

Council Substitute for House Bill No. 7057

An act relating to hurricane damage mitigation; amending s. 215.5586, F.S.; redesignating the Florida Comprehensive Hurricane Damage Mitigation Program as the "My Safe Florida Home Program"; providing additional duties of the Department of Financial Services; providing additional legislative intent; revising criteria and requirements for hurricane mitigation inspections; requiring the department to contract with certain entities to provide hurricane mitigation inspections; revising the requirements for such inspections; providing for a hurricane resistance rating scale as adopted by the Financial Services Commission; revising the requirements for an entity to be selected by the department to perform inspections; providing requirements for a homeowner with respect to applying for an inspection; revising requirements for mitigation grants; authorizing inspectors to participate as contractors under certain circumstances; limiting the purposes for which a grant may be used; providing for priorities of grants; requiring the department to develop a grant applications verification and collection process; requiring the department to transfer certain appropriated funds to Volunteer Florida Foundation, Inc., for certain purposes; specifying duties of Volunteer Florida Foundation, Inc.; authorizing the department to undertake a statewide consumer information campaign; requiring the advisory council to advise and assist the department in administering the program; expanding the department's authorization to enhance financial resource funding of the program; revising the department's rulemaking authority; deleting provisions authorizing the department to contract with not-for-profit corporations; requiring the department to maintain a list of authorized hurricane mitigation inspectors; authorizing the department to develop a no-interest loan program; providing program requirements and limitations; requiring the department to pay certain creditors from funds appropriated for the program; providing loan eligibility criteria; authorizing the department to set aside certain funds for program purposes; requiring the department to adopt rules; providing for public outreach for contractors, real estate brokers, and licensed sales associates; authorizing the department to contract for grants management, inspection services, education outreach, and auditing services; providing additional legislative intent; requiring the department to make annual reports to the Legislature concerning the program; providing report requirements; amending s. 489.115, F.S.; including wind mitigation methodologies under certain continuing education requirements for contractors; amending ss. 4, 39, and 42 of ch. 2006-12, Laws of Florida; providing conforming changes to the redesignation of the Florida Comprehensive Hurricane Damage Mitigation Program; providing legislative intent; requiring the Office of Insurance Regulation, in consultation with the Department of Community Affairs and the Florida Building Commission, to conduct wind-loss mitigation studies; providing requirements for the studies; requiring reports to the Governor, the Legislature, the Chief

Financial Officer, and the Commissioner of Insurance Regulation; creating s. 553.844, F.S.; providing legislative findings concerning the need to prevent property damage caused by hurricanes; requiring the Florida Building Commission to adopt amendments to the Florida Building Code, including requirements for certain buildings constructed before the implementation of the code; providing requirements for such amendments; providing requirements for buildings located in a wind-borne debris region; amending s. 627.351, F.S.; requiring that a residential structure located in a wind-borne debris region have certain opening protections required under the Florida Building Code in order to be eligible for coverage by the Citizens Property Insurance Corporation; providing appropriations; providing an effective date.

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

Section 1. Section 215.5586, Florida Statutes, is amended to read:

215.5586 My Safe Florida Home Comprehensive Hurricane Damage Mitigation Program.—There is established within the Department of Financial Services the My Safe Florida Home Comprehensive Hurricane Damage Mitigation Program. ~~The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section.~~ This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that the My Safe Florida Home Program provide inspections for at least 400,000 site-built, single-family, residential properties and provide grants to at least 35,000 applicants before June 30, 2009. The program shall be administered by an individual with prior executive experience in the private sector in the areas of insurance, business, or construction. The program shall develop and implement a comprehensive and coordinated approach for hurricane damage mitigation that shall include the following:

(1) ~~WIND CERTIFICATION AND HURRICANE MITIGATION INSPECTIONS.~~—

(a) Free home-retrofit inspections of site-built, single-family, residential property, ~~including single-family, two-family, three-family, or four-family residential units,~~ shall be offered throughout the state to determine what mitigation measures are needed, what insurance premium discounts may be available, and what improvements to existing residential properties are needed to reduce the property's vulnerability to hurricane damage. The Department of Financial Services shall contract with ~~establish a request for proposals to solicit proposals from~~ wind certification entities to provide free ~~at no cost to homeowners~~ wind certification and hurricane mitigation inspections. The inspections provided to homeowners, at a minimum, must include:

1. A home inspection and report that summarizes the results and identifies recommended improvements ~~corrective actions~~ a homeowner may take to mitigate hurricane damage.

