

HB 545 — Residential Property Sales

by Rep. Patterson and others (SB 2190 by Senator Altman)

In November 2007, the Financial Services Commission adopted a uniform home grading scale to grade the ability of a home to withstand the wind load from a tropical storm or hurricane. The uniform home grading scale scores homes on a scale of 1 to 100 and takes into account the construction features of the home, the wind zone location, and the terrain surrounding the home.

In 2008, the Legislature enacted legislation that established a “two-part phase-in” of a requirement that sellers of homes located in the state’s wind borne debris region disclose the home’s windstorm mitigation rating based on the uniform grading scale to prospective purchasers. The first part of the phase-in was to begin January 2010, and would have required sellers of homes insured by Citizens Property Insurance Corporation for \$500,000 or more to disclose the home’s windstorm mitigation rating to buyers. However, in 2009, before it took effect, this disclosure requirement was repealed. The second part of the phase-in, which remains law today and is scheduled to begin on January 1, 2011, will require sellers of any home in the windborne debris region to disclose to the purchaser the home’s mitigation rating.

This bill repeals the second part of the disclosure phase-in before it takes effect on January 1, 2011. Consequently, sellers of homes located in the windborne debris region will not be required to disclose the home’s windstorm mitigation rating. The bill would save sellers of homes located in the windborne debris region the cost of a windstorm mitigation inspection, which averages between \$150 and \$250.

If approved by the Governor, these provisions take effect upon becoming a law.

Vote: Senate 36-0; House 113-0