

# CONSTITUTIONAL AMENDMENT PETITION FORM

Under Florida law, it is a first degree misdemeanor to knowingly sign more than once a petition or petitions for a candidate, a minor political party, or an issue. Such offense is punishable as provided in s. 775.082 or s. 775.083. [Section 104.185, Florida Statutes]

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Please Print Name as it Appears on Voter Information Card

**Residential Street Address**

City \_\_\_\_\_ Zip \_\_\_\_\_  
County \_\_\_\_\_

I am a registered voter of Florida and hereby petition the Secretary of State to place the following amendment to the Florida Constitution on the ballot in the general election.

## ARTICLE AND SECTION BEING CREATED OR AMENDED

ARTICLE VII FINANCE AND TAXATION

SECTION 9. Amended

SECTION 19. Created

ARTICLE X MISCELLANEOUS

SECTION 27. Created

## BALLOT TITLE

**Hurricane Insurance as a Local Property Taxing Authority at Market Value.**

## BALLOT SUMMARY

Create Hurricane Insurance with component flood and windstorm perils (FHW) that shall be written by the State on all Florida properties whether municipal, public residential or commercial, except in Coastal Barrier Resources Areas or other "Properties Ineligible".

All properties except "Properties Ineligible" shall have vouchers and separate accounts.

Hurricane Insurance shall be a local property taxing authority and part of the annual property taxes.

## FULL TEXT OF THE PROPOSED AMENDMENT

### CONSTITUTION OF THE STATE OF FLORIDA

**AS REVISED IN 1968 AND SUBSEQUENTLY AMENDED**

**ARTICLE VII FINANCE AND TAXATION**

## **SECTION 9. Local taxes.--**

(a) Counties, school districts, and municipalities shall, and special districts may, be authorized by law to levy ad valorem taxes and may be authorized by general law to levy other taxes, for their respective purposes, except ad valorem taxes on intangible personal property and taxes prohibited by this constitution.

(b) Ad valorem taxes, exclusive of taxes levied for the payment of bonds and taxes levied for periods not longer than two years when authorized by vote of the electors who are the owners of freeholds therein not wholly exempt from taxation, shall not be levied in excess of the following millages upon the assessed value of real estate and tangible personal property: for all county purposes, ten mills; for all municipal purposes, ten mills; for all school purposes, ten mills; for water management purposes for the northwest portion of the state lying west of the line between ranges two and three east, 0.05 mill; for water management purposes for the remaining portions of the state, 1.0 mill; for hurricane insurance with component flood and wind storm, five mills; and for all other special districts a millage authorized by law approved by vote of the electors who are owners of freeholds therein not wholly exempt from taxation. A county furnishing municipal services may, to the extent authorized by law, levy additional taxes within the limits fixed for municipal purposes.

## **SECTION 19. Bonds for Hurricane Insurance.--**

(a) When authorized by law, state bonds pledging the full faith and credit of the state may be issued without an election to finance the insurance written by the State shall only cover the perils of flood, windstorm and hurricane ( a combined windstorm & flood source ). The 3 perils insurance shall be known as (FHW) flood , hurricane and windstorm (herein referred to as "FHW"). Such bonds shall be secured by a pledge of and shall be payable primarily from all or any part of revenues to be derived from offer of such FHW, special assessments, any other revenues that may be legally available for such purpose, including revenues from other insurance, or any combination thereof (herein collectively referred to as "pledged revenues"), and shall be additionally secured by the full faith and credit of the State of Florida.

(b) No such bonds shall be issued unless a state fiscal agency, created by law, has made a determination that in no state fiscal year will the debt service requirements of the bonds proposed to be issued and all other bonds secured by the pledged revenues exceed seventy-five per cent of the pledged revenues.

(c) The state may offer any of such insurance facilities to any local governmental agency, under reinsurance agreements for such periods and under such other terms and conditions as may be mutually agreed upon. The local governmental agencies may pledge the revenues derived from such insurance facilities or any other available funds for the payment of claims there under; and, in addition, the full faith and credit and taxing power of such local governmental agencies may be pledged for the payment of such claims without any election of freeholder electors or qualified electors.

(d) The total outstanding principal of state bonds issued pursuant to this section 19 shall never exceed fifty per cent of the total tax revenues of the state for the two preceding fiscal years.

## **ARTICLE X MISCELLANEOUS**

**SECTION 27.** Hurricane Insurance with component flood and windstorm perils (FHW) arising out of Category 1 through 5 hurricanes shall be written by the State on all Florida properties whether municipal, public, residential or commercial; except in Coastal Barrier Resources Areas or otherwise determined "Properties Ineligible". Where the Federal government has programs to mitigate the risk such as the NFIP and a possible National Catastrophe Insurance Program use them, example the NFIP 'WYO'. Create a Windstorm Coverage Fund (WCF) based on the FAIA model. Use the local hurricane taxes on property to fund the WCF. The insurance written by the State shall only cover the perils of flood, windstorm and hurricane ( a combined windstorm & flood source ). The 3 perils shall be known as (FHW) flood , hurricane and windstorm. Authorized by general law FHW insurance, to be offered by any municipality, county, district or authority, or any agency thereof (herein referred to as "local governmental agencies"), or by any agency of the State of Florida, shall be backed by bonds, reinsurance and reserves. The State's role shall be to underwrite the FHW, promote mitigation and participation in national programs as they may present and the role of Counties, school districts, municipalities, and special districts shall rate all properties based on market value as with other taxes, except for construction. During construction properties shall be rated by "local governmental agencies" on a monthly basis when greater than one million dollars in progress value and rated on a quarterly basis when value is less than one million dollars in progress value. The Counties, school districts, municipalities, and special districts shall rate at a minimum according to the FIRM map, other FEMA standards and any new Federal insurance program standards as they may exist. If the State provides underwriting criteria for FHW which exceed the Federal criteria these shall be used by the "local governmental agencies". "Local governmental agencies" shall not use less than the FIRM ratings and are required to use the State underwriting when the State ratings exceed the Federal ratings.

