

Volume 1 Edition 5 May 26, 2022

#### **IN THIS EDITION:**

2022 FLORIDA LEGISLATIVE SPECIAL SESSION D RECAP

GOVERNMENTAL AFFAIRS COMMITTEE

ORANGE
COUNTY'S
PROPOSED
TRANSPORTATION
PENNY SALES
TAX BALLOT
INITIATIVE

REGIONAL
TOURIST
DEVELOPMENT
TAX UPDATE

TEE IT UP FOR TOURISM

DONATE

**IN THE NEWS** 

LINKS OF INTEREST

Florida Governor Ron DeSantis

State of Florida Senate

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### 2022 FLORIDA LEGISLATIVE SPECIAL SESSION D RECAP

This week, the Florida House and Senate met for the Special Session D, in order to address legislation that was aimed to bolster Florida's ongoing property insurance concerns. Additionally, legislation was also introduced outside the Governor's call - by a two-thirds vote of the Senate - to address the 2021 Surfside condominium collapse.

#### Bills to Address the Property Insurance Market Crisis Pass

Senate Bill 2B by Sen. Boyd passed in the Senate (30-9) and in the House (95-14).

The bill provides the following changes to address access and affordability of property insurance, and to mitigate insurance fraud in Florida's property insurance market:

- It creates the Reinsurance to Assist Policyholders (RAP) program to be administered by the State Board of Administration, and requiring eligible property insurers to obtain coverage under the program. It authorizes a \$2 billion dollar reimbursement layer of reinsurance for hurricane losses directly below the mandatory layer of the Florida Hurricane Catastrophe Fund (FHCF). The FHCF mandatory retention is \$8.5 billion for the 2022-2023 contract year. Furthermore, it requires the RAP program to reimburse 90 percent of each insurer's covered losses and 10 percent of their loss adjustment expenses up to each individual insurer's limit of coverage for the two hurricanes causing the largest losses for that insurer during the contract year.
- The bill appropriates \$150 million from the General Revenue Fund to the
  Department of Financial Services' My Safe Florida Home Program to provide
  hurricane mitigation inspections and matching grants under specific conditions.
  The My Safe Florida Home Program, which is administered by the Department of
  Financial Services, will provide financial incentives for Florida residential property
  owners to obtain free home inspections that would identify mitigation measures

State of Florida House of Representatives

**Orange County** 

Osceola County

**Seminole County** 

City of Orlando

City of Kissimmee

City of Sanford

and provide grants to retrofit such properties, thereby reducing the property's vulnerability to hurricane damage and helping decrease the cost of residential property insurance. The bill also requires the Office of Insurance Regulation to aggregate on a statewide basis and make publicly available certain data submitted by insurers and insurer groups.

- Prohibiting insurance companies from denying coverage solely based on the age
  of a roof if the roof is less than 15 years old or if the roof is determined to have at
  least 5 years of useful life remaining.
- Requiring insurance companies to provide policyholders with a reasonable explanation if they deny or partially deny a claim and provides consumers with greater access to information during the claim adjustment process.
- Creating a new standard for application of attorney fee multipliers which have been liberally applied, resulting in increased costs to consumers.
- Limiting the assignment of attorney's fees in property insurance cases, disincentivize frivolous claims.

#### Surfside Legislation Resurfaces and Passes During Special

Senate Bill 4B by Sen. Boyd passed unanimously in both the House and Senate this week.

During the regular 2022 legislative session, both chambers of the Legislature spent significant time developing legislation to require inspection of older condominium and cooperative buildings in the wake of the Surfside condominium tragedy. However, the chambers failed to reach agreement of reserve requirements to be maintained by condominium and cooperative associations to address issues identified in inspections, and ultimately, could not reach agreement on the final provisions to pass the legislation on the last day of the session.

Fast forward to the Special Session this week, legislators agreed to address building safety measures pertaining to the Surfside tragedy.

- Under the current Florida Building Code, for any building or structure in which
  more than 25 percent of the total roof area is being repaired, replaced, or
  recovered, the entire roof must be in conformance with the effective edition of the
  Code, requiring additional restoration, as necessary. Senate Bill 4B amends the
  Florida Building Code to stipulate that only the roof section(s) being restored must
  comply with the effective Code, provided that the rest of the roof area conforms to
  the 2007 Florida Building Code, or subsequent editions. Additionally, a local
  government may not adopt by ordinance an administrative or technical
  amendment to this exception.
- The bill also requires condominium and cooperative buildings three stories or taller to have "milestone" inspections by December 31 upon reaching 30 years of age, and then every 10 years thereafter. For such buildings located within 3 miles of the coastline, the milestone inspection must be conducted when the building reaches 25 years of age, and then every 10 years thereafter.
- Milestone inspections will be required to be conducted in two phases. The first phase must be conducted by a licensed architect or engineer authorized to practice in the state. A phase two inspection is required if substantial structural deterioration is identified during the milestone inspection. The bill requires a report of each inspection, including the material findings and recommendations in the inspection report, to be delivered to the condominium or cooperative association, and local building officials where the building is located. The bill species the report criteria that must be met. The association must distribute a copy of the report and summary prepared by the engineer or architect performing the inspection to each unit owner, and the report must be posted on the association's website. The bill authorizes local enforcement agencies to prescribe timelines and penalties for compliance, and authorizes the board of county commissioners to establish, by ordinance, timelines for commencing repairs for substantial structural deterioration but no later than 365 days after receiving the inspection report. The bill further

