



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

None implicated.

#### B. EFFECT OF PROPOSED CHANGES:

Pursuant to Article III, Section 19(f)(1), of the State Constitution, no trust fund of the State of Florida or any public body may be created by law without a three-fifths vote of the membership of each House of the Legislature. Additionally, the bill creating the trust fund must be separate from any related substantive bill. Also, Article III, Section 19(f)(2), of the State Constitution, requires the trust fund to terminate not more than four years after its creation. Section 215.3206, F.S., provides the statutory process for legislative review of trust funds prior to their termination so that the Legislature can decide whether to re-create, re-create with amendment, or terminate any trust fund.

This bill creates the Florida Hurricane Damage Prevention Endowment Trust Fund (Trust Fund) within the Department of Community Affairs. The State Board of Administration will invest the funds in the trust fund, but the trust fund administrator is the Department of Community Affairs. The Trust Fund is funded by a nonrecurring appropriation of \$100 million from the General Revenue Fund.

Monies in the Trust Fund will be used to carry out the purposes of s. 215.558, the Florida Hurricane Damage Prevention Endowment. This endowment is established to provide no interest loans to Florida homeowners for use for inspections to determine what hurricane mitigation measures are needed, and for implementation of hurricane mitigation measures. It also provides matching grant monies to local governments or nonprofit entities for projects that will reduce hurricane damage to residential properties.

The bill requires a legislative review pursuant to s. 215.3206(1) and (2), F.S., prior to its scheduled constitutionally required termination of July 1, 2010. Any trust fund balance at the end of any fiscal year must be carried-forward.

#### C. SECTION DIRECTORY:

**Section 1:** Creates s. 215.558, F.S., relating to the Florida Hurricane Damage Prevention Endowment Trust Fund.

**Section 2:** Makes the effective date of the bill July 1, 2006, but only if HB \_\_\_\_\_ or similar legislation is adopted in the same legislative session or an extension thereof and becomes law.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None.

##### 2. Expenditures:

The bill requires a \$100 million appropriation from the General Revenue Fund to fund the trust fund.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

The bill creates a mechanism for local governments to access funds set aside for matching grants for programs relating to hurricane mitigation measures.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The bill creates a mechanism for Florida homeowners to access monies set aside for no-interest loans for hurricane mitigation and for matching grants for hurricane mitigation programs.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The legislation does not require expenditure of funds by local governments, does not reduce the authority to raise revenue, nor reduce the percentage of state tax shared with local governments.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On March 16, 2006, the Insurance Committee considered the bill, adopted one amendment, and reported the bill favorably. The amendment adopted provided conforming language to the tied bill, PCB IN 06-01. The staff analysis was updated to reflect the adoption of the amendment.