 26 years, Florida began to experience a decline in the availability of property insurance and an increase in its cost.¹¹ In 2006, the Legislature created the My Safe Florida Home Program (MSFH Program) within the Department of Financial Services (DFS).¹² The original appropriation for the MSFH Program was \$250 million for a period not to exceed three years with any unused appropriated funds reverting to the General Revenue Fund on June 30, 2009.¹³

The MSFH Program was created with the intent to provide trained and certified inspectors to perform mitigation inspections for owners of site-built, single-family, residential properties, and mitigation grants to eligible applicants, subject to the availability of funds.¹⁴ The Program was to “develop and implement a comprehensive and coordinated approach for hurricane damage mitigation...”¹⁵ The Program allowed the DFS to undertake a public outreach and advertising campaign to inform consumers of the availability and benefits of the mitigation inspections and grants.¹⁶ From its inception to January 30, 2009, the Program received approximately 425,193 applications, performed more than 391,000 inspections and awarded 39,000 grants. From July 2007 through January 2009, MSFH Program expenditures totaled approximately \$151.9 million.¹⁷ Funding for the program ceased on June 30, 2009.¹⁸

Renewal and Funding of the MSFH Program

In May 2022, during Special Session 2022-D, and under a property insurance bill (SB 2-D), the Legislature reestablished the MSFH Program and appropriated \$150 million in nonrecurring funds from the General Revenue Fund designated for the following purposes:

- \$25 million for hurricane mitigation inspections;

⁹ Section 215.3208(2)(a), F.S.

¹⁰ Section 215.3208(2)(b), F.S.

¹¹ Department of Financial Services, *My Safe Florida Home, 2008 Annual Report* (Feb. 2009) (on file with Senate Committee on Banking and Insurance).

¹² 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.).

¹³ Chapter 2006-12, L.O.F.

¹⁴ Section 215.5586, F.S.

¹⁵ *Id.*

¹⁶ Section 215.5586(3), F.S.

¹⁷ Florida Auditor General, *Department of Financial Services, My Safe Florida Home Program, Operational Audit Report No. 2010-074* (Jan. 2010), available at <https://flauditor.gov> (last visited March 27, 2025).

¹⁸ Department of Financial Services, *My Safe Florida Home, 2008 Annual Report* (Feb. 2009) (on file with Senate Committee on Banking and Insurance).

- \$115 million for hurricane mitigation grants;
- Four million dollars for education and consumer awareness;
- One million dollars for public outreach to contractors, real estate brokers, and sales associates; and
- Five million dollars for administrative costs.¹⁹

During the 2023 Regular Legislative Session, the Legislature appropriated an additional \$100 million in nonrecurring funds from the General Revenue Fund for mitigation grants and \$2,065,000 for operations and administration costs.²⁰ During Special Session 2023-C, the Legislature appropriated \$176,170,000 in nonrecurring funds from the General Revenue Fund for hurricane mitigation grants and \$5,285,100 for administrative costs. During the 2024 Regular Legislative Session, the Legislature appropriated \$200 million in nonrecurring funds from the General Revenue Fund for hurricane mitigation grants, inspections, and administrative costs.²¹

Overview of the Insurance Premium Tax

Insurance policies providing residential coverage are subject to the insurance premium tax. Residential coverage includes personal lines residential coverage, such as for homeowner and condominium unit owner policies and also includes commercial lines residential coverage, such as for condominium association or apartment building policies. Also subject to the insurance premium tax are insurance policies, contracts, or endorsements providing personal or commercial lines coverage for the peril of flood or excess coverage for the peril of flood.