2. A range of cost estimates regarding the recommended mitigation improvements features.

3. Insurer-specific information regarding premium discounts correlated to the current mitigation features and the recommended mitigation improvements features identified by the inspection.

4. A hurricane resistance rating scale specifying the home's current as well as projected wind resistance capabilities. As soon as practical, the rating scale must be the uniform home grading scale adopted by the Financial Services Commission pursuant to s. 40 of chapter 2007-1, Laws of Florida.

(b) To qualify for selection by the department as a ~~provider~~ of wind certification entity to provide and hurricane mitigation inspections, the entity shall, at a minimum:

1. Use ~~wind certification and~~ hurricane mitigation inspectors who:

a. Have prior experience in residential construction or inspection and have received specialized training in hurricane mitigation procedures. Such training may be provided by a class offered online or in person.

b. Have undergone drug testing and level 2 background checks pursuant to s. 435.04. The department is authorized to conduct criminal record checks of inspectors used by wind certification entities. Inspectors must submit a set of the fingerprints to the department for state and national criminal history checks and must pay the fingerprint processing fee set forth in s. 624.501. The fingerprints shall be sent by the department to the Department of Law Enforcement and forwarded to the Federal Bureau of Investigation for processing. The results shall be returned to the department for screening. The fingerprints shall be taken by a law enforcement agency, designated examination center, or other department-approved entity. ~~Wind certification and~~ Hurricane mitigation inspectors participating in the program on January 25, 2007, the effective date of this act shall have until June 1, 2007, to meet the requirements for a criminal record check.

c. Have been certified, in a manner satisfactory to the department, to conduct the inspections.

2. Provide a quality assurance program including a reinspection component.

(c) An application for an inspection must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only a single application for that home.

(d) The owner of a site-built, single-family, residential property may apply for and receive an inspection without also applying for a grant pursuant to subsection (2) and without meeting the requirements of paragraph (2)(a).

(2) **MITIGATION GRANTS.**—Financial grants shall be used to encourage single-family, site-built, owner-occupied, residential property owners to retrofit their properties to make them less vulnerable to hurricane damage.

(a) To be eligible for a grant for persons who have obtained a completed inspection after May 1, 2007, a residential property must:

1. Have been granted a homestead exemption under chapter 196.
2. Be a dwelling with an insured value of ~~\$300,000~~ \$500,000 or less. Homeowners who are low-income persons, as defined in s. 420.0004(10), are exempt from this requirement.
3. Have undergone an acceptable ~~wind certification and~~ hurricane mitigation inspection, ~~if the property is an existing structure.~~
4. Be located in the “wind-borne debris region” as that term is defined in s. 1609.2, International Building Code (2006).
5. Be a home for which the building permit application for initial construction was made before March 1, 2002.

An application for a grant must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only a single application and must have attached documents demonstrating the applicant meets the requirements of this paragraph. A residential property which is part of a multifamily residential unit may receive a grant only if all homeowners participate and the total number of units does not exceed four.

(b) All grants must be matched on a dollar-for-dollar basis for a total of \$10,000 for the actual cost of the mitigation project with the state’s contribution not to exceed \$5,000.

(c) The program shall create a process in which ~~mitigation~~ contractors agree to participate ~~and seek reimbursement from the state~~ and homeowners select from a list of participating contractors. All mitigation must be based upon the securing of all required local permits and inspections and must be performed by properly licensed contractors. Mitigation projects are subject to random reinspection of up to at least ~~5~~ 10 percent of all projects. Hurricane mitigation inspectors qualifying for the program may also participate as mitigation contractors as long as the inspectors meet the department’s qualifications and certification requirements for mitigation contractors.

(d) Matching fund grants shall also be made available to local governments and nonprofit entities for projects that will reduce hurricane damage to single-family, site-built, owner-occupied, residential property. The department shall liberally construe those requirements in favor of availing the state of the opportunity to leverage funding for the My Safe Florida Home Program with other sources of funding.

