

SEM-PP-04 – Emergency Management Preparedness and Assistance Trust Fund

STAFF RECOMMENDATION: Adopt

PROPOSED POLICY: FAC supports the audit of the Emergency Management Preparedness and Assistance Trust Fund (EMPA) surcharge. The Legislature should direct the Florida Department of Revenue to audit how the Emergency Management Preparedness and Assistance Trust Fund (EMPA) surcharge is applied to all residential and commercial properties for compliance with s. 252.372, Florida Statutes.

STAFF ANALYSIS/BACKGROUND:

Following Hurricane Andrew, the State of Florida established the Emergency Management Preparedness and Assistance (EMPA) Trust Fund that provides a dedicated source of funding to county emergency management programs. The EMPA is funded by an annual surcharge of \$2 per policy on every homeowners, mobile home owners, tenant homeowners, and condominium unit owners policy, and an annual \$4 surcharge on every commercial fire, commercial multiple peril, and business owner's property insurance policy.

FISCAL IMPACT:

While residential and commercial growth over the last 20 years has been significant, one would expect EMPA surcharge collections to reflect that growth. However, the Office of Economic and Demographic Research (EDR) reports that, from FY 02/03 – FY 21/22, the surcharge collections grew by only \$2 million (from \$14.2 million to \$16.2 million). One reason for this marginal growth is that oversight for collections has not received appropriate attention over time. There is speculation, for example, that collections on certain commercial properties are based on a single policy covering multiple structures.

Each of the state's 67 county emergency management offices receive approximately \$105,000 annually from the EMPA. Funding has remained flat since 1999.