The role of State government shall be to insure the lesser 80% of property values to 100% of insurance requirements of NFIP & WCF and to participate in the insurance of the greater 20% of property values as the market dictates. This would mean where private insurance markets can provide reinsurance the State may access these sources for the top 20% of market values. The State shall retain no less than 10% of the insurance requirements and can retain up to 90% of the insurance requirements of the top 20% in market value. The 80% to 20% ratio shall be utilized on all Florida properties whether municipal, public, residential or commercial in each category separately and as aggregate for all categories. The State shall use automatic underwriting for the "pooled risk" of all of the lesser 80% of property values, this role will be automated as a part of the property appraiser and or tax collector roles in the municipalities. The State shall use "specific risk" for the participation in the top 20% of property values, this role may be addressed by a State insurance entity and or contracted to private insurance underwriter(s).

VOUCHERS and SEPARATE ACCOUNTS by property.

VOUCHERS: The FHW insurance written by the State shall be conveyed as a "voucher" which can be used by private insurance companies to optionally write an all perils property policy or a policy that specifically excludes the 3 perils FHW together. No

private insurance in the State can be written that covers one or more of the three FHW without covering all of the three, FHW. As a mandatory item in the property tax bill the "hurricane" insurance shall be a voucher of "reinsurance by the state" to the private insurance carrier. The State voucher would only be acquired by the private insurance carrier through insuring the homeowner or business or public property. Vouchers are free market. Vouchers create discrete granular value for the property owner. The voucher would be for the market value taxed on the property for the year at the "pooled risk" rate. Or the property owner could choose not to exercise the voucher, yet the "hurricane" insurance written by the State would remain in force. Where a property owner does not carry other peril insurance on the property and a FHW peril occurs and is declared by the State, the property will be assigned by the State to a pool of private insurance company and public adjustors as necessary. Therefore in the event of a FHW natural disaster all property in Florida would be insured. Servicing insurance is a private commercial enterprise that shall be done directly between private insurance providers and the consumer public. The role of government is to regulate this endeavor not engage in this activity.

SEPARATE ACCOUNTS: The "hurricane" insurance reserve accrues to each property as a discrete granular value. This reserve valuation is attached to the property and not the individual. Owners of properties may accelerate the accruals to the insurance reserve of owned property by prepayment. "Specific risk" property owners may want to avail this feature. Owners of multiple properties may confer the reserve accrual from one property to another within the same municipality in the form of "reserve credits". By stripping "reserve credits" the owner is required to simultaneously strip the land of the build out that had attained the "reserve credits"; the transfer is only to be conveyed after completed demolition and appraisal.

"Properties Ineligible" shall not have vouchers or separate accounts. Properties not eligible shall be those within the State that are ineligible for flood insurance, that have been subject to mitigation for flood by the Federal Government, and those in Coastal Barrier Resources Areas. The State of Florida shall not underwrite FHW insurance at a standard less than NFIP. "Reserve credits" shall not be conferred to "Properties Ineligible" by accrual or transfer. The State shall promote Coastal Barrier Resources Areas by the increase in the size and the number of Coastal Barrier Resources Areas in the State.

#### BONDS, REINSURANCE AND RESERVES

Bonds, Reinsurance and Reserves for FHW shall be used as necessary. The purpose of bonds and reinsurance will be to facilitate the accrual of the reserve fund at the lowest 30 year cost primarily to property owners and secondarily to State .

There shall be a reserve fund sufficient for present market value funds to meet the

property replacement due to an average decade of storms as calculated annually ; both forecasted for the next decade in the future and as realized in the past decade based on top ten international Hurricane forecasts. The reserve fund shall be accrued over a 30 year period. The reserve fund shall be calculated using the "pooled risk" basis for the lesser 80% valuation of properties and the "specific risk" valuation for the upper 20% valuation of properties. The reserve fund shall be made up of separate accounts for each property. The investment function shall be carried out as a commingled account using best practices for the property casualty investment function.

The role of the State shall be restricted to the issuance of bonds, interaction with the reinsurance markets, and reserve fund investment. "Local government agencies" shall maintain separate FHW insurance reserve accrual accounts for each property in the property tax roles and issue the property owner an annual voucher representing the market value , insurance value and reserve value.

The role of "Local governmental agencies" shall be to fairly and equitably rate exposure to the 3 perils flood , hurricane and windstorm according to Federal and State underwriting standards and knowledge of local hazards such as growth patterns, infrastructures and density which enhance likelihood of loss. Each state has its unique issues with weather and needs to deal with it locally through its tax base. Recognize by its very nature coastal properties represent a hazard, yet the goal is neither to prohibit nor to subsidize coastal construction. The goal is to recognize in Florida inland properties and coastal properties have complex interrelated exposures to the perils FHW and the best defense is a common one. Commonality does not mean equal rating. it means that statewide participation will strengthen our economy, property and natural resources.

\_\_\_\_\_ X \_\_\_\_\_  
**DATE OF SIGNATURE                      SIGNATURE OF REGISTERED VOTER**

Pd. Pol. Adv. paid for by the  
Hurricane Insurance Creation PAC  
4953 Bacopa Ln S #404A, Saint Petersburg FL 33715  
(s. 106.143, Fla.. Stat.)

**Paid Petition Circulator's Name** \_\_\_\_\_  
**Address** \_\_\_\_\_  
(s. 106.19(3), Fla. Stat.)

Serial Number: 07-03  
Date Approved: 6/8/07

DS-DE 19 (eff. 3-16-06)