

Commerce Committee

Monday, March 24, 2025
4:00 PM - 6:00 PM
Webster Hall (212 Knott)

Meeting Packet

Daniel Perez
Speaker

James Buchanan
Chair

The Florida House of Representatives

Commerce Committee

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Chair

Meeting Agenda

Monday, March 24, 2025
4:00 pm – 6:00 pm
Webster Hall (212 Knott)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

IV. Consideration of the following bill(s):

- HB 299 Elevator Accessibility Requirements by Woodson
- CS/HB 515 Uniform Commercial Code by Civil Justice & Claims Subcommittee, Gentry
- HB 1427 Rural Communities by Griffitts, Abbott

V. Closing Remarks

VI. Adjournment

HB 299

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 299	**COMPANION BILL:** SB 960 (Bernard)
TITLE: Elevator Accessibility Requirements	**LINKED BILLS:** None
SPONSOR(S): Woodson	**RELATED BILLS:** None

Committee References

Industries & Professional Activities
17 Y, 0 N
➤
Commerce

SUMMARY

Effect of the Bill:

The bill specifies that only one interior support rail in an elevator must be continuous and at least 42 inches long, instead of requiring all interior support rails in an elevator to meet these requirements.

Fiscal or Economic Impact:

The bill may result in more interior support rails in elevators, which could reduce injuries.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill specifies that only one interior support rail in an elevator must be continuous and at least 42 inches long, instead of requiring all interior support rails in an elevator to meet these requirements. (Section 1)

Interior support rails will still have to meet the other current law requirements regardless if they are 42 inches long and continuous.

The bill provides an effective date of July 1, 2025. (Section 2)

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Elevator Regulation

The Elevator Safety Act, located in ch. 399, F.S., establishes the minimum standards for elevator personnel in order "to provide for the safety of life and limb and to promote public safety awareness".[1] The Elevator Safety Act broadly defines the term "elevator" to include:[2]

- Hoisting Mechanical Devices;
- Escalators;
- Dumbwaiters;
- Moving Walks;
- Inclined Stairway Chairlifts; and
- Inclined or Vertical Wheelchair Lifts.

[1] S. 399.001, F.S.
[2] S. 399.01(6), F.S.

The Division of Hotels and Restaurants (Division) within the Department of Business and Professional Regulation has both rulemaking and enforcement authority under ch. 399, F.S. The Division is also responsible for issuing elevator permits and certificates of operation for companies or individuals to install, service or inspect elevators.[3]

The Elevator Safety Act prohibits an elevator from being "erected, constructed, installed or altered" until a permit is issued from DBPR. The Act further requires each elevator to have a certificate of operation from the DBPR before being operated.[4]

Interior Support Rails

The Elevator Safety Act requires every elevator, except elevators in private residences, to have at least one support rail to assist persons with physical handicaps.[5]

Support rails must be continuous and have a minimum length of 42 inches. Support rails must also be:[6]

- Smooth and have no sharp edges;
- Not more than 1.5 inches thick or 2.5 inches in diameter;
- Between 31-33 inches off the ground; and
- 1.5 inches from the elevator's wall.

Currently, the Americans with Disabilities Act (ADA) does not require handrails in elevators. If handrails are provided in an elevator, they are not required to comply with the ADA's requirements for handrails.[7]

OTHER RESOURCES:

U.S. Access Board: Guide to the ADA Accessibility Standards

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee	17 Y, 0 N	3/12/2025	Anstead	Brackett
Commerce Committee			Hamon	Brackett

[3] S. 399.10, F.S.
[4] S. 399.03(1) and (5), F.S.
[5] Ss. 399.02, and 399.035, F.S.
[6] S. 399.035, F.S.
[7] U.S. Access Board, *Guide to the ADA Accessibility Standards*, https://www.access-board.gov/ada/guides/chapter-4-elevators-and-platform-lifts/#are-handrails-required-in-elevator-cars (last visited March 21, 2025).

A bill to be entitled

An act relating to elevator accessibility requirements; amending s. 399.035, F.S.; requiring elevator car interiors to have at least one support rail that meets certain specifications; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (b) of subsection (1) of section 399.035, Florida Statutes, is amended to read:

399.035 Elevator accessibility requirements for the physically handicapped.—

(1) Each elevator, the installation of which is begun after October 1, 1990, must be made accessible to physically handicapped persons with the following requirements:

(b) Each elevator car interior must have a support rail on at least one wall. All support rails must be smooth and have no sharp edges and must not be more than 1 1/2 inches thick or 2 1/2 inches in diameter. At least one support rail ~~Support rails~~ must be continuous and a minimum length of 42 inches overall. The inside surface of support rails must be 1 1/2 inches clear of the car wall. The distance from the top of the support rail to the finished car floor must be at least 31 inches and not more than 33 inches. Padded or tufted material or decorative

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

materials such as wallpaper, vinyl, cloth, or the like may not be used on support rails.

Section 2. This act shall take effect July 1, 2025.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

CS/HB 515

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: CS/HB 515	**COMPANION BILL:** CS/SB 1666 (Grall)
TITLE: Uniform Commercial Code	**LINKED BILLS:** None
SPONSOR(S): Gentry	**RELATED BILLS:** None

Committee References

Civil Justice & Claims	➤	Commerce	➤	Judiciary
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SUMMARY

Effect of the Bill:

CS/HB 515 creates ch. 669, F.S., within Florida's Uniform Commercial Code, to incorporate newly-promulgated Article 12 of the Model Uniform Commercial Code. In doing so, the bill provides updated rules for commercial transactions involving virtual currencies, distributed ledger technologies, artificial intelligence, and other technological developments and establishes a baseline framework allowing creditors to secure liens against digital assets owned by debtors.

Fiscal or Economic Impact:

The bill may have an indeterminate economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill creates ch. 669, F.S., within Florida's Uniform Commercial Code, to incorporate newly-promulgated Article 12 of the Model Uniform Commercial Code. In doing so, the bill provides updated rules for commercial transactions involving virtual currencies, distributed ledger technologies, artificial intelligence, and other technological developments and establishes a baseline framework allowing creditors to secure liens against digital assets owned by debtors. (Sections 2, 3, 10, and 11)

Creation of Article 12: Controllable Electronic Records

The bill creates Part I of ch. 669, F.S., consisting of ss. 669.101-669.107, F.S., to govern general provisions relating to controllable electronic records, defined below. (Sections 2 and 3) The bill also creates Part II of ch. 669, F.S., consisting of ss. 669.501-669.706, F.S., to establish transitional provisions relating to controllable electronic records. Generally speaking, such provisions preserve and protect rights existing before the bill's effective date and clarify how the bill applies to existing rights after its effective date. (Sections 10 and 11)

Definitions

The bill creates s. 669.102, F.S., to define:

- "Controllable electronic record" ("CER") as a record in an electronic medium, subject to control under newly-created s. 669.105, F.S. Under the bill, the term does not include a controllable account,[1] a controllable payment intangible,[2] a deposit account,[3] electronic chattel paper,[4] an electronic document of title,[5] electronic money,[6] investment property, or a transferrable record.[7]

[1] The bill amends s. 679.1021, F.S., to define "controllable account" as an account evidenced by a CER that provides that the account debtor undertakes to pay the person that controls the CER under s. 699.105, F.S. (Section 67)
[2] The bill amends s. 679.1021, F.S., to define "controllable payment intangible" to mean a payment intangible evidenced by a CER that provides that the account debtor undertakes to pay the person that controls the CER under s. 669.105, F.S. (Section 67)

- "Qualifying purchaser" to mean a purchaser of a CER or an interest therein which obtains control of the CER for value,[8] in good faith, and without notice of a claim of a property right in the CER. (Section 4)

Governing Law

The bill creates s. 669.107, F.S., to provide that, generally, the local law of a CER's jurisdiction governs a matter covered by ch. 669, F.S. The bill also amends this section to specify the rules governing the determination of a CER's jurisdiction, which jurisdiction is generally the jurisdiction expressly provided for in the CER or a record attached to or logically associated therewith. However, where no such provision is made, the bill provides alternative methods, in descending order of priority, for establishing the CER's jurisdiction, and provides that, where nothing else applies, the laws of the District of Columbia govern. (Section 9)

Further, the bill creates s. 669.103, F.S., to provide that, if there is a conflict between Part I of ch. 669, F.S., and ch. 679, F.S. (pertaining to secured transactions), then ch. 679, F.S., governs. Under the bill, a transaction subject to Part I of ch. 669, F.S., is also subject to any applicable rule of law establishing a different rule for consumers; any other law or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit; and ch. 501, F.S. (pertaining to consumer protection). (Section 5)

Rights in Controllable Electronic Records

The bill creates s. 669.104, F.S., to govern the acquisition and purchase of rights in a CER. Specifically, the bill provides that:

- A CER purchaser acquires all rights in the CER which the transferor had, or had power to transfer, except that a purchaser of a limited interest in a CER acquires rights only to the extent of the interest purchased.
- A qualifying purchaser acquires its rights in the CER free of a claim of a property right in such record.
- A qualifying purchaser takes a right to payment, a right to performance, or other interest in property evidenced by the CER subject to a claim of a property right in the right to payment, right to performance, or other interest in property.
- An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a CER and a claim of a property right in another CER, regardless of whether the action is framed in conversion,[9] replevin,[10] constructive trust,[11] equitable lien,[12] or other theory.

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[3] "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts

[4] The bill modifies the definition of "electronic chattel paper" in s. 679.1021, F.S., to "electronic money," meaning money in an electronic form. However, current law defines "electronic chattel paper" to mean chattel paper evidenced by a record or records consisting of information stored in an electronic medium. "Chattel," in turn, is a catch-all term associated with movable goods; it refers to all property other than real property. S. 679.1021, F.S. (Section 67); Legal Information Institute, *Chattel*, https://www.law.cornell.edu/wex/chattel (last visited Mar. 13, 2025).

[5] "Electronic document of title" means a document of title evidenced by a record consisting of information stored in an electronic medium. "Document of title," in turn, means a record that, in the regular course of business or financing, is treated as adequate evidence that the person in possession or control of the record is entitled to receive, control, hold, and dispose of the record and the goods the record covers. S. 671.201(16), F.S.

[6] The bill amends s. 679.1021, F.S., to define "electronic money" as money in an electronic form. (Section 67)

[7] The bill defines "transferable record" as having the same meaning as provided in section 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, codified in 15 U.S.C. s. 7021(a)(1) or s. 668.50(16)(a), F.S. (Section 4)

[8] The bill defines "value" as having the meaning provided in s. 673.3031(1), F.S., as if references in that subsection to an instrument were references to a controllable account, CER, or controllable payment intangible. (Section 4)

[9] "Conversion" is an intentional tort in which one party takes the chattel property of another with the intent to deprive him or her of the property. Legal Information Institute, *Conversion*, https://www.law.cornell.edu/wex/conversion (last visited Mar. 13, 2025).

[10] "Replevin" is an action seeking the return of personal property wrongfully taken or held by the defendant. Legal Information Institute, *Replevin*, https://www.law.cornell.edu/wex/replevin (last visited Mar. 13, 2025).

[11] A constructive trust is a trust created through a court's power to remedy unjust enrichment, through which the court orders a person in possession of property who would otherwise be unjustly enriched by retention of the property to transfer the property to the party who should rightfully possess it. Legal Information Institute, *Constructive Trust*, https://www.law.cornell.edu/wex/constructive_trust (last visited Mar. 13, 2025).

[12] An "equitable lien" is a court-imposed lien imposed where there is an obligation owed by one person to another, a property interest to which the obligation attaches, and an intent that the property serve as security for the obligation. Legal Information Institute, *Equitable Lien*, https://www.law.cornell.edu/wex/equitable_lien (last visited Mar. 13, 2025).

Further, the bill provides that the filing of a financing statement[13] under ch. 679, F.S., is not notice of a claim of a property right in a CER. (Section 6)

Control of a Controllable Electronic Record

The bill creates s. 669.105, F.S., to govern CER control. Specifically, under the bill, a person controls a CER if the CER, a record attached to or logically associated with the CER, or a system in which the CER is recorded:

- Gives the person power to avail itself of substantially all of the benefit from the CER (and exclusive powers[14] to prevent others from so availing themselves) and power to transfer control of the CER; and
- Enables the person to identify itself readily in any way as having such powers.