requires the Florida Building Commission to review the requirements for milestone inspection under the bill and consult with the State Fire Marshall regarding structural and life safety standards for maintaining and inspecting all types of buildings three stories or more in height, and to make recommendations to the Legislature. The commission is required to provide a written report to the Governor, the President of the Senate, and the Speaker of the House by December 31, 2023.

Lastly, the bill requires condominiums and cooperatives to conduct structural integrity reserve studies every 10 years for buildings that are three stories or higher in height. Reserve amounts are to be determined by a condominium or cooperative association's most recent structural integrity reserve study and, effective December 31, 2024, the members of such an association may not vote to waive or defund reserve accounts. The bill similarly repeals the ability of developers to waive the collection of all types of reserve funds and requires that a structural integrity reserve report be provided to any potential purchaser of a property.

#### GOVERNMENTAL AFFAIRS COMMITTEE

On Wednesday, May 11th, the CFHLA Governmental Affairs Committee invited **Scott Howat, OCPS Chief Communications Officer & President of the Foundation for Orange County Public Schools**, to present, discuss and educate our members on the proposal to renew the one-mill for four additional years, that will be included on the August primary election ballot.

We would like to thank The Mall of Millenia (Thank you, **Steven Jamieson!**) for hosting our committee meeting this month and we appreciate Scott's time and participation.



Click Here to learn more about the proposed **One-Mill** ballot initiative.

The next Governmental Affairs Committee is scheduled for **Wednesday**, **August 10th** at **Lowndes** (Thank you, **Jackie Bozzuto!**).

# ORANGE COUNTY'S PROPOSED TRANSPORTATION PENNY SALES TAX BALLOT INITIATIVE

On Tuesday, April 26th, the Board of Orange County Commissioners **agreed to advance the proposed Transportation Sales Tax initiative and place it on the November 2022 general election ballot**. CFHLA spoke in favor of this motion and it was approved by a vote of 4-3.

On behalf of the CFHLA Board of Directors, we are thankful to Mayor Demings and

Commissioners Moore, Uribe and Gomez Cordero for advancing the proposed onepenny Transportation Sales Tax initiative forward and placing it onto the November 2022 general election ballot.

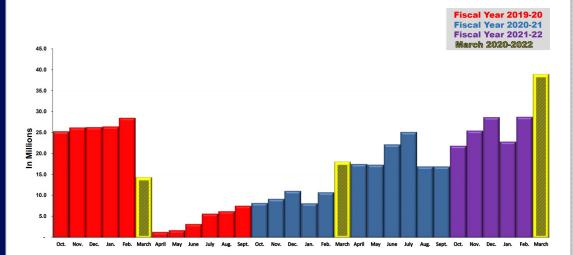
As we gear towards the elections this fall, the CFHLA Board of Directors and CFHLA PAC/PC will be working to educate our members and the community, regarding the potential positive impact of this very important initiative. We believe that now is the time to have a discussion surrounding our long-term transportation needs as a region. Our hospitality and tourism partners have long sought a more reliable and consistent transportation system, that helps service the hundreds of thousands of employees within our industry, as well as our future guests to Central Florida. By allowing the voters of Orange County to consider establishing a new revenue source, that is **separate from the Tourism Development Tax and funded by at least 51% from out-of-town guests**, is a huge step forward in developing a dedicated source of funding for our current and long-term public transportation initiatives and infrastructure needs within our community.

To learn more about this transportation initiative, please **CLICK HERE**.

## REGIONAL TOURIST DEVELOPMENT TAX UPDATE

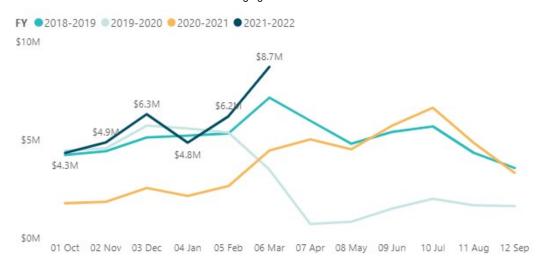
#### **Orange County**

Orange County announced that the March Tourist Development Tax collection was at \$38,568,500. That is a 118.2% increase over March 2021. Additionally, month-over month, March's collections were higher than February by \$10.2 million and higher than March 2020 collections by \$24.7 million. This was the highest monthly collections ever for Orange County!