The premium tax is applied to insurance premiums written in Florida at the following rates:

- Gross property and casualty premiums less reinsurance and returned premiums, life premiums, accident and health premiums, and prepaid limited health premiums, 1.75 percent;
- Commercial self-insurance, group practice self-insurance, and assessable mutual insurance, 1.6 percent; and
- Annuities, 1 percent.²²

Corporate income tax and the emergency excise tax paid to Florida are credited against premium tax liability. Exemptions are allowed on annuity premiums paid by annuity policy or contract holders in this state if the savings are passed on to the consumer. A credit is allowed against the premium tax equal to 15 percent of the amount paid by the insurer in salaries to employees located or based in Florida who are covered by unemployment compensation. This credit in combination with the corporate income tax credit may not exceed 65 percent of the tax due for the calendar year. Credits are also allowed for the municipal pension fund taxes, certain community contributions, certain exempt finance corporate investments, and workers' compensation assessments.²³

Insurance Premium Tax statutes include:

¹⁹ Section 4, ch. 2022-268, L.O.F.

²⁰ SB 2500 (2023); Specific Appropriations 2368A & 2368B, ch. 2023-239, Laws of Fla.

²¹ Section 2, ch. 2024-107, L.O.F.

²² Florida Revenue Estimating Conference, *2024 Tax Handbook*, p. 122, <https://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2024.pdf> (last visited March 31, 2025).

²³ *Id.*

- Section 252.372, F.S. - Imposition and collection of surcharge. \$2 per policy shall be imposed on every homeowners, mobile homeowners, tenant homeowners, and condominium unit owners policy, and an annual \$4 surcharge shall be imposed on every commercial fire, commercial multiple peril, and business owner's property insurance policy.
- Section 624.4625(4), F.S. - Corporation not for profit self-insurance funds. Premiums, contributions, and assessments received by a corporation not for profit self-insurance fund are subject to ss. 624.509(1) and (2) and 624.5092, F.S., except that the tax rate shall be 1.6 percent of the gross amount of such premiums, contributions, and assessments.
- Section 624.509, F.S. - Premium tax; rate and computation:
 - (1)(a) An amount equal to 1.75 percent of the gross amount of such receipts on account of life and health insurance policies covering persons resident in this state and on account of all other types of policies and contracts.
 - (1)(b) An amount equal to 1 percent of the gross receipts on annuity policies or contracts paid by holders thereof in this state; and
 - (1)(c) An amount equal to 1.75 percent of the direct written premiums for bail bonds, excluding any amounts retained by licensed bail bond agents or appointed managing general agents.
- Section 624.5091(1)(a), F.S. - Retaliatory provision, insurers. In determining the taxes to be imposed under this section, 80 percent and a portion of the remaining 20 percent as provided in paragraph (b) of the credit provided by s. 624.509(5), F.S., as limited by s. 624.509(6), F.S., and further determined by s. 624.509(7), F.S., shall not be taken into consideration.
- Section 624.5092(2)(b), F.S. - Administration of taxes; payments. Any taxpayer who fails to report and timely pay any installment of tax, who estimates any installment of tax to be less than 90 percent of the amount finally shown to be due in any quarter, or who fails to report and timely pay any tax due with the final return is in violation of this section and is subject to a penalty of 10 percent on any underpayment of taxes.
- Section 624.50921(2), F.S. - Adjustments. The amount of any proposed assessment set forth in such a notice of deficiency shall be limited to the amount of any deficiency resulting under this code from recomputation of the taxpayer's insurance premium tax and retaliatory tax for the taxable year after giving effect only to the change in corporate income tax paid and the change in the amount of the workers' compensation administrative assessment paid. Interest in accordance with s. 624.5092, F.S., is due on the amount of any deficiency from the date fixed for filing the original insurance premium tax return for the taxable year until the date of payment of the deficiency.
- Section 624.510(1), F.S. - Tax on wet marine and transportation insurance. A tax of 0.75 percent of gross underwriting profit.
- Section 624.515(1)(a), F.S. - State Fire Marshal regulatory assessment and surcharge; levy and amount. In addition to any other license or excise tax now or hereafter imposed, and such taxes as may be imposed under other statutes, there is hereby assessed and imposed upon every domestic, foreign, and alien insurer authorized to engage in this state in the business of issuing policies of fire insurance, a regulatory assessment in an amount equal to 1 percent of the gross amount of premiums collected by each such insurer on policies of fire insurance issued by it and insuring property in this state.