Further, the bill provides that a person controls a CER if another person, other than the transferor to the person of an interest in the CER or a controllable account or controllable payment intangible evidenced by the CER:

- Controls the CER and acknowledges that such control is held on the person's behalf; or
- Obtains control of the CER after having acknowledged that it will do so on the person's behalf. (Section 7)

Discharge of Account Debtors

The bill creates s. 669.106, F.S., to specify how an account debtor[15] on a controllable account or controllable payment intangible may discharge its obligations. Specifically, under the bill, such obligations may be discharged by the account debtor paying:

- The person controlling the pertinent CER; or
- A person that formerly controlled the pertinent CER unless the account debtor receives a notification that:
    - Is signed by a person that formerly had control or the person to which control was transferred;
    - Reasonably identifies the controllable account or controllable payment intangible;
    - Notifies the account debtor that control of the pertinent CER was transferred;
    - Reasonably identifies the transferee; and
    - Provides a commercially reasonable method by which the account debtor is to pay the transferee.

Where the account debtor receives such a notification, the account debtor may discharge its obligations by paying in accordance with the notification and may not discharge its obligations by paying a person that formerly controlled the CER. However, the account debtor may generally request that the person giving the notification seasonably furnish reasonable proof that control of the CER has been transferred. Further, this section is subject to other law establishing a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes. (Section 8)

Savings Clauses

The bill creates s. 669.601, F.S., to specify that, generally, a transaction validly entered into before July 1, 2025, remains valid after such date and may be terminated, completed, consummated, or enforced as required or allowed by law other than the UCC or, if applicable, by the UCC as though this bill had not taken effect. (Section 13) Further, the bill creates s. 669.701, F.S., to provide that, generally:

- Ch. 679, F.S., as it existed on July 1, 2025, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before July 1, 2025.
- A transaction, lien, or interest in property that was validly entered into, created, or transferred before July 1, 2025, and that was not governed by the UCC but would be subject to ch. 679, F.S., as it existed on July 1, 2025, or Article 12 if the transaction had been entered into, created, or transferred on or after July 1, 2025, remains valid after that date; and
- The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by Part II of ch. 669, F.S., or by the law that would apply if that Part had not taken effect.

[13] A "financing statement" under ch. 679, F.S., is a document meant to give public notice of a security interest in collateral, allowing creditors to claim priority over other creditors.
[14] The bill recognizes that this "exclusive power" may be shared with others. (Section 7)
[15] "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper. S. 679.1021(1)(c), F.S.

Finally, the bill provides that this section does not affect an action, a case, or a proceeding commenced before July 1, 2025. (Section 14)

Perfection of Security Interests

The bill creates s. 669.702, F.S., to provide that a security interest[16] that is enforceable and perfected immediately before July 1, 2025, is a perfected security interest under the bill if, on July 1, 2025, the requirements for enforceability and perfection under this section are fully satisfied without further action. Where the requirements for enforceability or perfection are not so satisfied, all of the following apply to the security interest:

- It is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025, or the adjustment date;
- It remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under s. 679.2031, F.S., as it existed on July 1, 2025, before the adjustment date; and
- It remains perfected thereafter only if the requirements for perfection under this section are satisfied immediately before July 1, 2025. (Section 15)

Similarly, the bill creates s. 669.703, F.S., to provide that a security interest that is enforceable immediately before July 1, 2025, but is unperfected by that date:

- Remains an enforceable security interest until the adjustment date;
- Remains enforceable thereafter if the security interest becomes enforceable under s. 679.2031, F.S., as it existed on July 1, 2025, or before the adjustment date; and
- Becomes perfected:
    - Without further action, by July 1, 2025, if the requirements for perfection under this bill are satisfied on or before that date; or
    - When the requirements for perfection are satisfied, if satisfaction occurs after July 1, 2025. (Section 16)

Finally, the bill creates s. 669.704, F.S., to provide that, if an action, other than the filing of a financing statement, taken before July 1, 2025, would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under Part II of ch. 669, F.S., before the adjustment date. Further:

- An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under Part II of ch. 669, F.S., before the adjustment date.
- The filing of a financing statement before July 1, 2025, is effective to perfect a security interest on July 1, 2025, to the extent the filing would satisfy the requirements for perfection under Part II of ch. 669, F.S.
- Action taken before July 1, 2025, is sufficient for the enforceability of a security interest as of July 1, 2025, if the action satisfies the requirements for enforceability under Part II of ch. 669, F.S. (Section 17)

Priority

The bill creates s. 669.705, F.S., to provide that, generally, if the priority of claims to collateral was established before July 1, 2025, priority is determined by ch. 679, F.S., as it was in effect before July 1, 2025. Further, on the adjustment date, to the extent the priorities determined by ch. 679, F.S., modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property and electronic money established before July 1, 2025, cease to apply. (Section 18)

The bill also creates s. 669.706, F.S., to provide that, generally, when the priority rules of ch. 679, F.S., do not apply and the priorities of claims to Article 12 property were established before July 1, 2025, law other than Article 12 determines priority. Under this section, when the priority rules of ch. 679, F.S., do not apply, to the extent the priorities determined by this bill modify the priorities established as of July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025, cease to apply on the adjustment date. (Section 19)

[16] A "security interest" is a legal right in a debtor's property, generally granted by the debtor to a creditor, that secures a debt. Legal Information Institute, *Security Interest*, https://www.law.cornell.edu/wex/security_interest (last visited Mar. 13, 2025).

Amendments to Existing UCC Articles

The bill amends existing UCC Articles 1 (ch. 671, F.S., pertaining to general provisions), 2 (ch. 672, F.S., pertaining to sales), 2a (ch. 680, F.S., pertaining to leases), 3 (ch. 673, F.S., pertaining to negotiable instruments), 4a (ch. 670, F.S., pertaining to funds transfers), 5 (ch. 675, F.S., pertaining to letters of credit), 7 (ch. 677, F.S., pertaining to documents of title), 8 (ch. 678, F.S., pertaining to investment securities), and 9 (ch. 679, F.S., pertaining to secured transactions). Many of these amendments incorporate cross-references to newly-created provision of law or to sections amended by the bill, and others make conforming changes, such as by updating terminology to incorporate the concept of CERs. The more substantive amendments are discussed below.

Amendments to Article 1: General Provisions

The bill amends s. 671.201, F.S., to modify general definitions applicable throughout the UCC. Specifically, the bill:

- Redefines "delivery," to include, with respect to an instrument, voluntary transfer of an authoritative tangible copy of a record evidencing chattel paper.
- Defines "electronic" to mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- Redefines "person" to include a protected series,[17] however denominated, of an entity if the protected series is established under law other than the UCC which limits, or conditionally limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from the protected series' assets.
- Redefines "send" to include causing the record or notification to be received within the time it would have been received if property sent by mail or transmitted by any other usual means of communication.
- Defines "sign," "signing," "signed," or "signature" to mean, with present intent to authenticate or adopt a record, to:
    - Execute or adopt a tangible symbol; or
    - Attach to or logically associate with the record an electronic symbol, sound, or process. (Section 34)

Further, the bill:

- Amends s. 671.105, F.S., to include the governing law provision in newly-created s. 669.107, F.S., among the list of UCC provisions which govern as to applicable law, so that a contrary agreement is effective only to the extent allowed by law. (Section 32)
- Creates s. 671.401, F.S., to provide a savings clause for existing Article 1 transactions. (Sections 29 and 30).

Amendments to Article 2: Sale of Goods

The bill makes several changes to ch. 672, F.S., pertaining to the sale of goods. Specifically, the bill:

- Amends s. 672.106, F.S., to define "hybrid transaction," for the purposes of ch. 672, F.S., to mean a single transaction involving a sale of goods and the provision of services; a lease of other goods; or a sale, lease, or license of property other than goods. (Section 39)
- Amends s. 672.102, F.S., to specify the applicability of ch. 672, F.S., in the case of a hybrid transaction. (Section 38)
- Creates s. 672.801, F.S., to provide a savings clause for existing Article 2 transactions. (Sections 45 and 46).

Amendments to Article 3: Negotiable Instruments

The bill makes several changes to ch. 673, F.S., pertaining to negotiable instruments. Specifically, the bill:

- Amends s. 673.1041, F.S., to redefine "negotiable instrument" to provide that the promise or order to pay, which, under current law, generally may not state any other undertaking or instruction other than the payment of money, nevertheless may contain:
    - A term specifying the law governing the promise or order; or

[17] Florida law does not currently recognize the concept of a protected series. A bill to allow for the formation of a protected series LLC has been filed for the 2025 Legislative Session. *See* 2025 HB 403.

    - An undertaking to resolve, in a specified forum, a dispute about the promise or order. (Section 47)
- Amends s. 673.1051, F.S., to redefine the term "issue," in the context of an instrument, to include, if agreed to by the payee, the first transmission by the drawer to the payee of an image of an item and information derived from the item which enables the depository bank to collect the item under federal law by transferring or presenting an electronic check. (Section 48)
- Amends s. 673.6041, F.S., to provide that the obligation of a party to pay a check is not discharged solely by the check's destruction in connection with the extraction of information from and the making of the check's image where the information and image are subsequently transmitted for payment. (Section 50)
- Creates s. 673.702, F.S., to provide a savings clause for existing Article 3 transactions. (Sections 51 and 52)

Amendments to Article 4a: Funds Transfers

The bill makes several changes to ch. 670, F.S., pertaining to funds transfers. Specifically, the bill:

- Amends s. 670.201, F.S., to, among other things, specify that a security procedure[18] may impose an obligation on the receiving bank or the customer, and that such procedure may require the use of symbols, sounds, or biometrics, in addition to security devices already contemplated by existing law. (Section 21)
- Creates s. 670.601, F.S., to provide a savings clause for existing Article 4a transactions. (Sections 36 and 37)

Amendments to Article 5: Letters of Credit

The bill makes several changes to ch. 675, F.S., pertaining to letters of credit. Specifically, the bill:

- Amends s. 675.116, F.S., to provide that, for the purposes of choice of law and forum, a bank branch is considered to be located at the address indicated in the branch's undertaking; however, under the bill, if more than one address is indicated, the branch is considered to be located at the address from which the undertaking was issued. (Section 54)
- Creates s. 675.119, F.S., to provide a savings clause for existing Article 5 transactions. (Section 55)

Amendments to Article 7: Documents of Title

The bill makes several changes to ch. 677, F.S., pertaining to documents of title. Specifically, the bill:

- Amends s. 677.106, F.S., to specify the circumstances under which a person may control an electronic document of title. (Section 57)
- Creates s. 677.701, F.S., to provide a savings clause for existing Article 7 transactions. (Sections 58 and 59)

Amendments to Article 8: Investment Securities

The bill makes several changes to ch. 678, F.S., pertaining to investment securities. Specifically, the bill:

- Amends s. 678.1061, F.S., to specify the circumstances under which a purchaser controls a security entitlement. (Section 62)
- Amends s. 678.1031, F.S., to provide that a controllable account, CER, or controllable payment intangible is not a financial asset unless such account, CER, or payment intangible qualifies as a "financial asset" under s. 678.1021(1)(i), F.S. (Section 61)
- Amends s. 678.1101, F.S., to provide that the local law of the issuer's jurisdiction or the securities intermediary's jurisdiction governs matters or transactions specified in subsections (1) and (2) of that section even if the matter or transaction does not bear any relation to the jurisdiction. (Section 63)
- Creates s. 679.601, F.S., to provide a savings clause for existing Article 8 transactions. (Sections 65 and 66)

Amendments to Article 9: Secured Transactions

The bill makes several changes to ch. 679, F.S., pertaining to secured transactions. Specifically, the bill amends s. 679.1021, F.S., to update definitions pertaining to secured transactions. Significantly, the bill defines:

[18] "Security procedure" means a procedure established by agreement of a customer and a receiving bank for purposes of: 1) verifying that a payment order or communication amending or canceling a payment order is that of the customer; or 2) detecting error in the transmission or the content of the payment order or communication. S. 670.201, F.S.

