

2022 Regular Session

HOUSE BILL NO. 612

BY REPRESENTATIVE HUVAL

INSURANCE DEPARTMENT: Provides for the Louisiana Fortify Homes Program

1 AN ACT

2 To enact R.S. 22:1483.1, relative to the Louisiana Fortify Homes Program; to provide for
3 financial grants to retrofit residential property; to define certain terms; to provide for
4 eligibility requirements; to provide for confidentiality of applicants; to provide for
5 an effective date; to provide for termination of the program; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1483.1 is hereby enacted to read as follows:

9 §1483.1. Louisiana Fortify Homes Program

10 A. The Louisiana Fortify Homes Program is hereby created within the
11 department. The commissioner, as program administrator, may make financial
12 grants to retrofit roofs of insurable property, as defined in R.S. 22:1483(C)(9), with
13 a homestead exemption to resist loss due to hurricane, tornado, or other catastrophic
14 windstorm events and to meet or exceed the "fortified roof" standard of the Insurance
15 Institute for Business and Home Safety. The commissioner shall promulgate rules
16 governing eligibility requirements for grants and the administration of the program.

17 B. In order to receive a grant pursuant to this Section, the grantee shall do
18 all of the following:

- 19 (1) Obtain all permits required by law or ordinance for construction.

1 (2) Arrange and pay for inspections required by law or ordinance and the
2 terms of the grant, which shall include inspection pursuant to R.S. 22:1483(C)(3).

3 (3) Comply with applicable building codes.

4 (4) Maintain records as required by R.S. 22:1483(C)(4) and (5) and the terms
5 of the grant.

6 C. The name of a recipient of a grant received pursuant to this Section, the
7 amount of the grant, and the municipal address of the retrofitted insurable property
8 shall be a public record.

9 D. There is hereby established in the state treasury as a special fund the
10 Louisiana Fortify Homes Program Fund, hereafter referred to in this Section as the
11 "fund". Each year the state treasurer shall deposit into the fund all fees and self-
12 generated revenues of the Department of Insurance above the baseline, up to a
13 maximum of ten million dollars per year. For the purposes of this Section, the term
14 "baseline" shall mean the sum of the Department of Insurance's annual fees and self-
15 generated revenue budget authority plus an amount equal to one and one-half million
16 dollars. Monies in the fund shall be subject to the provisions of Article VII, Section
17 9(B) of the constitution of Louisiana. Monies in the fund shall be invested in the
18 same manner as monies in the general fund. Interest earned on monies in the fund
19 shall be credited to the fund, and unexpended and unencumbered monies in the fund
20 at the end of the fiscal year shall remain in the fund. Subject to appropriation,
21 monies in the fund shall be used by the department for the Louisiana Fortify Homes
22 Program.

23 E. This Section does not create any of the following:

24 (1) An entitlement for property owners to receive funding to inspect or
25 retrofit residential property.

26 (2) An obligation for the state to appropriate funding to inspect or retrofit
27 residential property.

28 F. The provisions of this Section shall terminate and have no effect
29 beginning at twelve o'clock midnight on June 30, 2025.

1 Section 2. This Act shall become effective January 1, 2023.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 612 Reengrossed

2022 Regular Session

Huval

Abstract: Establishes the La. Fortify Homes Program (hereafter "program") within the La. Dept. of Insurance and provides for the funding of such program.

Proposed law authorizes the commissioner of insurance to make financial grants to retrofit roofs of insurable property with a homestead exemption to help the property resist loss and meet or exceed the "fortified roof" standard of the Insurance Institute for Business and Home Safety.

Proposed law provides that the commissioner shall promulgate rules governing eligibility requirements for grants and the administration of the program.

Proposed law provides that in order to receive a grant pursuant to proposed law, the grantee shall obtain all permits required by law or ordinance for construction, arrange and pay for inspections required by law or ordinance and the terms of the grant, which shall include inspection and certification by an Insurance Institute for Business and Home Safety certified inspector, comply with applicable building codes, and maintain records as required by present law and the terms of the grant.

Proposed law provides that the name of a recipient of a grant received pursuant to proposed law, the amount of the grant, and the municipal address of the retrofitted insurable property shall be a public record.

Proposed law creates the La. Fortify Homes Fund as a special fund within the state treasury and requires the annual deposit into the fund of all self-generated revenues of the La. Dept. of Insurance that are collected above a baseline, subject to an annual maximum deposit of \$10,000,000. Further provides that the baseline shall be the annual fees and self-generated revenue budget authority of the La. Dept. of Insurance plus an amount equal to \$1,500,000.

Proposed law requires monies in the fund to be invested in the same manner as monies in the state general fund. Provides that unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. Requires monies in the fund to be used by the La. Dept. of Insurance for the program.

Proposed law provides that proposed law does not create an entitlement for property owners to receive funding to inspect or retrofit residential property or create an obligation for the state to appropriate funding to inspect or retrofit residential property.

Proposed law terminates and has no effect beginning at midnight on June 30, 2025.

Effective Jan. 1, 2023.

(Adds R.S. 22:1483.1)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Add provision restricting use of grant funding under proposed law to the retrofit of roofs to allow them to meet or exceed the "fortified roof" standard of the Ins. Inst. for Business and Home Safety.
2. Add provision establishing requirements for calculation and deposit of self-generated revenues of the La. Dept. of Insurance into the fund, up to a maximum of \$10 million per year.
3. Provide that proposed law terminates at midnight on June 30, 2025.