(e) When recommended by a hurricane mitigation inspection, grants may be used for the following improvements only:

1. ~~Roof deck attachment.~~

- ~~2. Secondary water barrier.~~
- ~~3. Roof covering.~~
- ~~4. Brace gable ends.~~
- ~~5. Reinforce roof-to-wall connections.~~
- 1.6. Opening protection.
- 2.7. Exterior doors, including garage doors.
3. Brace gable ends.

The department may require that improvements be made to all openings, including exterior doors and garage doors, as a condition of approving an application for a grant if the department determines that improvements to less than all openings would not substantially improve the structure's ability to withstand hurricane damage.

(f) Grants may be used on a previously inspected existing structure or on a rebuild. A rebuild is defined as a site-built, single-family dwelling under construction to replace a home that was destroyed or significantly damaged by a hurricane and deemed unlivable by a regulatory authority. The homeowner must be a low-income homeowner as defined in paragraph (g), must have had a homestead exemption for that home prior to the hurricane, and must be intending to rebuild the home as that homeowner's homestead and maintained the homestead exemption.

(g) Low-income homeowners, as defined in s. 420.0004(10), who otherwise meet the requirements of paragraphs (a), (c), (e), and (f) are eligible for a grant of up to \$5,000 and are not required to provide a matching amount to receive the grant. Additionally, for low-income homeowners, grant funding may be used for repair to existing structures leading to any of the mitigation improvements provided in paragraph (e), limited to 20 percent of the grant value. The program may accept a certification directly from a low-income homeowner that the homeowner meets the requirements of s. 420.0004(10) if the homeowner provides such certification in a signed or electronically verified statement made under penalty of perjury.

(h) The department shall establish objective, reasonable criteria for prioritizing grant applications, consistent with the requirements of this section.

(i) The department shall 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.

(j) The department shall transfer the amount of \$40 million from funds appropriated to the program, including up to 5 percent for administrative costs, to Volunteer Florida Foundation, Inc., for provision of inspections and

grants to low-income homeowners, as defined in s. 420.0004(10), consistent with this section. Volunteer Florida Foundation, Inc., shall be responsible for inspections and grants management for low-income homeowners and shall report its activities and account for state funds on a quarterly and annual basis to the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives.

(3) EDUCATION AND CONSUMER AWARENESS.—~~The department may undertake a statewide multimedia public outreach and advertising campaign to inform consumers of the availability and benefits of hurricane inspections and of the safety and financial benefits of residential hurricane damage mitigation. The department may seek out and use local, state, federal, and private funds to support the campaign. Multimedia public education, awareness, and advertising efforts designed to specifically address mitigation techniques shall be employed, as well as a component to support ongoing consumer resources and referral services.~~

(4) ADVISORY COUNCIL.—There is created an advisory council to provide advice and assistance to the ~~department regarding program administrator with regard to his or her~~ administration of the program. The advisory council shall consist of:

(a) A representative of lending institutions, selected by the Financial Services Commission from a list of at least three persons recommended by the Florida Bankers Association.

(b) A representative of residential property insurers, selected by the Financial Services Commission from a list of at least three persons recommended by the Florida Insurance Council.

(c) A representative of home builders, selected by the Financial Services Commission from a list of at least three persons recommended by the Florida Home Builders Association.

(d) A faculty member of a state university, selected by the Financial Services Commission, who is an expert in hurricane-resistant construction methodologies and materials.

(e) Two members of the House of Representatives, selected by the Speaker of the House of Representatives.

(f) Two members of the Senate, selected by the President of the Senate.

(g) The Chief Executive Officer of the Federal Alliance for Safe Homes, Inc., or his or her designee.

(h) The senior officer of the Florida Hurricane Catastrophe Fund.

(i) The executive director of Citizens Property Insurance Corporation.

(j) The director of the Division of Emergency Management of the Department of Community Affairs.

Members appointed under paragraphs (a)-(d) shall serve at the pleasure of the Financial Services Commission. Members appointed under paragraphs (e) and (f) shall serve at the pleasure of the appointing officer. All other members shall serve voting ex officio. Members of the advisory council shall serve without compensation but may receive reimbursement as provided in s. 112.061 for per diem and travel expenses incurred in the performance of their official duties.