- "Chattel paper" to mean:
  - A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or
  - A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if:
    - A record evidences the right to payment and the lease agreement; and
    - The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods.[19]
- "Controllable account" to mean an account evidenced by a CER providing that the account debtor undertakes to pay the person that controls the CER under s. 669.105, F.S.
- "Controllable payment intangible" to mean a payment intangible evidenced by a CER providing that the account debtor undertakes to pay the person that controls the CER under s. 669.105, F.S.
- "Electronic money" to mean money in an electronic form.
- "Money" to have the same meaning as in s. 671.201, F.S., but to not include a deposit account or money in an electronic form that is not controlled by newly-created s. 679.1052, F.S.
- "Tangible money" to mean money in a tangible form. (Section 67)

The bill also modifies or defines the circumstances under which persons control various assets governable under ch. 679, F.S., so that such control is governed in a manner similar to the CER control requirements the bill creates in ch. 669, F.S. Specifically, the bill:

- Amends s. 679.1041, F.S., relating to control of a deposit account. (Section 68)
- Amends s. 679.1051, F.S., relating to control of an authoritative electronic copy of a record evidencing chattel paper. (Section 69)
- Creates s. 679.1052, F.S., relating to control of electronic money. (Section 70)
- Creates s. 679.1053, F.S., relating to control of CERs, controllable accounts, or controllable payment intangibles. (Section 71)

Further, the bill updates several provisions of ch. 679, F.S., to address the attachment, perfection, and priority of security interests in light of the creation of ch. 669, F.S., and other changes made by the bill. Specifically, the bill:

- Amends s. 679.2081, F.S., to update terminology and discuss the transfer of control of documents of title, electronic money, controllable accounts, and controllable payment intangibles. (Section 76)
- Amends s. 679.3041, F.S., to provide that, when it comes to the law governing perfection and priority of security interests in deposit accounts, the local law of a bank's jurisdiction governs even if a transaction does not bear any relation to the bank's jurisdiction. (Section 80)
- Creates s. 679.3062, F.S., to specify which governing law applies to the perfection and priority of security interests in chattel paper. (Section 82)
- Creates s. 679.3063, F.S., to specify which governing law applies where there is a difference in jurisdiction between the local law of a CER and the debtor's location. (Section 83)
- Amends s. 679.3101, F.S., to provide that a financial statement does not need to be filed when perfecting a security interest in a controllable account, CER, or controllable payment intangible. (Section 84)
- Amends s. 679.3121, F.S., to make the filing of a financial statement for chattel paper, controllable accounts, CERs, and controllable payment intangibles permissive and to specify how a security interest in tangible money or in electronic money may be perfected. (Section 85)
- Amends s. 679.3141, F.S., to include controllable accounts, CERs, controllable payment intangibles, electronic documents, and electronic money in the list of assets in which a security interest may be perfected by control. (Section 87)
- Creates s. 679.3152, F.S., to allow for the perfection of a security interest in chattel paper by possession and control. (Section 88)
- Amends s. 679.3171, F.S., to specify when a buyer takes free of a security interest in chattel paper, an electronic document, a CER, a controllable account, or a controllable payment intangible. (Section 90)

[19] Under the bill, "chattel paper" does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

- Creates s. 679.3251, F.S., to specify that perfection by control trumps over any other method of perfection used by a person not having control. (Section 93)
- Amends s. 679.332, F.S., to specify that a transferee of electronic money takes the money free of a security interest if the transferee obtains control of the money without colluding with the debtor in violating the secured party's rights. (Section 96)
- Amends s. 679.605, F.S., to specify when a secured party owes a duty to another based on its status as a secured party when perfection is by control of a controllable account, CER, or controllable payment intangible. (Section 105)
- Amends s. 679.628, F.S., to specify when the liability of a secured party to another is not limited by that section's liability limitations when perfection is by control of a controllable account, CER, or controllable payment intangible. (Section 117)
- Creates s. 679.901, F.S., to provide a savings clause for existing Article 9 transactions. (Sections 118 and 119)

Amendments to Article 2a: Leases

The bill makes several changes to ch. 680, F.S., relating to leases. Specifically, the bill:

- Amends s. 680.1031, F.S., to define "hybrid lease" to mean a single transaction involving a lease of goods and the provision of services; a sale of other goods; or a sale, lease, or license of property other than goods. (Section 122)
- Amends s. 680.121, F.S., to specify the application of ch. 680, F.S., to hybrid leases. (Section 121)
- Creates s. 680.601, F.S., to provide a savings clause for existing article 2a transactions. (Sections 129 and 130)

Effective Date

The bill provides an effective date of July 1, 2025.

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have an indeterminate economic impact on the private sector. This impact may be positive to the extent that the changes made by the bill better facilitate commercial transactions involving virtual currencies, distributed ledger technologies, artificial intelligence, and other technological developments, or protect interests in digital assets.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Uniform Commercial Code

The Model Uniform Commercial Code ("Model UCC") is a set of laws governing the sale of goods and other commercial transactions; promulgated by the Uniform Law Commission, it has been adopted by all 50 states, thereby giving businesses confidence that their contracts will be enforced in the same way by the courts of every U.S. jurisdiction.[20] To accomplish its purposes, the Model UCC currently has 9 articles governing various transactions, as follows:[21]

- Article 1 contains general provisions applicable to transactions covered under other UCC articles.
- Article 2 governs the sale of goods.
- Article 3 governs negotiable instruments.[22]
- Article 4 governs bank deposits and collections.
- Article 5 governs letters of credit.[23]
- Article 6 governs bulk sales.
- Article 7 governs documents of title for personal property.
- Article 8 governs investment securities.[24]
- Article 9 governs secured transactions.[25]

New Article 12

In 2022, the Uniform Law Commission proposed the adoption of a new Model UCC article, designated as Article 12, to address the use of emerging technologies in commercial transactions.[26] Specifically, Article 12 would provide updated rules for commercial transactions involving virtual currencies,[27] distributed ledger technologies,[28] artificial intelligence, and other technological developments and establish a baseline framework allowing creditors to secure liens[29] against digital assets owned by debtors.[30] Currently, 24 states and the District of Columbia have adopted the new Article 12, while eight states have introduced legislation to do so.[31]

Florida's UCC

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[20] Uniform Law Commission, *Uniform Commercial Code*, https://www.uniformlaws.org/acts/ucc (last visited Mar. 13, 2025).
[21] *Id.*
[22] A "negotiable instrument" is a signed document, such as a personal check, promising to pay a specific amount of money to a named person. Legal Information Institute, *Negotiable Instrument*, https://www.law.cornell.edu/ucc/3/3-104 (last visited Mar. 13, 2025).
[23] A "letter of credit" is an instrument issued by a financial institution, typically a bank, to guarantee that the beneficiary of the letter will be paid once certain conditions are met. Legal Information Institute, *Letter of Credit*, https://www.law.cornell.edu/wex/letter_of_credit (last visited Mar. 13, 2025).
[24] "Investment securities" are assets (like stocks, bonds, or mutual funds) that can be bought and sold in public markets or exchanges and held for investment purposes. Legal Information Institute, Securities, https://www.law.cornell.edu/wex/securities (last visited Mar. 13, 2025).
[25] A "secured transaction" is an arrangement in which a borrower guarantees payment of an obligation by granting to the lender a security interest in the borrower's property, such as in a mortgage (when the borrower grants to the lender a security interest in the mortgaged property). Legal Information Institute, *Secured Transaction*, https://www.law.cornell.edu/wex/secured_transaction (last visited Mar. 13, 2025).
[26] ULC, *supra* note 20.
[27] "Virtual currency," such as Bitcoin, Ethereum, or XRP, is a digital representation of value, other than a representation of the U.S. dollar or a foreign currency, that functions as a unit of account, a store of value, and a medium of exchange. IRS, *Frequently Asked Questions on Virtual Currency Transactions*, https://www.irs.gov/individuals/international-taxpayers/frequently-asked-questions-on-virtual-currency-transactions (last visited Mar. 13, 2025).
[28] "Distributed ledger technologies," like Blockchain, are a secure way to conduct and transfer digital assets without the need for a central authority. Such technology is "distributed" because multiple participants in a computer network share and synchronize copies of the ledger, and new transactions are added in a manner that is cryptographically secured, permanent, and visible to all participants in near real time. GAO, *Blockchain and Distributed Ledger Technologies*, https://www.gao.gov/assets/gao-19-704sp.pdf (last visited Mar. 13, 2025).
[29] A "lien" is a legal claim against the property of another, which claim secures a debt. Legal Information Institute, *Lien*, https://www.law.cornell.edu/wex/lien (last visited Mar. 13, 2025)
[30] ULC, *supra* note 20.
[31] The following states have enacted Article 12: Alabama, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Minnesota, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Virginia, and Washington. The following states have legislation pending to enact Article 12: Connecticut, Maryland, Massachusetts, New York, North Carolina, Oregon, South Carolina, and Vermont. *Id.*

Florida's UCC, codified in chapters 670-680, F.S., does not currently have a provision specifically addressing digital assets; instead, the traditional approach has been to use Article 8 to apply general intangible principles to digital asset transactions or Article 9, relating to secured transactions, as an alternative by which a lender may perfect his or her security interests in a digital asset.[32] However, this traditional approach does not address the technological issues unique to easily-transferrable digital assets,[33] which may mean that, in some instances, doubt arises as to whether a lender's security interest was actually perfected under the UCC.[34] Thus, the Florida Bar's Business Law Section formed a Joint Task Force between its Blockchain and Digital Access Committee and its UCC/Bankruptcy Committee to review proposed Article 12 and determine whether Florida should adopt this new article; the result of their combined efforts is 2025 HB 515.[35]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Civil Justice & Claims Subcommittee	18 Y, 0 N, As CS	3/13/2025	Jones	Mawn
THE CHANGES ADOPTED BY THE COMMITTEE:	Restored the definition of "money" in s. 671.201, F.S., to current law; corrected a cross-reference; and corrected a drafting error.			
Commerce Committee			Hamon	Fletcher
Judiciary Committee				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

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[32] Florida Bar Business Law Section, *Florida's New UCC Article 12 – Fla. Stat. 669: Secured Transactions for Digital Assets and Associated UCC Amendments*, https://flabizlaw.org/wp-content/uploads/2024/01/Exhibit-B-1-7.10-White-Paper-ver-20231230a.pdf (last visited Mar. 13, 2025).

[33] For example, a digital asset owner may give a lender technical control over a digital asset by giving the lender a private key or password, but there is no transfer of the asset itself.

[34] Business Law Section, *supra* note 32.

[35] *Id.*

A bill to be entitled

An act relating to the Uniform Commercial Code; providing a directive to the Division of Law Revision; creating part I of ch. 669, F.S., relating to controllable electronic records; creating s. 669.101, F.S.; providing a short title; creating s. 669.102, F.S.; defining terms; providing construction; creating s. 669.103, F.S.; providing construction; creating s. 669.104, F.S.; providing applicability; specifying when a purchaser of a controllable account or controllable payment intangible is a qualifying purchaser; specifying rights acquired relating to controllable electronic records; prohibiting actions from being asserted against qualifying purchasers under certain circumstances; specifying that filing a certain financial statement is not notice of a claim of a property right in a controllable electronic record; creating s. 669.105, F.S.; specifying when a person has control of a controllable electronic record; providing when a person's power relating to controllable electronic records is or is not exclusive; providing that a person who has control of a controllable electronic record is not required to acknowledge such control; specifying that a person that acknowledges control of a controllable electronic

record does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person; creating s. 669.106, F.S.; authorizing account debtors on a controllable account or controllable payment intangible to discharge obligations under certain circumstances; providing requirements for such discharge; prohibiting account debtors from waiving or varying certain rights and options; providing construction; creating s. 669.107, F.S.; specifying the governing laws and jurisdictions relating to controllable electronic records; creating part II of ch. 669, F.S., relating to transitional provisions; creating s. 669.501, F.S.; providing a short title; creating s. 669.502, F.S.; defining terms; creating ss. 669.601 and 669.701, F.S.; providing saving clauses for certain transactions; providing applicability; providing construction; creating s. 669.702, F.S.; specifying requirements for perfecting security interests that are enforceable and perfected before a specified date; creating s. 669.703, F.S.; specifying requirements for security interests that were unperfected before a specified date; creating s. 669.704, F.S.; specifying the effectiveness of certain actions relating to security interests taken before a specified date; creating ss.

