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Weekly Update, March 5, from Director Public Policy

Breaking News! Flood Insurance Update

The US House of Representatives has just passed H.R. 3370, "The Homeowner Flood Insurance Affordability Act." This bill is expected to go straight to the Senate (versus go to "conference" with the flood bill the US Senate passed previously). If it passes the Senate without amendment it will then go to President Obama for his signature. Below is NAR's letter of support and here is a synopsis of what the House bill accomplishes:

- Reinstates Grandfathering - This bill permanently repeals Section 207 of the Biggert-Waters Act, meaning that grandfathering is reinstated. All post-FIRM properties built to code at the time of construction will have protection from rate spikes due to new mapping – for example, if you built to +2 Base Flood Elevation, you stay at +2, regardless of new maps. Also importantly, the grandfathering stays with the property, not the policy.
- Caps Annual Rate Increases at 15% – This bill decreases FEMA's authority to raise premiums. The bill prevents FEMA from increasing premiums within a single property class beyond a 15 percent average a year, with an individual cap of eighteen percent a year. Pre Biggert-Waters, the class average cap was 10%. Currently (Post Biggert-Waters), the class average cap is 20%. The bill also requires a 5% minimum annual increase on pre-FIRM primary residence policies that are not at full risk. The updated legislation also states that FEMA shall strive to minimize the number of policies with premium increases that exceed one percent of the total coverage of the policy (e.g., 1% of \$250,000 = \$2,500).
- Refunds policyholders who purchased pre-FIRM homes after Biggert-Waters (7/6/12) and were subsequently charged higher rates
- Permanently Removes the Sales Trigger – This bill removes the policy sales trigger, which allows a purchaser to take advantage of a phase in. The new purchaser is treated the same as the current property owner.
- Allows for Annual Surcharges - This legislation applies an annual surcharge of \$25 for primary residences and \$250 for second homes and businesses, until subsidized policies reach full risk rates. All revenue from these assessments would be placed in the NFIP reserve fund, which was established to ensure funds are available for meeting the expected future obligations of the NFIP.
- Funds the Affordability Study and Mandates Completion – This legislation funds the affordability study required by Biggert-Waters and mandates its completion in two years.
- Includes the Home Improvement Threshold - This bill returns the "substantial improvement threshold" (i.e. renovations and remodeling) to the historic 50% of a structure's fair market value level. Under Biggert-Waters, premium increases are triggered when the renovation investments meet 30% of the home's value.
- Additional provisions: This legislation includes several other provisions including preserving the basement exception, allowing for payments to be made in monthly installments, and reimbursing policy holders for successful map appeals.

GOP Candidates Debate Happily but Spar on Air for Congressional District 19

Republicans running in the open congressional race in Southwest Florida are vying for name recognition and endorsements, while agreeing on several issues in the District 19 race. The seat was vacated by former

U.S. Rep. Trey Radel, R-Fla., who resigned from Congress after pleading guilty to possessing cocaine. At a recent debate they were agreeable, while on-air ads portray quite the opposite for two of the four major primary candidates.

The Susan B. Anthony List (SBA List) Candidate Fund, a pro-life group, announced last week it is backing Florida Senate Majority Leader Lizbeth Benacquisto, R-Fort Myers, in the race. A Utah congressman has also recently backed her as well. On the other hand, businessman and former college basketball player Curt Clawson announced the endorsement of conservative activist Byron Donalds who ran in the Republican primary in 2012 but lost out to Radel. Donalds placed fifth in a six-candidate field taking 14 percent of the primary vote back in the 2012 primary. Also, Mike Giallombardo, who'd announced a run for the 19th District race before a special election was announced in late January, threw his name behind Clawson.

Former state Rep. Paige Kreegel, who placed third behind Radel and ahead of Donalds in the Republican primary back in 2012, continued to stress his conservatism this week. Kreegel is presenting himself as a "strong conservative" who opposes President Barack Obama's agenda including the federal stimulus from 2009 and the president's federal health-care law. A fourth candidate running in the Republican primary, which will be held on April 22, includes aviation consultant Michael Dreikorn. These four appeared at a very well attended Chamber luncheon and the seemingly agreeable attitudes towards each other in terms of conservative values indicated similar general political views. Another candidate, businessman Timothy Rossano, qualified as a write in candidate on the ballot. Whoever wins the Republican nomination can expect to take on April Freeman, Democrat, and Libertarian Ray Netherwood, an Air Force veteran who ran for Congress in 2010, in the general election on June 24.

