

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: SB 1466

INTRODUCER: Senator DiCeglie

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

DATE: March 28, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Thomas	Knudson	BI	Pre-meeting
2.			FT	
3.			AP	

I. Summary:

SB 1466 creates the My Safe Florida Home Trust Fund within the Department of Financial Services. The trust fund shall consist of funds collected in an amount equal to five percent of the state sales tax remitted to the Department of Revenue pursuant to s. 212.15(4), F.S., in the two months following the month of landfall of a hurricane from dealers within the counties named in a declaration of a state of emergency by the Governor. The funds are to be used exclusively for the purposes of the MSFH Program.

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.

This bill has not yet been reviewed by the Revenue Estimating Conference. The fiscal impact of this bill is indeterminate.

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 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

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.*

⁹ Section 215.3208(2)(a), F.S.

¹⁰ Section 215.3208(2)(b), F.S.

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;
- \$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

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).

- 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

Emergency Powers of the Governor

The Governor is responsible for meeting the dangers presented to this state and its people by emergencies.²² In the event of an emergency or threat of one, the Governor may declare a state of emergency by executive order or proclamation. The order or proclamation must be filed with the Department of State and in the commission offices of the affected counties. The state of emergency continues until the Governor finds that the threat or danger has been dealt with to the extent that the emergency conditions no longer exist, but the order may not continue for longer than 60 days. The Governor may extend the order as necessary.²³ However, the Legislature may end a state of emergency by passing a concurrent resolution.²⁴

Overview of Florida Sales and Use Tax

Florida levies a 6 percent tax on the sale or rental of most items of tangible personal property,²⁵ admissions,²⁶ and transient rentals.²⁷ Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.²⁸ Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.²⁹ A surtax applies to “all transactions ... subject to the state tax ... on sales, use, services, rentals, admissions, and other transactions ...”³⁰ The discretionary sales surtax rates currently levied vary by county in a range of 0.5 to 1.5 percent.³¹

Persons desiring to engage in or conduct business in this state as a dealer must first apply with Department of Revenue (department) as a dealer.³² Each dealer must file a return and remit the

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 Section 252.36(1)(a), F.S.

²³ Section 252.36(2), F.S.

²⁴ Section 252.36(3), F.S.

²⁵ Section 212.05(1)(a)1.a., F.S.

²⁶ Section 212.04(1)(b), F.S.

²⁷ Section 212.03(1)(a), F.S.

²⁸ Section 212.07(2), F.S.

²⁹ Section 212.055, F.S.

³⁰ Section 212.054(2)(a), F.S.

³¹ FLA. DEP'T OF REVENUE, *Discretionary Sales Surtax Information for Calendar Year 2025*, available at https://floridarevenue.com/Forms_library/current/dr15dss.pdf (last visited March 27, 2025).

³² Section 212.18(3)(a), F.S.

tax due on or before the 20th day of the month.³³ Businesses that sell tangible personal property and services that are subject to the Florida sales tax are required to collect the sales tax on the sale and to remit their collections.³⁴ These businesses are referred to as dealers and are required to file returns³⁵ and maintain books and records to evidence past sales,³⁶ which are subject to audit by the department.³⁷

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 collected in an amount equal to five percent of the state sales tax remitted to the Department of Revenue pursuant to s. 212.15(4), F.S., in the two months following the month of landfall of a hurricane from dealers within the counties named in a declaration of a state of emergency by the Governor. The funds are to be used exclusively for the purposes of the MSFH Program. The Department of Revenue must distribute the funds to the My Safe Florida Home Trust Fund no later than the end of the third month after the month landfall took place.

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.³⁸ 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.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

³³ Section 212.11(1)(b), F.S.

³⁴ See generally s. 212.06, F.S.

³⁵ See s. 212.11, F.S.

³⁶ See s. 212.13, F.S.

³⁷ *Id.*

³⁸ Fla. Const. art. III, s. 19(f).

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:

This bill has not yet been reviewed by the Revenue Estimating Conference.

Creating the My Safe Florida Home Trust Fund within the DFS provides a dedicated revenue source to fund the MSFH Program. The Trust Fund will be supported with diverted sales tax revenue in the two months following the month of landfall of a hurricane from dealers within the counties named in a declaration of a state of emergency by the Governor.

The Department of Revenue reports that distributions will be variable and depend on the weather. Therefore, distributions will be manual using existing resources. However, programming may need to be developed, or programming changes may be required, if these distributions impact annual closeouts or disrupt the normal timing of other distributions

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Department of Revenue reports it is unclear if the distributions the Department is required to make are to include discretionary sales surtax. It recommends amending language on line 32, as follows:

“Governor, an amount equal to 5 percent of the remaining proceeds ~~state sales tax~~”

The proposed amendment will clarify that the 5% distribution will not apply to surtaxes, local option taxes, or other local taxes.

VIII. Statutes Affected:

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

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.