(5) ~~FEDERAL FUNDING.~~—The department may seek out and leverage local, state, federal, or private funds to enhance ~~shall use its best efforts to obtain grants or funds from the federal government to supplement the financial resources of the program.~~

(6) ~~RULES.~~—The Department of Financial Services shall adopt rules pursuant to ss. 120.536(1) and 120.54 to govern governing the Florida Comprehensive Hurricane Damage Mitigation program, implement the provisions of this section, including rules governing hurricane mitigation inspections, mitigation contractors, and training of inspectors and contractors, and carry out the duties of the department under this section. ~~The department shall also adopt rules establishing priorities for grants provided under this section based on objective criteria that gives priority to reducing the state's probable maximum loss from hurricanes. However, pursuant to this overall goal, the department may further establish priorities based on the insured value of the dwelling, whether or not the dwelling is insured by Citizens Property Insurance Corporation and whether or not the area under consideration has sufficient resources and the ability to perform the retrofitting required.~~

(7) ~~CONTRACTS WITH NOT-FOR-PROFIT CORPORATIONS.~~—The Department of Financial Services is ~~authorized to contract with not-for-profit corporations to conduct all or portions of the program and to increase the awareness of the benefits of mitigation among homeowners in this state. The department shall consider the not-for-profit corporation's ability to raise funds from the private sector to provide for mitigation grants, as well as administrative capabilities for conducting other business related to the program.~~

(7)(8) ~~WIND CERTIFICATION AND HURRICANE MITIGATION INSPECTOR LIST.~~—The department shall develop and maintain as a public record a current list of wind certification and hurricane mitigation inspectors authorized to conduct wind certification and hurricane mitigation inspections pursuant to this section. ~~wind certification and hurricane mitigation inspections pursuant to this section.~~

(8) ~~NO-INTEREST LOANS.~~—The department may develop a no-interest loan program by December 31, 2007, to encourage the private sector to provide loans to owners of site-built, single-family, residential property to pay for mitigation measures listed in subsection (2). A loan eligible for interest payments pursuant to this subsection may be for a term of up to 3 years and cover up to \$5,000 in mitigation measures. The department shall pay the creditor the market rate of interest using funds appropriated for the My Safe Florida Home program. In no case shall the department pay more than the interest rate set by s. 687.03. To be eligible for a loan, a loan ~~may develop a no-interest loan program by December 31, 2007, to encourage the private sector to provide loans to owners of site-built, single-family, residential property to pay for mitigation measures listed in subsection (2). A loan eligible for interest payments pursuant to this subsection may be for a term of up to 3 years and cover up to \$5,000 in mitigation measures. The department shall pay the creditor the market rate of interest using funds appropriated for the My Safe Florida Home program. In no case shall the department pay more than the interest rate set by s. 687.03. To be eligible for a loan, a loan~~

applicant must first obtain a home inspection and report that specifies what improvements are needed to reduce the property's vulnerability to wind-storm damage pursuant to this section and meet loan underwriting requirements set by the lender. The department may set aside up to \$10 million from funds appropriated for the My Safe Florida Home program to implement this subsection. The department shall adopt rules pursuant to ss. 120.36(1) and 120.54 to implement this subsection which may include eligibility criteria.

(9) PUBLIC OUTREACH FOR CONTRACTORS AND REAL ESTATE BROKERS AND SALES ASSOCIATES.—The program shall develop brochures for distribution to general contractors, roofing contractors, and real estate brokers and sales associates licensed under part I of chapter 475 explaining the benefits to homeowners of residential hurricane damage mitigation. The program shall encourage contractors to distribute the brochures to homeowners at the first meeting with a homeowner who is considering contracting for home or roof repairs or contracting for the construction of a new home. The program shall encourage real estate brokers and sales associates licensed under part I of chapter 475 to distribute the brochures to clients prior to the purchase of a home. The brochures may be made available electronically.