669.705 and 669.706, F.S.; providing priority for conflicting claims to collateral; amending s. 670.103, F.S.; revising the definition of the term "payment order"; amending s. 670.201, F.S.; revising authorizations and requirements relating to security procedures; amending s. 670.202, F.S.; revising the circumstances under which payment orders received by banks are effective as the order of a customer; making technical changes; amending s. 670.203, F.S.; revising rules that apply to payment orders that are not authorized orders of certain customers; amending ss. 670.207, 670.208, 670.21, and 670.211, F.S.; making technical changes; amending s. 670.305, F.S.; revising liability requirements relating to payment orders; creating part VI of ch. 670, F.S., relating to transitional provisions; creating s. 670.601, F.S.; providing applicability; amending s. 671.101, F.S.; making technical changes; amending s. 671.105, F.S.; revising applicability; amending s. 671.107, F.S.; making a technical change; amending s. 671.201, F.S.; revising definitions; defining terms; amending s. 671.211, F.S.; conforming a cross-reference; creating part IV of ch. 671, F.S., relating to transitional provisions; creating s. 671.401, F.S.; providing applicability; amending s. 672.102, F.S.; revising

applicability; amending s. 672.106, F.S.; defining the term "hybrid transaction"; making technical changes; amending ss. 672.201, 672.202, 672.203, and 672.205, F.S.; making technical changes; amending s. 672.209, F.S.; revising a prohibition on modifying or rescinding a signed agreement that excludes modification or rescission; creating part VIII of ch. 672, F.S., relating to transitional provisions; creating s. 672.801, F.S.; providing applicability; amending s. 673.1041, F.S.; revising the definition of the term "negotiable instrument"; amending s. 673.1051, F.S.; revising the definition of the term "issue"; amending s. 673.4011, F.S.; conforming provisions to changes made by the act; amending s. 673.6041, F.S.; specifying that the obligation of a party to pay a check is not discharged solely by destruction of the check in connection with a specified process; creating part VII of ch. 673, F.S., relating to transitional provisions; creating s. 673.702, F.S.; providing applicability; amending s. 675.104, F.S.; conforming provisions to changes made by the act; amending s. 675.116, F.S.; providing that a branch of a bank is considered to be located at the address indicated in the branch's undertaking or, if more than one address is indicated, the address from

which the undertaking was issued; making technical changes; creating s. 675.119, F.S.; providing applicability; amending s. 677.102, F.S.; deleting definitions of the terms "record" and "sign"; amending s. 677.106, F.S.; specifying when a system satisfies certain requirements and a person has control of an electronic document of title; specifying when certain powers are or are not exclusive; providing that a person that has control of an electronic document or title does not need to acknowledge that it has control on behalf of another person; specifying that a person does not owe any duty to another person under certain circumstances; creating part VII of ch. 677, F.S., related to transitional provisions; creating s. 677.701, F.S.; providing applicability; amending s. 678.1021, F.S.; revising definitions; revising the applicability of definitions; amending s. 678.1031, F.S.; specifying that a controllable account, controllable electronic record, or controllable payment intangible is not a financial asset under certain circumstances; conforming a cross-reference; amending s. 678.1061, F.S.; revising the circumstances under which purchasers have control of security entitlements; specifying that a person that has such control is not required to acknowledge such control on

behalf of a purchaser; specifying that certain persons do not owe any duty to purchasers and are not required to confirm certain acknowledgment under certain circumstances; amending s. 678.1101, F.S.; providing applicability; amending s. 678.3031, F.S; specifying that protected purchasers acquire interest in a security free of any adverse claim; creating part VI of ch. 678, F.S., relating to transitional provisions; creating s. 678.601, F.S.; providing applicability; amending s. 679.1021, F.S.; defining terms; revising and deleting definitions; revising the applicability of definitions; amending s. 679.1041, F.S.; revising the circumstances under which a secured party has control of a deposit account; making a technical change; amending s. 679.1051, F.S.; revising when a person has control of electronic chattel paper; specifying when power of such control is or is not exclusive; creating s. 679.1052, F.S.; specifying when a person has control of electronic money; specifying when power of such control is or is not exclusive; creating s. 679.1053, F.S.; specifying when a person has control of controllable electronic records, controllable accounts, or controllable payment intangibles; creating s. 679.1054, F.S.; providing that specified persons with certain control are not

required to acknowledge such control; specifying that such persons do not owe any duty to certain persons and are not required to confirm acknowledgment to any other person; amending s. 679.2031, F.S.; revising the circumstances under which a security interest is enforceable against a debtor and third parties; conforming a cross-reference and provisions to changes made by the act; amending s. 679.2041, F.S.; revising the circumstances under which a security interest does not attach under a term constituting an after-acquired property clause; amending s. 679.2071, F.S.; conforming a provision to changes made by the act; amending s. 679.2081, F.S.; revising duties relating to secured parties having control of collateral; amending s. 679.209, F.S.; revising duties relating to secured parties if an account debtor has been notified of an assignment; revising cross-references; amending s. 679.210, F.S.; conforming provisions to changes made by the act; amending s. 679.3011, F.S.; revising requirements relating to laws governing perfection and priority of security interests; revising a cross-reference; amending s. 679.3041, F.S.; specifying that the local law of a bank's jurisdiction governs even if a transaction does not bear any relation to the bank's jurisdiction; amending s. 679.3051, F.S.; revising

applicability; creating s. 679.3062, F.S.; specifying which laws govern the perfection and priority of security interests in chattel paper; creating s. 679.3063, F.S.; specifying which laws govern the perfection and priority of security interests in controllable accounts, controllable electronic records, and controllable payment intangibles; amending s. 679.3101, F.S.; revising the circumstances under which the filing of a financing statement is not necessary to perfect a security interest; amending s. 679.3121, F.S.; providing requirements for perfecting a security interest in controllable accounts, controllable electronic records, and controllable payment intangibles; amending s. 679.3131, F.S.; conforming provisions to changes made by the act; amending s. 679.3141, F.S.; revising requirements for perfection by control; creating s. 679.3152, F.S.; providing requirements for perfecting a security interest in chattel paper by possession and control; amending s. 679.3161, F.S.; revising requirements relating to maintaining perfection of security interests following a change in governing law; revising cross-references; amending s. 679.3171, F.S.; revising the circumstances under which persons take free of a security interest or agricultural lien;

amending s. 679.323, F.S.; revising the circumstances under which a buyer or lessee of goods takes free of a security interest or leasehold; amending s. 679.324, F.S.; conforming provisions to changes made by the act; creating s. 679.3251, F.S.; specifying that certain security interests in controllable accounts, controllable electronic records, or controllable payment intangibles have priority over conflicting security interests; amending s. 679.330, F.S.; revising the circumstances under which purchasers of chattel paper have priority over certain security interests in the chattel paper; revising applicability; making a technical change; amending s. 679.331, F.S.; revising construction; amending s. 679.332, F.S.; revising the circumstances under which a transferee takes money or funds free of a security interest; amending ss. 679.341 and 679.4041, F.S.; conforming provisions to changes made by the act; amending s. 679.4061, F.S.; defining the term "promissory note"; conforming provisions to changes made by the act; revising applicability; amending s. 679.4081, F.S.; defining the term "promissory note"; amending ss. 679.509, 679.513, 679.601, and 679.604, F.S.; conforming provisions to changes made by the act; amending s. 679.605, F.S.; specifying when a

secured party owes a duty to a person based on the party's status as a secured party; amending ss. 679.608 and 679.611, F.S.; conforming provisions to changes made by the act; making technical changes; amending s. 679.613, F.S.; revising the form for notification of the disposition of collateral; providing requirements relating to such form; amending s. 679.614, F.S.; revising form requirements for notice of a plan to sell property; providing requirements relating to such form; amending ss. 679.615, 679.616, 679.619, 679.620, 679.621, 679.624, and 679.625, F.S.; conforming provisions to changes made by the act; amending s. 679.628, F.S.; providing applicability; creating part IX of ch. 670, F.S., relating to transitional provisions; creating ss. 679.901 and 679.902, F.S.; providing construction; amending s. 680.1021, F.S.; revising applicability; amending s. 680.1031, F.S.; defining the term "hybrid lease"; conforming cross-references; amending ss. 680.1071, 680.201, 680.202, 680.203, 680.205, 680.208, F.S.; conforming provisions to changes made by the act; creating part VI of ch. 680, F.S., relating to transitional provisions; creating s. 680.601, F.S.; providing applicability; amending ss. 55.205, 319.27, 328.0015, 517.061, 559.9232, 563.022, 668.50, F.S.;

conforming cross-references; reenacting ss. 655.55(1) and (2) and 685.101(2), F.S., relating to law applicable to deposits in and contracts relating to extensions of credit by a deposit or lending institution located in this state and choice of law, respectively, to incorporate the amendment made to s. 671.105, F.S., in references thereto; reenacting ss. 90.953(1), 673.1061(1), (3), and (4), and 673.1151(2), F.S., relating to admissibility of duplicates, unconditional promise or order, and incomplete instruments, respectively, to incorporate the amendment made to s. 673.1041, F.S., in references thereto; reenacting s. 673.1031(2), F.S., relating to definitions, to incorporate the amendments made to ss. 673.1041 and 673.1051, F.S., in references thereto; reenacting s. 673.6051(2), F.S., relating to discharge of indorsers and accommodation parties, to incorporate the amendment made to s. 673.6041, F.S., in a reference thereto; reenacting s. 679.3061(2), F.S., relating to law governing perfection and priority of security interests in letter-of-credit rights, to incorporate the amendment made to s. 675.116, F.S., in a reference thereto; reenacting s. 675.103(1)(j), F.S., relating to definitions, to incorporate the amendment made to s. 675.104, F.S., in a reference

thereto; reenacting ss. 674.2101(3), 675.1181(2), and 679.1101, F.S., relating to security interest of collecting bank in items, accompanying documents, and proceeds; security interest of issuer or nominated person; and security interests arising under chapter 672 or chapter 680, respectively, to incorporate the amendment made to s. 679.2031, F.S., in references thereto; reenacting ss. 672.103(3) and 674.104(3), F.S., relating to definitions and index of definitions, to incorporate the amendment made to s. 677.106, F.S., in references thereto; reenacting ss. 678.5101(3) and 679.1061(1), F.S., relating to rights of purchaser of security entitlement from entitlement holder and control of investment property, respectively, to incorporate the amendment made to s. 678.1061, F.S., in references thereto; reenacting s. 679.328(2), (5), and (7), F.S., relating to priority of security interests in investment property, to incorporate the amendments made to ss. 678.1061, 679.3131, 679.3141, and 679.323, F.S., in references thereto; reenacting s. 679.327(1) and (2), F.S., relating to priority of security interests in deposit account, to incorporate the amendment made to ss. 679.1041 and 679.3141, F.S., in references thereto; reenacting s. 679.1091(4), F.S., relating to scope, to

incorporate the amendment made to ss. 679.2031 and 679.4041, F.S., in references thereto; reenacting s. 679.709(2), F.S., relating to priority, to incorporate the amendment made to s. 679.2031, F.S., in a reference thereto; reenacting s. 679.602(2), F.S., relating to waiver and variance of rights and duties, to incorporate the amendment made to s. 679.210, F.S., in a reference thereto; reenacting s. 679.329, F.S., relating to priority of security interests in deposit account and priority of security interests in letter-of-credit right, respectively, to incorporate the amendment made to s. 679.3141, F.S., in references thereto; reenacting s. 679.320(3), F.S., buyer of goods, to incorporate the amendment made to s. 679.3161, F.S., in references thereto; reenacting s. 727.109(8)(b), F.S., relating to power of the court, to incorporate the amendment made to s. 679.3171, F.S., in a reference thereto reenacting s. 680.307(3), F.S., relating to priority of liens arising by attachment or levy on, security interests in, and other claims to goods, to incorporate the amendment made to ss. 679.3171 and 679.323, F.S., in references thereto; reenacting s. 679.626(3), F.S., relating to action in which deficiency or surplus is in issue, to incorporate the amendment made to s. 679.628, F.S., in

a reference thereto; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. The Division of Law Revision is directed to create chapter 669, Florida Statutes, to be entitled "Uniform Commercial Code: Controllable Electronic Records and Transitional Provisions."