Disposition of Insurance Premium Tax collections are as follows:

- Assessments for Police and Firefighter pension funds are sent to the DFS for distribution to local governments.
- Fire Marshal assessments, filing fees and \$125,000 annually adjusted by the lesser of 20 percent or the growth in total retaliatory taxes, are deposited into the Insurance Regulatory Trust Fund.
- The remainder of the premium tax is deposited into the General Revenue Trust Fund.²⁴

Below is a chart reflecting the collections and distribution of the Insurance Premium Tax for the past three years and anticipated for the next fiscal year.²⁵

Year	Collections	Police & Firefighter T.F.	General Revenue	Insurance Regulatory T.F.	Emergency Management
2025-26	1,072,100,000	334,500,000	659,600,000	23,900,000	16,500,000
2024-25	1,349,900,000	319,300,000	973,400,000	49,700,000	16,500,000
2023-24	1,455,638,890	346,502,957	1,048,300,000	62,112,515	16,721,002
2022-23	1,384,341,261	291,900,000	1,049,500,000	56,700,811	16,488,606

III. Effect of Proposed Changes:

The bill creates s. 215.55861, F.S., to establish the My Safe Florida Home Trust Fund within the DFS. The trust fund shall consist of funds to be used exclusively for the purposes of the My Safe Florida Home Program. Following a declaration of emergency, the trust fund is to be supported by 20 percent of the Insurance Premium Tax collected pursuant to ss. 252.372, 624.4625, and 624.509-624.519, F.S. The total Insurance Premium Tax collected next year under these statutes is expected to exceed \$1 billion, with over \$650 million of that going to the General Revenue Fund. Under the bill, approximately \$214 million would go to the proposed trust fund.

Any balance in the trust fund at the end of any fiscal year shall remain in the trust fund at the end of the year and shall be available for carrying out the purpose of the trust fund. The balance in the trust may not exceed \$300 million at any time. Any funds in excess of this amount must be transferred to the General Revenue Fund.

The DFS must provide an annual report on fund balances and any transfers made pursuant to this section. The report must be delivered to the President of the Senate and the Speaker of the House of Representatives by February 1 of each year.

As required by the Florida Constitution, the My Safe Florida Home Trust Fund terminates on July 1, 2029, unless terminated sooner or recreated by the Legislature.²⁶ Additionally, the trust fund shall be reviewed as provided in s. 215.3206, F.S., before its scheduled termination.

The bill takes effect July 1, 2025.

²⁴ *Id.*

²⁵ *Id.*, p.120.

²⁶ Fla. Const. art. III, s. 19(f).

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Article III, s. 19(f)(1) of the Florida Constitution specifies that a trust fund may be created or re-created only by a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

Article III, s. 19(f)(2) of the Florida Constitution specifies that state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law the Legislature may set a shorter time period for which any trust fund is authorized.

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 creates a dedicated funding source for the MSFH Program which should allow for the continued funding of grants under the Program.

C. Government Sector Impact:

Creating the My Safe Florida Home Trust Fund within the DFS provides a dedicated revenue source to fund the MSFH Program. The proposed trust fund is to be supported by 20 percent of the Insurance Premium Tax collected pursuant to ss. 252.372, 624.4625, and 624.509-624.519, F.S. The total Insurance Premium Tax collected next year under these statutes is expected to exceed \$1 billion, with over \$650 million of that going to the

General Revenue Fund.²⁷ Under the bill, approximately \$214 million would go to the proposed trust fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following section of the Florida Statutes: 215.55861.

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 31, 2025:

The committee substitute replaced the proposed funding source in the bill. Following a declaration of emergency, the trust fund is to be supported by 20 percent of the Insurance Premium Tax collected.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

²⁷ Florida Revenue Estimating Conference, *2024 Tax Handbook*, p. 120, <https://edr.state.fl.us/content/revenues/reports/tax-handbook/taxhandbook2024.pdf> (last visited March 31, 2025).