(10) CONTRACT MANAGEMENT.—The department may contract with third parties for grants management, inspection services, educational outreach, and auditing services. Such contracts shall be considered direct costs of the program and shall not be subject to administrative cost limits, but contracts valued at \$500,000 or more shall be subject to review and approval by the Legislative Budget Commission. The department shall contract with providers that have a demonstrated record of successful business operations in areas directly related to the services to be provided and shall ensure the highest accountability for use of state funds, consistent with this section.

(11) INTENT.—It is the intent of the Legislature that grants made to residential property owners under this section shall be considered disaster-relief assistance within the meaning of s. 139 of the Internal Revenue Code of 1986, as amended.

(12) REPORTS.—The department shall make an annual report on the activities of the program that shall account for the use of state funds and indicate the number of inspections requested, the number of inspections performed, the number of grant applications received, and the number and value of grants approved. The report shall be delivered to the President of the Senate and the Speaker of the House of Representatives by February 1 of each year.

Section 2. Paragraph (b) of subsection (4) of section 489.115, Florida Statutes, is amended to read:

489.115 Certification and registration; endorsement; reciprocity; renewals; continuing education.—

(4)

(b)1. Each certificateholder or registrant shall provide proof, in a form established by rule of the board, that the certificateholder or registrant has completed at least 14 classroom hours of at least 50 minutes each of continuing education courses during each biennium since the issuance or renewal of the certificate or registration. The board shall establish by rule that a portion of the required 14 hours must deal with the subject of workers' compensation, business practices, and workplace safety, and, for applicable licensure categories, wind mitigation methodologies. The board shall by rule establish criteria for the approval of continuing education courses and providers, including requirements relating to the content of courses and standards for approval of providers, and may by rule establish criteria for accepting alternative nonclassroom continuing education on an hour-for-hour basis. The board shall prescribe by rule the continuing education, if any, which is required during the first biennium of initial licensure. A person who has been licensed for less than an entire biennium must not be required to complete the full 14 hours of continuing education.

2. In addition, the board may approve specialized continuing education courses on compliance with the wind resistance provisions for one and two family dwellings contained in the Florida Building Code and any alternate methodologies for providing such wind resistance which have been approved for use by the Florida Building Commission. Division I certificateholders or registrants who demonstrate proficiency upon completion of such specialized courses may certify plans and specifications for one and two family dwellings to be in compliance with the code or alternate methodologies, as appropriate, except for dwellings located in floodways or coastal hazard areas as defined in ss. 60.3D and E of the National Flood Insurance Program.

3. Each certificateholder or registrant shall provide to the board proof of completion of the core curriculum courses, or passing the equivalency test of the Building Code Training Program established under s. 553.841, specific to the licensing category sought, within 2 years after commencement of the program or of initial certification or registration, whichever is later. Classroom hours spent taking core curriculum courses shall count toward the number required for renewal of certificates or registration. A certificateholder or registrant who passes the equivalency test in lieu of taking the core curriculum courses shall receive full credit for core curriculum course hours.

4. The board shall require, by rule adopted pursuant to ss. 120.536(1) and 120.54, a specified number of hours in specialized or advanced module courses, approved by the Florida Building Commission, on any portion of the Florida Building Code, adopted pursuant to part VII of chapter 553, relating to the contractor's respective discipline.

Section 3. Sections 4, 39, and 42 of chapter 2006-12, Laws of Florida, are amended to read:

Section 4. Of the funds appropriated for the My Safe Florida Home Comprehensive Hurricane Damage Mitigation Program specified in s. 215.5586, Florida Statutes, as created by this act, \$7.5 million shall be for the Manufactured Housing and Mobile Home Mitigation and Enhancement Program

specified in s. 215.559(4)(b), Florida Statutes, as created by this act. The Department of Financial Services shall use these funds to contract with Tallahassee Community College to implement the Manufactured Housing and Mobile Home Mitigation and Enhancement Program.

Section 39. (1) The Office of Insurance Regulation, in consultation with the Department of Community Affairs, the Department of Financial Services, the Federal Alliance for Safe Homes, the Florida Insurance Council, the Florida Home Builders Association, the Florida Manufactured Housing Association, the Risk and Insurance Department of Florida State University, and the Institute for Business and Homes Safety, shall study and develop a program that will provide an objective rating system that will allow homeowners to evaluate the relative ability of Florida properties to withstand the wind load from a sustained severe tropical storm or hurricane.