Section 2. Part I of chapter 669, Florida Statutes, consisting of ss. 669.101-669.107, Florida Statutes, is created and entitled "Controllable Electronic Records."

Section 3. Section 669.101, Florida Statutes, is created to read:

669.101 Short title.—This part may be cited as "Uniform Commercial Code—Controllable Electronic Records."

Section 4. Section 669.102, Florida Statutes, is created to read:

669.102 Definitions.—

(1) As used in this part, the term:

(a) "Controllable electronic record" means a record in an electronic medium, subject to control under s. 669.105. The term does not include a controllable account, a controllable payment intangible, a deposit account, an electronic chattel paper, an electronic document of title, electronic money, investment property, or a transferable record.

(b) "Qualifying purchaser" means a purchaser of a controllable electronic record or an interest in a controllable electronic record which obtains control of the controllable electronic record for value, in good faith, and without notice of a claim of a property right in the controllable electronic record.

(c) "Transferable record" has the same meaning as provided in:

1. Section 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. s. 7021(a)(1); or

2. Section 668.50(16)(a).

(d) "Value" has the meaning provided in s. 673.3031(1), as if references in that subsection to an "instrument" were references to a controllable account, controllable electronic record, or controllable payment intangible. A controllable electronic record is subject to control as specified in s. 669.105.

(2) The definitions in s. 679.1021 for the terms "account debtor," "chattel paper," "controllable account," "controllable payment intangible," "deposit account," "electronic money," and "investment property" apply to this part.

(3) Chapter 671 contains general definitions and principles of construction and interpretation applicable throughout this part.

Section 5. Section 669.103, Florida Statutes, is created

to read:

669.103 Relation to chapter 679 and consumer laws.—

(1) If there is conflict between this part and chapter 679, chapter 679 governs.

(2) A transaction subject to this part is subject to any applicable rule of law that establishes a different rule for consumers; any other law or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit; and chapter 501.

Section 6. Section 669.104, Florida Statutes, is created to read:

669.104 Rights in controllable account, controllable electronic record, and controllable payment intangible.—

(1) This section applies to the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights and benefits under subsections (3), (4), (5), (7), and (8) of a purchaser and qualifying purchaser, in the same manner in which this section applies to a controllable electronic record.

(2) In determining whether a purchaser of a controllable account or a controllable payment intangible is a qualifying purchaser, the purchaser obtains control of the account or payment intangible if it obtains control of the controllable electronic record that evidences the account or payment intangible.

(3) Except as provided in this section, law other than this part determines whether a person acquires a right in a controllable electronic record and the right that the person acquires.

(4) A purchaser of a controllable electronic record acquires all rights in the controllable electronic record which the transferor had, or had power to transfer, except that a purchaser of a limited interest in a controllable electronic record acquires rights only to the extent of the interest purchased.

(5) A qualifying purchaser acquires its rights in the controllable electronic record free of a claim of a property right in the controllable electronic record.

(6) Except as provided in subsections (1) and (5) for a controllable account and a controllable payment intangible or in law other than this part, a qualifying purchaser takes a right to payment, right to performance, or other interest in property evidenced by the controllable electronic record subject to a claim of a property right in the right to payment, right to performance, or other interest in property.

(7) An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in another controllable electronic record, regardless of whether the action is framed in conversion, replevin,

constructive trust, equitable lien, or other theory.

(8) Filing of a financing statement under chapter 679 is not notice of a claim of a property right in a controllable electronic record.

Section 7. Section 669.105, Florida Statutes, is created to read:

669.105 Control of controllable electronic record.—

(1) A person has control of a controllable electronic record if the electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded:

(a) Gives the person:

1. Power to avail itself of substantially all of the benefit from the electronic record; and

2. Exclusive power, subject to paragraph (b), to:

a. Prevent others from availing themselves of substantially all of the benefit from the electronic record; and

b. Transfer control of the electronic record to another person or cause another person to obtain control of another controllable electronic record as a result of the transfer of the electronic record; and

(b) Enables the person to identify itself readily in any way, including by name, identifying number, cryptographic key, office, or account number, as having the powers specified in paragraph (a).

(2) Except as provided in subsection (3), a power is exclusive under sub-subparagraphs (1)(a)2.a. and b. even if:

(a) The controllable electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record; or

(b) The power is shared with another person.

(3) A power of a person is not shared with another person under paragraph (2)(b) and the person's power is not exclusive if:

(a) The person can exercise the power only if the power also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the person; or

2. Is the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record.

(4) If a person has the powers specified in sub-subparagraphs (1)(a)2.a. and b., the powers are presumed to be exclusive.

(5) A person has control of a controllable electronic

record if another person, other than the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record:

(a) Has control of the electronic record and acknowledges that it has control on behalf of the person; or

(b) Obtains control of the electronic record after having acknowledged that it will obtain control of the electronic record on behalf of the person.

(6) A person that has control under this section is not required to acknowledge that it has control on behalf of another person unless the person otherwise agrees or law other than this part or chapter 679 provides otherwise.

(7) If a person acknowledges that it has or will obtain control on behalf of another person, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

Section 8. Section 669.106, Florida Statutes, is created to read:

669.106 Discharge of account debtor on controllable account or controllable payment intangible.—

(1) An account debtor on a controllable account or controllable payment intangible may discharge its obligation by paying:

(a) The person having control of the controllable

electronic record that evidences the controllable account or controllable payment intangible; or

(b) Except as provided in subsection (2), a person that formerly had control of the controllable electronic record.

(2) Subject to subsection (4), the account debtor may not discharge its obligation by paying a person that formerly had control of the controllable electronic record if the account debtor receives a notification that:

(a) Is signed by a person that formerly had control or the person to which control was transferred;

(b) Reasonably identifies the controllable account or controllable payment intangible;

(c) Notifies the account debtor that control of the controllable electronic record that evidences the controllable account or controllable payment intangible was transferred;

(d) Identifies the transferee, in any reasonable way, including by name, identifying number, cryptographic key, office, or account number; and

(e) Provides a commercially reasonable method by which the account debtor is to pay the transferee.

(3) After receipt of a notification that complies with subsection (2), the account debtor may discharge its obligation by paying in accordance with the notification and may not discharge the obligation by paying a person that formerly had control.

(4) Subject to subsection (8), notification is ineffective under subsection (2):

(a) Unless, before the notification is sent, the account debtor and the person that, at that time, had control of the controllable electronic record that evidences the controllable account or controllable payment intangible agree in a signed record to a commercially reasonable method by which a person may furnish reasonable proof that control has been transferred;

(b) To the extent an agreement between the account debtor and seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this part; or

(c) At the option of the account debtor, if the notification notifies the account debtor to:

1. Divide a payment;

2. Make less than the full amount of an installment or other periodic payment; or

3. Pay any part of a payment by more than one method or to more than one person.

(5) Subject to subsection (8), if requested by the account debtor, the person giving the notification under subsection (2) must seasonably furnish reasonable proof that, using the method in the agreement referred to in paragraph (4)(a), control of the controllable electronic record has been transferred. Unless the person complies with the request, the account debtor may

discharge its obligation by paying a person that formerly had control, even if the account debtor has received a notification under subsection (2).

(6) A person furnishes reasonable proof under subsection (5) that control has been transferred if the person demonstrates that, using the method in an agreement made under paragraph (4)(a), the transferee has the power to:

(a) Avail itself of substantially all the benefit from the controllable electronic record;

(b) Prevent others from availing themselves of substantially all the benefit from the controllable electronic record; and

(c) Transfer the powers specified in paragraphs (a) and (b) to another person.

(7) Subject to subsection (8), an account debtor may not waive or vary its rights under paragraph (4)(a) and subsection (5) or its option under paragraph (4)(c).

(8) This section is subject to law other than this part which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

Section 9. Section 669.107, Florida Statutes, is created to read:

669.107 Governing law.—

(1) Except as provided in subsection (2), the local law of

a controllable electronic record's jurisdiction governs a matter covered by this part.

(2) For a controllable electronic record that evidences a controllable account or controllable payment intangible, the local law of the controllable electronic record's jurisdiction governs a matter covered by s. 669.106 unless an effective agreement determines that the local law of another jurisdiction governs.

(3) The following rules determine a controllable electronic record's jurisdiction under this section:

(a) If the controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this part or the Uniform Commercial Code, that jurisdiction is the controllable electronic record's jurisdiction.

(b) If paragraph (a) does not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that a particular jurisdiction is the controllable electronic record's jurisdiction for purposes of this part or the Uniform Commercial Code, that jurisdiction is the controllable electronic record's jurisdiction.

(c) If paragraphs (a) and (b) do not apply and the

controllable electronic record, or a record attached to or logically associated with the controllable electronic record and readily available for review, expressly provides that the controllable electronic record is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(d) If paragraphs (a), (b), and (c) do not apply and the rules of the system in which the controllable electronic record is recorded are readily available for review and expressly provide that the controllable electronic record or the system is governed by the law of a particular jurisdiction, that jurisdiction is the controllable electronic record's jurisdiction.

(e) If paragraphs (a)-(d) do not apply, the controllable electronic record's jurisdiction is the District of Columbia.

(4) If paragraph (3)(e) applies, and Article 12 is not in effect without material modification in the District of Columbia, the governing law for a matter subject to this part is the law of the District of Columbia as though Article 12 were in effect without material modification in the District of Columbia. For the purposes of this subsection, the term "Article 12" means Article 12 of the Uniform Commercial Code Amendments (2022).

(5) To the extent subsections (1) and (2) provide that the local law of the controllable electronic record's jurisdiction

governs a matter covered by this part, that law governs even if the matter or a transaction to which the matter relates does not bear any relation to the controllable electronic record's jurisdiction.

(6) The rights acquired under s. 669.104 by a purchaser or qualifying purchaser are governed by the law applicable under this section at the time of purchase.

Section 10. Part II of chapter 669, Florida Statutes, consisting of ss. 669.501-669.706, Florida Statutes, is created and entitled "Transitional Provisions."

Section 11. Section 669.501, Florida Statutes, is created to read:

669.501 Short title.—This part may be cited as "Uniform Commercial Code-Controllable Electronic Records."

Section 12. Section 669.502, Florida Statutes, is created to read:

669.502 Definitions.—As used in this part:

(1)(a) "Adjustment date" means July 1, 2026.

(b) "Article 12" means Article 12 of the Uniform Commercial Code.

(c) "Article 12 property" means a controllable account, controllable electronic record, or controllable payment intangible.

(2) Other definitions applying to this chapter and the sections in which they appear are:

"Controllable account," s. 679.1021.

"Controllable electronic record," s. 669.102.

"Controllable payment intangible," s. 679.1021.

"Electronic money," s. 679.1021.

"Financing statement," s. 679.1021.

(3) The general definitions and principles of construction and interpretation contained in chapter 671 apply to this part.

Section 13. Section 669.601, Florida Statutes, is created to read:

669.601 Saving clause.—Except as otherwise provided in this part, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 14. Section 669.701, Florida Statutes, is created to read:

669.701 Saving clause.—

(1) Except as provided in this part, chapter 679 as it existed on July 1, 2025, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before July 1, 2025.

(2) Except as provided in subsection (3) and ss. 669.702-669.706, both of the following apply:

(a) A transaction, lien, or interest in property that was validly entered into, created, or transferred before July 1, 2025, and that was not governed by the Uniform Commercial Code but would be subject to chapter 679 as it existed on July 1, 2025, or to Article 12 if the transaction had been entered into, created, or transferred on or after July 1, 2025, including the rights, duties, and interests flowing from the transaction, lien, or interest, remains valid on and after July 1, 2025.

(b) The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by this part or by the law that would apply if this part had not taken effect.