However cordial the candidates were at the luncheon, the opposite is certainly true of the television ads now being aired by various PAC's in favor of two candidates as well as the Clawson camp. Knowing Sen. Benacquisto's positive name recognition and favorable percentages in recent polls, it is only natural his political consultants should run a somewhat less cordial ad campaign. Both are also spending considerable amounts of money to do so. Clawson spent \$40,000 to Fox 4 for five 30-second spots on Super Bowl Sunday to garner initial name recognition with a clever ad challenging President Barack Obama to a basketball three-point shootout capitalizing on his former basketball career in college. Public records indicate that since then, Clawson has spent \$110,165 on advertising on Southwest Florida television and radio stations.

Records show Sen. Benacquisto has spent \$54,070 on advertising since she entered the race in February. The bulk of that was split between NBC-2 and WINK, with her congressional campaign spending \$21,580 and \$21,700, respectively. Since she is also up for senatorial re-election due to reapportionment, records show she spent \$105,240 on advertisements in January for her state Senate campaign. Kreegel and Dreikorn have not spent anything on ads to date.

Restitution payments possibly coming for donors of Hall campaign

The hope of getting much back is not high for the list of more than 400 past campaign contributors who stand to receive restitution money from former Lee County Commissioner Tammy Hall. These contributors of her 2010 commission re-election bid became victims when, according to court documents, she embezzled \$33,756 from the campaign between November 2009 and November 2010. Now Tammy Hall, 53, pled guilty to a wire fraud charge and is serving a six month sentence at Coleman federal prison, about 50 miles northwest of Orlando.

Before heading to Coleman, Hall returned to the court the full amount she'd pocketed from her donors by borrowing money from friends and family. The United States Probation Office computed amounts to be paid to them, according to a joint motion filed last week by Assistant U.S. Attorney Jeffrey Michelland and Hall's defense attorney, Eric C. Padrón. A restitution hearing before Judge Sheri Polster Chappell is scheduled for 9:30 a.m. March 14 in Courtroom 5D of the federal courthouse in downtown Fort Myers.

In all, the court would distribute \$33,694.25 in restitution related to Hall's case. A leftover amount of \$61.75 was not able to be distributed equally among the victims, the motion states. If there is no objection, that money would be deposited in the Crime Victims Fund, according to the motion. On the low end, some of Hall's victims could get back less than \$10. On the high end, some are eligible to receive \$175 if they gave about \$500.00 or more.

New Portal Created For Lee County Public Records Requests

Lee County has created a new online portal option to help make it even easier to submit and monitor the status of public records requests. Visit the Lee County Board of County Commissioners Public Records Request Center (www.leegov.com/PublicRecordsRequests) to search frequently asked questions, submit a request online and monitor the status of your request. Or, click on the "Public Records Requests" link in the blue "Bulletins" column at www.lee-county.com. There is no cost to create an account with your email address. There is still the option to submitting requests via phone, mail, fax, email or in person.

State Rep. Caldwell Named FGCU Alumnus of Distinction

State Rep. Matt Caldwell was honored on February 7th at the Alumni Awards Celebration as the 2014 Alumnus of Distinction of Florida Gulf Coast University (FGCU). The award is given annually to a single FGCU graduate who has a noteworthy professional career and a distinguished record of ongoing service to the community and university. Caldwell, a seventh generation Floridian, earned his bachelor's of history at FGCU in 2004. He's also a 10-year associate with Maxwell, Hendry, & Simmons, LLC, a Fort Myers-based real estate appraisal firm, and an Association member. Caldwell holds a certified general appraisal license in Florida and is qualified as an expert witness in several state and federal jurisdictions. He was first elected to the Florida House of Representatives, 73rd district, in 2010, and was re-elected to the 79th district in 2012.