(2) The rating system will be designed in a manner that is easy to understand for the property owner, based on proven readily verifiable mitigation techniques and devices, and able to be implemented based on a visual inspection program. The Department of Financial Services shall implement a pilot program for use in the My Safe Florida Home Comprehensive Hurricane Damage Mitigation Program.

(3) The Department shall provide a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by March 31, 2007, detailing the nature and construction of the rating scale, its effectiveness based on implementation in a pilot program, and an operational plan for statewide implementation of the rating scale.

Section 42. (1) For the 2006-2007 fiscal year, the sum of \$250 million is appropriated on a nonrecurring basis from the General Revenue Fund to the Insurance Regulatory Trust Fund in the Department of Financial Services for purposes of the My Safe Florida Home Comprehensive Hurricane Damage Mitigation Program specified in s. 215.5586, Florida Statutes, as created by this act. The department shall establish a separate account within the trust fund for accounting purposes.

(2) The sum of \$250 million is appropriated from the Insurance Regulatory Trust Fund in the Department of Financial Services for the purposes set forth in subsection (1). The department may expend up to 1 percent of the funds appropriated to administer the program. Beginning October 15, 2007, and quarterly thereafter, the Chief Financial Officer shall provide a report to the Executive Office of the Governor and the chair and vice chair of the Legislative Budget Commission containing information regarding expenditures made for the purposes set forth in subsection (1).

(3) Notwithstanding the provisions of s. 216.301, Florida Statutes, to the contrary, the unexpended balance of appropriations authorized in subsections (1) and (2) shall not revert until June 30, 2009.

Section 4. It is the intent of the Legislature that scientifically valid and actuarially sound windstorm mitigation rate factors, premium discounts,

and differentials be provided to residential and commercial property insurance policyholders. In order to ensure the validity of such factors, the Office of Insurance Regulation, in consultation with the Department of Community Affairs and the Florida Building Commission, shall conduct or cause to be conducted one or more wind-loss mitigation studies, subject to appropriation of funds by the Legislature for this purpose. The studies shall evaluate the windstorm loss relativities for construction features, including, but not limited to, those that enhance roof strength, roof-covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protections, and window, door, and skylight strength. The studies shall include residential property, including single-family and multifamily homes, mobile homes, and condominiums, and commercial nonresidential property. The studies shall include, but need not be limited to, an analysis of loss data from the 2004 and 2005 hurricanes. The findings of the studies shall be reported to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Chief Financial Officer, and the Commissioner of Insurance Regulation by January 1, 2008, for the studies related to residential property, and by March 1, 2008, for the studies related to commercial non-residential property.

Section 5. Section 553.844, Florida Statutes, is created to read:

553.844 Windstorm loss mitigation; requirements for roofs and opening protection.—

(1) The Legislature finds that:

(a) The effects of recent hurricanes on the state have demonstrated the effectiveness of the Florida Building Code in reducing property damage to buildings constructed in accordance with its requirements, and have also exposed a vulnerability of some construction undertaken prior to implementation of the Florida Building Code.

(b) Hurricanes represent a continuing threat to the health, safety, and welfare of the residents of this state due to the direct destructive effects of hurricanes as well as their effects on windstorm insurance rates.

(c) The mitigation of property damage constitutes a valid and recognized objective of the Florida Building Code.

(d) Cost-effective techniques for integrating proven methods of the Florida Building Code into buildings built prior to its implementation benefit all residents of the state as a whole.

(2) The Florida Building Commission shall:

(a) Analyze the extent to which a proposed Florida Building Code provision will mitigate property damage to buildings and their contents in evaluating that proposal. If the nature of the proposed Florida Building Code provision relates only to mitigation of property damage and not to a life safety concern, the proposal shall be reviewed based on its measurable benefits in relation to the costs imposed.