(3) This section does not affect an action, a case, or a proceeding commenced before July 1, 2025.

Section 15. Section 669.702, Florida Statutes, is created to read:

669.702 Security interest perfected before effective date.—

(1) A security interest that is enforceable and perfected immediately before July 1, 2025, is a perfected security interest under this act if, on July 1, 2025, the requirements for enforceability and perfection under this section are fully satisfied without further action.

(2) If a security interest is enforceable and perfected immediately before July 1, 2025, but the requirements for enforceability or perfection under this act are not satisfied by July 1, 2025, all of the following apply to the security interest:

(a) It is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025, or the adjustment date.

(b) It remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under s. 679.2031, as it existed on July 1, 2025, before the adjustment date.

(c) It remains perfected thereafter only if the requirements for perfection under this section are satisfied immediately before July 1, 2025.

Section 16. Section 669.703, Florida Statutes, is created to read:

669.703 Security interest unperfected before effective date.—A security interest that is enforceable immediately before July 1, 2025, but is unperfected by that date:

(1) Remains an enforceable security interest until the adjustment date;

(2) Remains enforceable thereafter if the security interest becomes enforceable under s. 679.2031, as it existed on July 1, 2025, or before the adjustment date; and

(3) Becomes perfected:

(a) Without further action, by July 1, 2025, if the requirements for perfection under this act are satisfied on or before that date; or

(b) When the requirements for perfection are satisfied, if satisfaction occurs after July 1, 2025.

Section 17. Section 669.704, Florida Statutes, is created to read:

669.704 Effectiveness of actions taken before effective date.—

(1) If action, other than the filing of a financing statement, is taken before July 1, 2025, and the action would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under this part before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this part before the adjustment date.

(2) The filing of a financing statement before July 1, 2025, is effective to perfect a security interest on July 1, 2025, to the extent the filing would satisfy the requirements for perfection under this part.

(3) Action taken before July 1, 2025, is sufficient for the enforceability of a security interest as of July 1, 2025, if

the action satisfies the requirements for enforceability under this part.

Section 18. Section 669.705, Florida Statutes, is created to read:

669.705 Priority.—

(1) Subject to subsections (2) and (3), this section determines the priority of conflicting claims to collateral.

(2) Subject to subsection (3), if the priority of claims to collateral was established before July 1, 2025, chapter 679 as in effect before July 1, 2025, determines priority.

(3) On the adjustment date, to the extent the priorities determined by chapter 679 as amended by this part modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property and electronic money established before July 1, 2025, cease to apply.

Section 19. Section 669.706, Florida Statutes, is created to read:

669.706 Priority of claims when priority rules of chapter 679 do not apply.—

(1) Subject to subsections (2) and (3), Article 12 determines the priority of conflicting claims to Article 12 property when the priority rules of chapter 679 as amended by this act do not apply.

(2) Subject to subsection (3), when the priority rules of chapter 679 as amended by this act do not apply and the

priorities of claims to Article 12 property were established before July 1, 2025, law other than Article 12 determines priority.

(3) When the priority rules of chapter 679 as amended by this part do not apply, to the extent the priorities determined by this act modify the priorities established as of July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025, cease to apply on the adjustment date.

Section 20. Paragraph (c) of subsection (1) of section 670.103, Florida Statutes, is amended to read:

670.103 Payment order: definitions.—

(1) In this chapter, the term:

(c) "Payment order" means an instruction of a sender to a receiving bank, transmitted orally or in a record, ~~electronically, or in writing,~~ to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if:

1. The instruction does not state a condition to payment to the beneficiary other than time of payment;

2. The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender; and

3. The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

Section 21. Section 670.201, Florida Statutes, is amended to read:

670.201 Security procedure.—For purposes of this section, the term "security procedure" means a procedure established by agreement of a customer and a receiving bank for the purpose of:

(1) Verifying that a payment order or communication amending or canceling a payment order is that of the customer; or

(2) Detecting error in the transmission or the content of the payment order or communication.

A security procedure may impose an obligation on the receiving bank or the customer and may require the use of algorithms or other codes, identifying words, ~~or~~ numbers, symbols, sounds, biometrics, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer or requiring a payment order to be sent from a known e-mail address, Internet protocol address, or telephone number is not by itself a security procedure.

Section 22. Subsections (2) and (3) of section 670.202, Florida Statutes, are amended, and subsection (6) of that section is republished, to read:

670.202 Authorized and verified payment orders.—

(2) If a bank and its customer have agreed that the

authenticity of payment orders issued to the bank in the name of the customer as sender will be verified pursuant to a security procedure, a payment order received by the receiving bank is effective as the order of the customer, whether or not authorized, if the security procedure is a commercially reasonable method of providing security against unauthorized payment orders and the bank proves that it accepted the payment order in good faith and in compliance with the bank's obligations under the security procedure and any ~~written~~ agreement or instruction of the customer, evidenced by a record, restricting acceptance of payment orders issued in the name of the customer. The bank is not required to follow an instruction that violates an ~~a written~~ agreement with the customer, evidenced by a record, or notice of which is not received at a time and in a manner affording the bank a reasonable opportunity to act on it before the payment order is accepted.

(3) The commercial reasonableness of a security procedure is a question of law to be determined by considering the wishes of the customer expressed to the bank; the circumstances of the customer known to the bank, including the size, type, and frequency of payment orders normally issued by the customer to the bank; alternative security procedures offered to the customer; and security procedures in general use by customers and receiving banks similarly situated. A security procedure is deemed to be commercially reasonable if:

(a) The security procedure was chosen by the customer after the bank offered, and the customer refused, a security procedure that was commercially reasonable for that customer; and

(b) The customer expressly agreed in a record ~~writing~~ to be bound by any payment order, whether or not authorized, issued in its name and accepted by the bank in compliance with the bank's obligations under the security procedure chosen by the customer.

(6) Except as provided in this section and in s. 670.203(1)(a), rights and obligations arising under this section or s. 670.203 may not be varied by agreement.

Section 23. Paragraph (a) of subsection (1) of section 670.203, Florida Statutes, is amended to read:

670.203 Unenforceability of certain verified payment orders.—

(1) If an accepted payment order is not, under s. 670.202(1), an authorized order of a customer identified as sender, but is effective as an order of the customer pursuant to s. 670.202(2), the following rules apply:

(a) By express ~~written~~ agreement evidenced by a record, the receiving bank may limit the extent to which it is entitled to enforce or retain payment of the payment order.

Section 24. Paragraph (b) of subsection (3) of section 670.207, Florida Statutes, is amended to read:

670.207 Misdescription of beneficiary.—

(3) If a payment order described in subsection (2) is accepted, the originator's payment order described the beneficiary inconsistently by name and number, and the beneficiary's bank pays the person identified by number as permitted by paragraph (2)(a), the following rules apply:

(b) If the originator is not a bank and proves that the person identified by number was not entitled to receive payment from the originator, the originator is not obliged to pay its order unless the originator's bank proves that the originator, before acceptance of the originator's order, had notice that payment of a payment order issued by the originator might be made by the beneficiary's bank on the basis of an identifying or bank account number even if it identifies a person different from the named beneficiary. Proof of notice may be made by any admissible evidence. The originator's bank satisfies the burden of proof if it proves that the originator, before the payment order was accepted, signed a record ~~writing~~ stating the information to which the notice relates.

Section 25. Paragraph (b) of subsection (2) of section 670.208, Florida Statutes, is amended to read:

670.208 Misdescription of intermediary bank or beneficiary's bank.—

(2) This subsection applies to a payment order identifying an intermediary bank or the beneficiary's bank both by name and

an identifying number if the name and number identify different persons.

(b) If the sender is not a bank and the receiving bank proves that the sender, before the payment order was accepted, had notice that the receiving bank might rely on the number as the proper identification of the intermediary or beneficiary's bank even if it identifies a person different from the bank identified by name, the rights and obligations of the sender and the receiving bank are governed by paragraph (a), as though the sender were a bank. Proof of notice may be made by any admissible evidence. The receiving bank satisfies the burden of proof if it proves that the sender, before the payment order was accepted, signed a record ~~writing~~ stating the information to which the notice relates.

Section 26. Subsection (1) of section 670.21, Florida Statutes, is amended to read:

670.21 Rejection of payment order.—

(1) A payment order is rejected by the receiving bank by a notice of rejection transmitted to the sender orally~~,~~ ~~electronically,~~ or in a record ~~writing~~. A notice of rejection need not use any particular words and is sufficient if it indicates that the receiving bank is rejecting the order or will not execute or pay the order. Rejection is effective when the notice is given if transmission is by a means that is reasonable in the circumstances. If notice of rejection is given by a means

that is not reasonable, rejection is effective when the notice is received. If an agreement of the sender and receiving bank establishes the means to be used to reject a payment order:

(a) Any means complying with the agreement is reasonable; and

(b) Any means not complying is not reasonable unless no significant delay in receipt of the notice resulted from the use of the noncomplying means.

Section 27. Subsection (1) of section 670.211, Florida Statutes, is amended to read:

670.211 Cancellation and amendment of payment order.—

(1) A communication of the sender of a payment order canceling or amending the order may be transmitted to the receiving bank orally~~, electronically,~~ or in a record ~~writing~~. If a security procedure is in effect between the sender and the receiving bank, the communication is not effective to cancel or amend the order unless the communication is verified pursuant to the security procedure or the bank agrees to the cancellation or amendment.

Section 28. Subsections (3) and (4) of section 670.305, Florida Statutes, are amended to read:

670.305 Liability for late or improper execution or failure to execute payment order.—

(3) In addition to the amounts payable under subsections (1) and (2), damages, including consequential damages, are

recoverable to the extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record.

(4) If a receiving bank fails to execute a payment order it was obliged by express agreement to execute, the receiving bank is liable to the sender for its expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record, but are not otherwise recoverable.

Section 29. Part VI of chapter 670, Florida Statutes, consisting of s. 670.601, Florida Statutes, is created and entitled "Transitional Provisions."

Section 30. Section 670.601, Florida Statutes, is created to read:

670.601 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, the Uniform Commercial Code as though this act had not taken effect.

Section 31. Subsection (1) of section 671.101, Florida Statutes, is amended to read:

671.101 Short title; scope of chapter.—

(1) Chapters 669-680 ~~670-680~~ may be cited as the "Uniform Commercial Code" or "code."

Section 32. Paragraphs (a) through (g) of subsection (2) of section 671.105, Florida Statutes, are redesignated as paragraphs (b) through (h), respectively, a new paragraph (a) is added to that subsection, and present paragraphs (d) and (e) of that subsection are republished, to read:

671.105 Territorial application of the code; parties' power to choose applicable law.—

(2) When one of the following provisions of this code specifies the applicable law, that provision governs; and a contrary agreement is effective only to the extent permitted by the law (including the conflict-of-laws rules) so specified:

(a) Governing law in the chapter on controllable electronic records. (s. 669.107).

(e) ~~(d)~~ Applicability of the chapter on letters of credit. (s. 675.116)

(f) ~~(e)~~ Applicability of the chapter on investment securities. (s. 678.1101)

Section 33. Section 671.107, Florida Statutes, is amended to read:

671.107 Waiver or renunciation of claim or right after breach.—A claim or right arising out of an alleged breach can be discharged in whole or in part without consideration by

agreement of the aggrieved party in a signed ~~an authenticated~~ record.

Section 34. Present subsections (18) through (47) of section 671.201, Florida Statutes, are redesignated as subsections (19) through (48), respectively, a new subsection (18) is added to that section, and present subsections (11), (16), (22), (26), (27), (31), (40), and (41) of that section are amended, to read:

671.201 General definitions.—Unless the context otherwise requires, words or phrases defined in this section, or in the additional definitions contained in other chapters of this code which apply to particular chapters or parts thereof, have the meanings stated. Subject to definitions contained in other chapters of this code which apply to particular chapters or parts thereof, the term:

(11) "Conspicuous," with reference to a term, means so written, displayed, or presented that, based on the totality of the circumstances, a reasonable person against which it is to operate ought to have noticed it. Whether a term is "conspicuous" is a decision for the court. ~~Conspicuous terms include the following:~~

~~(a) A heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; and~~

~~(b) Language in the body of a record or display in larger~~

~~type than the surrounding text or set off from surrounding text of the same size by symbols or other marks that call attention to the language.~~

(16) "Delivery," with respect to an electronic document of title, means voluntary transfer of control and, ~~"delivery,"~~ with respect to instruments, tangible document of title, or an authoritative tangible copy of a record evidencing chattel paper, ~~or certificated securities,~~ means voluntary transfer of possession.