#### Osceola County

Osceola County announced that the March Tourist Development Tax collection was at \$8,700,000. This was the highest monthly collections ever for Osceola County (22% higher than March 2019) and a 196% increase over March 2021. Additionally, month-over-month, March's collections were more than a 40% increase from February 2022 and a 59% increase from February 2019.



#### **Seminole County**

Seminole County announced that the March Tourist Development Tax collection was at \$694,753. This was the highest monthly collections ever for Seminole County and a more than an 18% increase from February 2022!

#### TEE-IT-UP FOR TOURISM

The annual CFHLA PAC Fundraiser - Tee It Up For Tourism Presented by Landform of Central Florida - will be held again on Wednesday, June 22, 2022 at TopGolf. The funds raised during this exciting event will provide the CFHLA Political Committees with the necessary resources to identify and support "pro-tourism" candidates for local and statewide elected office (as well as issues) during the 2022 election cycle.

Only 10 More Bays are Still Available!

CLICK HERE FOR MORE INFORMATION AND PURCHASE YOUR BAY TODAY!



June 22, 2022
TOPGOLF: 9295 Universal Blvd. Orlando, FL 32819

Come join us at TOPGOLF

5pm-8pm Bay Play Begins at 5:30pm

#### Fees:

\$1,000/bay (six golfers) \$175/single golfer \$125/spectator only

Benefitting the CFHLA Political Committee - Fees for these activities are contributions to the CFHLA Political Committee (PC). A contribution to a PC is not tax-deductible. Questions? Please contact CFHLA Events Coordinator, Sarah Clements at sarah.clements@cfhla.org.







Wednesday June 22, 2022 TopGolf Orlando—9229 Universal Blvd. 5PM—8PM

Play Begins at 5:30PM



#### \$5,000 Presenting Sponsor

- Access to private deck rental and rooftop terrace
- Two hours of bay play for up to 6 golfers with lounge seating, plus 2 spectator tickets
- Two Hour Open Bar- Beer and House Wine & Tasty appetizers
- Company Listed as the Presenting Sponsor of the event
- \* Company logo rotating on bay monitors
- Welcome Event Remarks (1-2 minutes)
- \* Prominent signage
- Prime Bay sponsorship
- \* Attendee registration list
- \* Recognition on printed materials + CFHLA Website
- \* Back of House Recognition w/ Web Link

#### \$1,500 Bay Sponsor

- Access to private deck rental and rooftop terrace
- Two hours of bay play for up to 6 golfers
- \* Two Hour Open Bar- Beer and House Wine & Tasty appetizers
- \* Company logo rotating on bay monitors
- Verbal Recognition at event
- Company Signage at assigned bay
- Attendee registration list
- \* Recognition on CFHLA Website
- \* Back Of House recognition w/ Web Link

### **CLICK HERE TO BE A SPONSOR**

Benefitting the CFHLA Political Committee - Fees for these activities are contributions to the CFHLA Political Committee (PC).

A contribution to a PC is not tax-deductible. Questions? Please contact CFHLA Events Coordinator, Sarah Clements at Sarah.clements@cfhla.org.

Central Florida Hotel and Lodging Association | 6675 Westwood Blvd. Suite 210 Orlando, FL 32821 | Phone: (407) 313-5000 | Website: www.CFHLA.org

#### **DONATE**

**CFHLA MEMBERS** - Please consider making a donation of \$50 via the link below to the CFHLA PAC/PC. All contributions help CFHLA continue its efforts in supporting and endorsing Hospitality-Friendly candidates for local and state offices.



As a reminder, all CFHLA Board Members, PAC/PC Board Members, and ARC Board Members have committed to contributing \$100 to the CFHLA PAC/PC in 2022. If you are a part of one or more of these groups, please consider fulfilling your commitment today.

#### IN THE NEWS

<u>Orange County's March resort tax collections hit highest monthly amount ever</u> (Orlando Business Journal)

More costly hotel rooms help Orange County's tourist tax pull in record revenue (Orlando Sentinel)

House sends property insurance overhaul to DeSantis (Politico)

Florida Legislature passes condo law on inspection, repairs (Tampa Bay Times)

Legislature passes Surfside-inspired condo inspection bill (Florida Politics)

Report: Here's when the 2026 FIFA World Cup USA host cities will be announced (Orlando Business Journal)

Central Florida leaders stress innovation, equity, and partnership are key to overcome affordable housing challenges (Florida Politics)

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