(b) Develop and adopt within the Florida Building Code a means to incorporate recognized mitigation techniques for site-built, single-family residential structures constructed prior to the implementation of the Florida Building Code, including, but not limited to:

1. Prescriptive techniques for the installation of gable-end bracing;
2. Secondary water barriers for roofs and standards relating to secondary water barriers. The criteria may include, but need not be limited to, roof shape, slope, and composition of all elements of the roof system;
3. Prescriptive techniques for improvement of roof-to-wall connections. The Legislature recognizes that the cost of retrofitting existing buildings to meet the code requirements for new construction in this regard may exceed the practical benefit to be attained. The Legislature intends for the commission to provide for the integration of alternate, lower-cost means that may be employed to retrofit existing buildings that are not otherwise required to comply with the requirements of the Florida Building Code for new construction so that the cost of such improvements does not exceed approximately 15 percent of the cost of reroofing;
4. Strengthening or correcting roof-decking attachments and fasteners during reroofing; and
5. Adding or strengthening opening protections.

(3) The Legislature finds that the integration of these specifically identified mitigation measures is critical to addressing the serious problem facing the state from damage caused by windstorms and that delay in the adoption and implementation constitutes a threat to the health, safety, and welfare of the state. Accordingly, the Florida Building Commission shall develop and adopt these measures by October 1, 2007, by rule separate from the Florida Building Code, which take immediate effect and shall incorporate such requirements into the next edition of the Florida Building Code. Such rules shall require or otherwise clarify that for site-built, single-family residential structures:

(a) A roof replacement must incorporate the techniques specified in subparagraphs (2)(b)2. and 4.

(b) For a building that is located in the wind-borne debris region as defined in s. 1609.2 of the International Building Code (2006) and that has an insured value of \$300,000 or more or, if the building is uninsured or for which documentation of insured value is not presented, has a just valuation for the structure for purposes of ad valorem taxation of \$300,000 or more, a roof replacement must incorporate the techniques specified in subparagraph (2)(b)3.

(c) Any activity requiring a building permit that is applied for on or after July 1, 2008, and for which the estimated cost is \$50,000 or more, must include provision of opening protections as required within the Florida Building Code for new construction for a building that is located in the wind-borne debris region as defined in s. 1609.2 of the International Building

Code (2006) and that has an insured value of \$750,000 or more, or, if the building is uninsured or for which documentation of insured value is not presented, has a just valuation for the structure for purposes of ad valorem taxation of \$750,000 or more.

Section 6. Paragraph (a) of subsection (6) of section 627.351, Florida Statutes, as amended by section 21 of chapter 2007-1, Laws of Florida, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(a)1. The Legislature finds that actual and threatened catastrophic losses to property in this state from hurricanes have caused insurers to be unwilling or unable to provide property insurance coverage to the extent sought and needed. It is in the public interest and a public purpose to assist in assuring that property in the state is insured so as to facilitate the remediation, reconstruction, and replacement of damaged or destroyed property in order to reduce or avoid the negative effects otherwise resulting to the public health, safety, and welfare; to the economy of the state; and to the revenues of the state and local governments needed to provide for the public welfare. It is necessary, therefore, to provide property insurance to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. The Legislature intends by this subsection that property insurance be provided and that it continues, as long as necessary, through an entity organized to achieve efficiencies and economies, while providing service to policyholders, applicants, and agents that is no less than the quality generally provided in the voluntary market, all toward the achievement of the foregoing public purposes. Because it is essential for the corporation to have the maximum financial resources to pay claims following a catastrophic hurricane, it is the intent of the Legislature that the income of the corporation be exempt from federal income taxation and that interest on the debt obligations issued by the corporation be exempt from federal income taxation.

2. The Residential Property and Casualty Joint Underwriting Association originally created by this statute shall be known, as of July 1, 2002, as the Citizens Property Insurance Corporation. The corporation shall provide insurance for residential and commercial property, for applicants who are in good faith entitled, but are unable, to procure insurance through the voluntary market. The corporation shall operate pursuant to a plan of operation approved by order of the Financial Services Commission. The plan is subject to continuous review by the commission. The commission may, by order, withdraw approval of all or part of a plan if the commission determines that conditions have changed since approval was granted and that the purposes of the plan require changes in the plan. The corporation shall continue to operate pursuant to the plan of operation approved by the Office of Insurance Regulation until October 1, 2006. For the purposes of this subsection, residential coverage includes both personal lines residential coverage, which consists of the type of coverage provided by homeowner's, mobile home owner's, dwelling, tenant's, condominium unit owner's, and

similar policies, and commercial lines residential coverage, which consists of the type of coverage provided by condominium association, apartment building, and similar policies.