(18) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(23) ~~(22)~~ "Holder" means:

(a) The person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession;

(b) The person in possession of a negotiable tangible document of title if the goods are deliverable either to bearer or to the order of the person in possession; or

(c) The person in control, other than pursuant to s. 677.106(7), of a negotiable electronic document of title.

(27) ~~(26)~~ Subject to subsection (29) ~~(28)~~, a person has "notice" of a fact if the person:

(a) Has actual knowledge of it;

(b) Has received a notice or notification of it; or

(c) From all the facts and circumstances known to the person at the time in question, has reason to know that it exists. A person "knows" or has "knowledge" of a fact when the person has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this section.

(28) ~~(27)~~ A person "notifies" or "gives" a notice or notification to another person by taking such steps as may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it. Subject to subsection (29) ~~(28)~~, a person "receives" a notice or notification when:

(a) It comes to that person's attention; or

(b) It is duly delivered in a form reasonable under the circumstances at the place of business through which the contract was made or at another location held out by that person as the place for receipt of such communications.

(32) ~~(31)~~ "Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; ~~public corporation;~~ or any other legal or commercial entity. The term includes a protected series, however denominated, of an entity if the

protected series is established under law other than the Uniform Commercial Code which limits, or conditionally limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

(41) ~~(40)~~ "Send," in connection with a ~~writing,~~ record~~,~~ or notification ~~notice~~, means:

(a) To deposit in the mail, ~~or~~ deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, ~~and properly~~ addressed ~~and, in the case of an instrument, to an address specified thereon or otherwise agreed or, if there be none,~~ to any address reasonable under the circumstances; or

(b) To cause the record or notification to be received within the time it would have been received if properly sent under paragraph (a) ~~In any other way to cause to be received any record or notice within the time it would have arrived if properly sent~~.

(42) ~~(41)~~ "Sign," "signing," "signed," or "signature" means, with present intent to authenticate or adopt a record, to:

(a) Execute or adopt a tangible symbol; or

(b) Attach to or logically associate with the record an electronic symbol, sound, or process ~~means bearing any symbol executed or adopted by a party with present intention to adopt~~

~~or accept a writing~~.

Section 35. Section 671.211, Florida Statutes, is amended to read:

671.211 Value.—Except as otherwise provided with respect to negotiable instruments and bank collections as provided in chapter 669 and ss. 673.3031, 674.2101, and 674.2111, a person gives value for rights if the person acquires them:

(1) In return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection;

(2) As security for, or in total or partial satisfaction of, a preexisting claim;

(3) By accepting delivery under a preexisting contract for purchase; or

(4) In return for any consideration sufficient to support a simple contract.

Section 36. Part IV of chapter 671, Florida Statutes, consisting of s. 671.401, Florida Statutes, is created and entitled "Transitional Provisions."

Section 37. Section 671.401, Florida Statutes, is created to read:

671.401 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such

transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 38. Section 672.102, Florida Statutes, is amended to read:

672.102 Scope; certain security and other transactions excluded from this chapter.—

(1) Unless the context otherwise requires, and except as provided in subsection (2), this chapter applies to transactions in goods and, in the case of a hybrid transaction:

(a) If the sale-of-goods aspects do not predominate, only those provisions of this chapter which relate primarily to the sale-of-goods aspects of the transaction apply, and those provisions that relate primarily to the transaction as a whole do not apply.

(b) If the sale-of-goods aspects predominate, this chapter applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the transaction which do not relate to the sale of goods.

(2) This chapter does not do the following:

(a) Apply to a transaction that, even though in the form of an unconditional contract to sell or present sale, operates only to create a security interest.

(b) Impair or repeal a statute regulating sales to consumers, farmers, or other specified classes of buyers~~; it does not apply to any transaction which although in the form of an unconditional contract to sell or present sale is intended to operate only as a security transaction nor does this chapter impair or repeal any statute regulating sales to consumers, farmers or other specified classes of buyers~~.

Section 39. Section 672.106, Florida Statutes, is amended to read:

672.106 Definitions: "contract"; "agreement"; "contract for sale"; "sale"; "present sale"; "conforming" to contract; "termination"; "cancellation~~.~~"; "hybrid transaction."—

(1) In this chapter, unless the context clearly requires otherwise, the meaning of the terms ~~requires~~ "contract" and "agreement" is ~~are~~ limited to those contracts and agreements relating to the present or future sale of goods. The term "contract for sale" includes both a present sale of goods and a contract to sell goods at a future time. A "sale" consists in the passing of title from the seller to the buyer for a price (s. 672.401). A "present sale" means a sale which is accomplished by the making of the contract.

(2) Goods or conduct including any part of a performance are "conforming" or conform to the contract when they are in accordance with the obligations under the contract.

(3) "Termination" occurs when either party pursuant to a

power created by agreement or law puts an end to the contract otherwise than for its breach. Upon ~~On~~ termination, all obligations that ~~which~~ are still executory on both sides are discharged but any right based on prior breach or performance survives.

(4) "Cancellation" occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance.

(5) The term "hybrid transaction" means a single transaction involving a sale of goods and any of the following:

(a) The provision of services.

(b) A lease of other goods.

(c) A sale, lease, or license of property other than goods.

Section 40. Subsections (1) and (2) of section 672.201, Florida Statutes, are amended to read:

672.201 Formal requirements; statute of frauds.—

(1) Except as otherwise provided in this section a contract for the sale of goods for the price of $500 or more is not enforceable by way of action or defense unless there is a record ~~some writing~~ sufficient to indicate that a contract for sale has been made between the parties and signed by the party against whom enforcement is sought or by the party's ~~his or her~~

authorized agent or broker. A record ~~writing~~ is not insufficient because it omits or incorrectly states a term agreed upon but the contract is not enforceable under this subsection ~~paragraph~~ beyond the quantity of goods shown in the record ~~such writing~~.

(2) Between merchants if within a reasonable time a record ~~writing~~ in confirmation of the contract and sufficient against the sender is received and the party receiving it has reason to know its contents, it satisfies the requirements of subsection (1) against the ~~such~~ party unless ~~written~~ notice in a record of objection to its contents is given within 10 days after it is received.

Section 41. Section 672.202, Florida Statutes, is amended to read:

672.202 Final ~~written~~ expression; parol or extrinsic evidence.—Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a record ~~writing~~ intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(1) By course of dealing or usage of trade (s. 671.205) or by course of performance (s. 672.208); and

(2) By evidence of consistent additional terms unless the court finds the record ~~writing~~ to have been intended also as a

complete and exclusive statement of the terms of the agreement.

Section 42. Section 672.203, Florida Statutes, is amended to read:

672.203 Seals inoperative.—The affixing of a seal to a record ~~writing~~ evidencing a contract for sale or an offer to buy or sell goods does not constitute a record ~~the writing~~ a sealed instrument and the law with respect to sealed instruments does not apply to such a contract or offer.

Section 43. Section 672.205, Florida Statutes, is amended to read:

672.205 Firm offers.—An offer by a merchant to buy or sell goods in a signed record ~~writing~~ which by its terms gives assurance that it will be held open is not revocable, for lack of consideration, during the time stated or if no time is stated for a reasonable time, but in no event may such period of irrevocability exceed 3 months; but any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Section 44. Subsection (2) of section 672.209, Florida Statutes, is amended to read:

672.209 Modification, rescission, and waiver.—

(2) A signed agreement which excludes modification or rescission except by a signed writing or other signed record cannot be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant

must be separately signed by the other party.

Section 45. Part VIII of chapter 672, Florida Statutes, consisting of s. 672.801, Florida Statutes, is created and entitled "Transitional Provisions."

Section 46. Section 672.801, Florida Statutes, is created to read:

672.801 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 47. Subsection (1) of section 673.1041, Florida Statutes, is amended to read:

673.1041 Negotiable instrument.—

(1) Except as provided in subsections (3), (4), and (11), the term "negotiable instrument" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:

(a) Is payable to bearer or to order at the time it is issued or first comes into possession of a holder;

(b) Is payable on demand or at a definite time; and

(c) Does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain:

1. An undertaking or power to give, maintain, or protect collateral to secure payment;

2. An authorization or power to the holder to confess judgment or realize on or dispose of collateral; ~~or~~

3. A waiver of the benefit of any law intended for the advantage or protection of an obligor;

4. A term that specifies the law that governs the promise or order; or

5. An undertaking to resolve, in a specified forum, a dispute concerning the promise or order.

Section 48. Subsection (1) of section 673.1051, Florida Statutes, is amended to read:

673.1051 Issue of instrument.—

(1) The term "issue" means:

(a) The first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the purpose of giving rights on the instrument to any person; or

(b) If agreed to by the payee, the first transmission by the drawer to the payee of an image of an item and information derived from the item which enables the depositary bank to collect the item under federal law by transferring or presenting

an electronic check.

Section 49. Section 673.4011, Florida Statutes, is amended to read:

673.4011 Signature.—

~~(1)~~ A person is not liable on an instrument unless~~:~~

~~(a)~~ the person signed the instrument~~;~~ or

~~(b)~~ the person is represented by an agent or representative who signed the instrument, and the signature is binding on the represented person under s. 673.4021.

~~(2) A signature may be made:~~

~~(a) Manually or by means of a device or machine; and~~

~~(b) By the use of any name, including a trade or assumed name, or by a word, mark, or symbol executed or adopted by a person with present intention to authenticate a writing.~~

Section 50. Subsection (1) of section 673.6041, Florida Statutes, is amended to read:

673.6041 Discharge by cancellation or renunciation.—

(1) A person entitled to enforce an instrument, with or without consideration, may discharge the obligation of a party to pay the instrument:

(a) By an intentional voluntary act, such as:

1. Surrender of the instrument to the party;

2. Destruction, mutilation, or cancellation of the instrument;

3. Cancellation or striking out of the party's signature;

or

4. Addition of words to the instrument indicating discharge; or

(b) By agreeing not to sue or otherwise renouncing rights against the party by a signed writing.

The obligation of a party to pay a check is not discharged solely by destruction of the check in connection with a process that involves the extraction of information from the check and an image of the check is made and, subsequently, the information and image are transmitted for payment.

Section 51. Part VII of chapter 673, Florida Statutes, consisting of s. 673.702, Florida Statutes, is created and entitled "Transitional Provisions."

Section 52. Section 673.702, Florida Statutes, is created to read:

673.702 Savings clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 53. Section 675.104, Florida Statutes, is amended

to read:

675.104 Formal requirements.—A letter of credit, confirmation, advice, transfer, amendment, or cancellation may be issued in any form that is a signed record ~~and is authenticated by a signature or in accordance with the agreement of the parties or the standard practice referred to in s. 675.108(5)~~.

Section 54. Section 675.116, Florida Statutes, is amended to read:

675.116 Choice of law and forum.—

(1) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the manner provided in s. 675.104~~ or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

(2) Unless subsection (1) applies, the liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the address from which the person's undertaking was issued.

(a) For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under paragraph (b) ~~this subsection~~.

(b) A bank branch is considered to be located at the address indicated in the branch's undertaking. If more than one address is indicated, the branch is considered to be located at the address from which the undertaking was issued.

(c) ~~(3)~~ Except as otherwise provided in this paragraph ~~subsection~~, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If this chapter governs the liability of an issuer, nominated person, or adviser under subsection (1) or this subsection ~~(2)~~, the relevant undertaking incorporates rules of custom or practice, and there is conflict between this chapter and such rules as applied to that undertaking, such rules govern except to the extent of any conflict with the nonvariable provisions specified in s. 675.102(3).

(3) ~~(4)~~ This chapter governs to the extent of any conflict between this chapter and chapter 670, chapter 673, chapter 674, or chapter 679.

(4)~~(5)~~ The forum for settling disputes arising out of an undertaking within this chapter may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with subsection (1).