3. For the purposes of this subsection, the term “homestead property” means:

a. Property that has been granted a homestead exemption under chapter 196;

b. Property for which the owner has a current, written lease with a renter for a term of at least 7 months and for which the dwelling is insured by the corporation for \$200,000 or less;

c. An owner-occupied mobile home or manufactured home, as defined in s. 320.01, which is permanently affixed to real property, is owned by a Florida resident, and has been granted a homestead exemption under chapter 196 or, if the owner does not own the real property, the owner certifies that the mobile home or manufactured home is his or her principal place of residence;

d. Tenant’s coverage;

e. Commercial lines residential property; or

f. Any county, district, or municipal hospital; a hospital licensed by any not-for-profit corporation qualified under s. 501(c)(3) of the United States Internal Revenue Code; or a continuing care retirement community that is certified under chapter 651 and that receives an exemption from ad valorem taxes under chapter 196.

4. For the purposes of this subsection, the term “nonhomestead property” means property that is not homestead property.

5. Effective July 1, 2008, a personal lines residential structure that has a dwelling replacement cost of \$1 million or more, or a single condominium unit that has a combined dwelling and content replacement cost of \$1 million or more is not eligible for coverage by the corporation. Such dwellings insured by the corporation on June 30, 2008, may continue to be covered by the corporation until the end of the policy term. However, such dwellings that are insured by the corporation and become ineligible for coverage due to the provisions of this subparagraph may reapply and obtain coverage in the high-risk account and be considered “nonhomestead property” if the property owner provides the corporation with a sworn affidavit from one or more insurance agents, on a form provided by the corporation, stating that the agents have made their best efforts to obtain coverage and that the property has been rejected for coverage by at least one authorized insurer and at least three surplus lines insurers. If such conditions are met, the dwelling may be insured by the corporation for up to 3 years, after which time the dwelling is ineligible for coverage. The office shall approve the method used by the corporation for valuing the dwelling replacement cost for the purposes of this subparagraph. If a policyholder is insured by the corporation prior to being determined to be ineligible pursuant to this sub-

paragraph and such policyholder files a lawsuit challenging the determination, the policyholder may remain insured by the corporation until the conclusion of the litigation.

6. For properties constructed on or after January 1, 2009, the corporation may not insure any property located within 2,500 feet landward of the coastal construction control line created pursuant to s. 161.053 unless the property meets the requirements of the code-plus building standards developed by the Florida Building Commission.

7. It is the intent of the Legislature that policyholders, applicants, and agents of the corporation receive service and treatment of the highest possible level but never less than that generally provided in the voluntary market. It also is intended that the corporation be held to service standards no less than those applied to insurers in the voluntary market by the office with respect to responsiveness, timeliness, customer courtesy, and overall dealings with policyholders, applicants, or agents of the corporation.

8. Effective January 1, 2009, a personal lines residential structure that is located in the "wind-borne debris region," as defined in s. 1609.2, International Building Code (2006), and that has an insured value on the structure of \$750,000 or more is not eligible for coverage by the corporation unless the structure has opening protections as required under the Florida Building Code for a newly constructed residential structure in that area. A residential structure shall be deemed to comply with the requirements of this subparagraph if it has shutters or opening protections on all openings and if such opening protections complied with the Florida Building Code at the time they were installed.

Section 7. From the funds appropriated to the My Safe Florida Home Program by section 42 of chapter 2006-12, Laws of Florida, the Department of Financial Services shall transfer \$1 million from the Insurance Regulatory Trust Fund to the Energy Consumption Trust Fund within the Department of Community Affairs for the purpose of funding the Low-income Emergency Home Repair Program under s. 420.36, Florida Statutes. Notwithstanding s. 420.36(3)(b), Florida Statutes, administrative expenses of the program may not exceed 5 percent of the total funds appropriated by this section.

Section 8. This act shall take effect upon becoming a law.

Approved by the Governor June 12, 2007.

Filed in Office Secretary of State June 12, 2007.