Section 55. Section 675.119, Florida Statutes, is created to read:

675.119 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 56. Paragraphs (j) and (l) of subsection (1) of section 677.102, Florida Statutes, are amended to read:

677.102 Definitions and index of definitions.—

(1) In this chapter, unless the context otherwise requires:

~~(j) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~

~~(l) "Sign" means, with present intent to authenticate or adopt a record:~~

~~1. To execute or adopt a tangible symbol; or~~

~~2. To attach to or logically associate with the record an electronic sound, symbol, or process.~~

Section 57. Subsection (2) of section 677.106, Florida Statutes, is amended, and subsections (3) through (9) are added to that section, to read:

677.106 Control of electronic document of title.—

(2) A system satisfies subsection (1), and a person has ~~is deemed to have~~ control of an electronic document of title, if the document is created, stored, and transferred ~~assigned~~ in a manner that:

(a) A single authoritative copy of the document exists which is unique, identifiable, and, except as otherwise provided in paragraphs (d), (e), and (f), unalterable;

(b) The authoritative copy identifies the person asserting control as:

1. The person to which the document was issued; or

2. If the authoritative copy indicates that the document has been transferred, the person to which the document was most recently transferred;

(c) The authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;

(d) Copies or amendments that add or change an identified transferee ~~assignee~~ of the authoritative copy can be made only with the consent of the person asserting control;

(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

(3) A system satisfies subsection (1), and a person has control of an electronic document of title, if an authoritative electronic copy of the document, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

(a) Enables the person to readily identify each electronic copy as either an authoritative copy or a nonauthoritative copy;

(b) Enables the person to readily identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as the person to which each authoritative electronic copy was issued or transferred; and

(c) Gives the person exclusive power, subject to subsection (4), to:

1. Prevent others from adding or changing the person to which each authoritative electronic copy has been issued or transferred; and

2. Transfer control of each authoritative electronic copy.

(4) Subject to subsection (5), a power is exclusive under subparagraphs (3)(c)1. and 2. even if:

(a) The authoritative electronic copy, a record attached

to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the document of title or has a protocol that is programmed to cause a change, including a transfer or loss of control; or

(b) The power is shared with another person.

(5) A power of a person is not shared with another person under paragraph (4)(b) and the person's power is not exclusive if:

(a) The person can exercise the power only if the power also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the person; or

2. Is the transferor to the person of an interest in the document of title.

(6) If a person has the powers specified in subparagraphs (3)(c)1. and 2., the powers are presumed to be exclusive.

(7) A person has control of an electronic document of title if another person, other than the transferor to the person of an interest in the document:

(a) Has control of the document and acknowledges that it has control on behalf of the person; or

(b) Obtains control of the document after having acknowledged that it will obtain control of the document on

behalf of the person.

(8) A person that has control as provided under this section is not required to acknowledge that it has control on behalf of another person.

(9) If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this chapter or chapter 679 otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

Section 58. Part VII of chapter 677, Florida Statutes, consisting of s. 677.701, Florida Statutes, is created and entitled "Transitional Provisions."

Section 59. Section 677.701, Florida Statutes, is created to read:

677.701 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not have taken effect.

Section 60. Paragraph (f) of subsection (1) and subsection (2) of section 678.1021, Florida Statutes, are amended, and

paragraph (i) of subsection (1) of that section is republished, to read:

678.1021 Definitions.—

(1) In this chapter:

(f) "Communicate" means to:

1. Send a signed record ~~writing~~; or

2. Transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.

(i) "Financial asset," except as otherwise provided in s. 678.1031, means:

1. A security;

2. An obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or

3. Any property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this chapter. As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

(2) The following ~~Other~~ definitions in ~~applying to~~ this

chapter and other chapters apply to this section ~~the sections in which they appear are~~:

"Appropriate person," s. 678.1071.

"Control," s. 678.1061.

"Controllable account," s. 679.1021.

"Controllable electronic record," s. 669.102.

"Controllable payment intangible," s. 679.1021.

"Delivery," s. 678.3011.

"Investment company security," s. 678.1031(2).

"Issuer," s. 678.2011.

"Overissue," s. 678.2101.

"Protected purchaser," s. 678.3031.

"Securities account," s. 678.5011.

Section 61. Subsection (6) of section 678.1031, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

678.1031 Rules for determining whether certain obligations and interests are securities or financial assets.—

(6) A commodity contract, as defined in s. 679.1021(1) ~~s. 679.1021(1)(o)~~, is not a security or a financial asset.

(8) A controllable account, controllable electronic record, or controllable payment intangible is not a financial asset unless s. 678.1021(1)(i) applies.

Section 62. Subsection (4) of section 678.1061, Florida Statutes, is amended, and subsections (8) and (9) are added to

that section, to read:

678.1061 Control.—

(4) A purchaser has "control" of a security entitlement if:

(a) The purchaser becomes the entitlement holder;

(b) The securities intermediary has agreed that it will comply with entitlement orders originated by the purchaser without further consent by the entitlement holder; or

(c) Another person, other than the transferor to the purchaser of an interest in the security entitlement:

1. Has control of the security entitlement and acknowledges that it has control on behalf of the purchaser; or

2. Obtains control of the security entitlement after having acknowledged that it will obtain control of the security entitlement on behalf of the purchaser ~~has control of the security entitlement on behalf of the purchaser or, having previously acquired control of the security entitlement, acknowledges that the person has control on behalf of the purchaser~~.

(8) A person that has control under this section is not required to acknowledge that it has control on behalf of a purchaser.

(9) If a person acknowledges that it has or will obtain control on behalf of a purchaser unless the person otherwise agrees, or law other than this section or chapter 679 otherwise

provides, the person does not owe any duty to the purchaser and is not required to confirm the acknowledgment to any other person.

Section 63. Subsection (7) is added to section 678.1101, Florida Statutes, to read:

678.1101 Applicability; choice of law.—

(7) The local law of the issuer's jurisdiction or the securities intermediary's jurisdiction governs a matter or transaction specified in subsection (1) or subsection (2) even if the matter or transaction does not bear any relation to the jurisdiction.

Section 64. Subsection (2) of section 678.3031, Florida Statutes, is amended to read:

678.3031 Protected purchaser.—

(2) ~~In addition to acquiring the rights of a purchaser,~~ A protected purchaser ~~also~~ acquires its interest in the security free of any adverse claim.

Section 65. Part VI of chapter 678, Florida Statutes, consisting of s. 678.601, Florida Statutes, is created and entitled "Transitional Provisions."

Section 66. Section 678.601, Florida Statutes, is created to read:

678.601 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such

transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code, or if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 67. Present paragraphs (h) through (aa), (bb) through (bbb), and (ccc) through (bbbb) of subsection (1) of section 679.1021, Florida Statutes, are redesignated as paragraphs (i) through (bb), (ee) through (eee), and (ggg) through (eeee), respectively, new paragraphs (g), (h), (cc), (dd), and (fff) are added to that subsection, and paragraphs (b), (c), (d), and (g) and present paragraphs (k), (ee), (pp), (uu), (iii), (nnn), (vvv), and (zzz) of subsection (1) and subsection (2) of that section are amended, to read:

679.1021 Definitions and index of definitions.—

(1) In this chapter, the term:

(b) "Account," except as used in "account for," "account statement," "account to," "commodity account" as used in paragraph (o), "customer account," "deposit account" as used in paragraph (ff), "on account of," and "statement of account," means a right to payment of a monetary obligation, regardless of whether ~~or not~~ earned by performance, for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of; for services rendered or to be rendered; for a policy of insurance issued or to be issued; for a secondary

obligation incurred or to be incurred; for energy provided or to be provided; for the use or hire of a vessel under a charter or other contract; arising out of the use of a credit or charge card or information contained on or for use with the card; or as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes controllable accounts and health-care-insurance receivables. The term does not include ~~rights to payment evidenced by~~ chattel paper ~~or an instrument~~; commercial tort claims; deposit accounts; investment property; letter-of-credit rights or letters of credit; ~~or~~ rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card; or rights to payment evidenced by an instrument.

(c) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the negotiable instrument evidences ~~constitutes part of~~ chattel paper.

(d) "Accounting," except as used in the term "accounting for," means a record:

1. Signed ~~Authenticated~~ by a secured party;

2. Indicating the aggregate unpaid secured obligations as

of a date not more than 35 days earlier or 35 days later than the date of the record; and

3. Identifying the components of the obligations in reasonable detail.

(g) "Assignee," except as used in "assignee for benefit of creditors," means a person:

1. In whose favor a security interest that secures an obligation is created or provided for under a security agreement, regardless of whether the obligation is outstanding; or

2. To which an account, chattel paper, payment intangible, or promissory note has been sold.

The term includes a person to which a security interest has been transferred by a secured party.

(h) "Assignor" means a person that:

1. Under a security agreement creates or provides for a security interest that secures an obligation; or

2. Sells an account, chattel paper, payment intangible, or promissory note.

The term includes a secured party that has transferred a security interest to another person

~~(g) "Authenticate" means:~~

~~1. To sign; or~~

~~2. With the present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process~~.

(l) ~~(k)~~ "Chattel paper" means:

1. A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or

2. A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if:

a. The right to payment and lease agreement are evidenced by a record; and

b. The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods.

The term does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card ~~a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the~~

~~goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel or records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper~~.

(cc) "Controllable account" means an account evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under s. 669.105 of the controllable electronic record.

(dd) "Controllable payment intangible" means a payment intangible evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under s. 669.105 of the controllable electronic record.

(hh) ~~(ee)~~ "Electronic money" means money in an electronic form ~~chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium~~.

(ss) ~~(pp)~~ "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes controllable electronic records, payment intangibles, and software.

(xx) ~~(uu)~~ "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include investment property, letters of credit, ~~or~~ writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card, or writings that evidence chattel paper.

(fff) "Money" has the same meaning as in s. 671.201, but does not include a deposit account or money in an electronic form that cannot be subjected to control under s. 679.1052.

(mmm) ~~(iii)~~ "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation. The term includes a controllable payment intangible.

(rrr) ~~(nnn)~~ "Proposal" means a record signed ~~authenticated~~

by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to ss. 679.620, 679.621, and 679.622.

~~(vvv) "Send," in connection with a record or notification, means:~~

~~1. To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or~~

~~2. To cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph 1.~~

(cccc) ~~(zzz)~~ "Tangible money ~~chattel paper~~" means money in tangible form ~~chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium~~.

(2) The following definitions in other chapters apply to this chapter:

"Applicant," s. 675.103.

"Beneficiary," s. 675.103.

"Broker," s. 678.1021.

"Certificated security," s. 678.1021.

"Check," s. 673.1041.

"Clearing corporation," s. 678.1021.

"Contract for sale," s. 672.106.
"Control," s. 677.106.
"Controllable electronic record," s. 699.102.
"Customer," s. 674.104.
"Entitlement holder," s. 678.1021.
"Financial asset," s. 678.1021.
"Holder in due course," s. 673.3021.
"Issuer" (with respect to a letter of credit or letter-of-credit right), s. 675.103.
"Issuer" (with respect to a security), s. 678.2011.
"Issuer" (with respect to documents of title), s. 677.102.
"Lease," s. 680.1031.
"Lease agreement," s. 680.1031.
"Lease contract," s. 680.1031.
"Leasehold interest," s. 680.1031.
"Lessee," s. 680.1031.
"Lessee in ordinary course of business," s. 680.1031.
"Lessor," s. 680.1031.
"Lessor's residual interest," s. 680.1031.
"Letter of credit," s. 675.103.
"Merchant," s. 672.104.
"Negotiable instrument," s. 673.1041.
"Nominated person," s. 675.103.

"Note," s. 673.1041.

"Proceeds of a letter of credit," s. 675.114.

"Protected purchaser," s. 678.3031.

"Prove," s. 673.1031.

"Qualifying purchaser," s. 669.102.

"Sale," s. 672.106.

"Securities account," s. 678.5011.

"Securities intermediary," s. 678.1021.

"Security," s. 678.1021.

"Security certificate," s. 678.1021.

"Security entitlement," s. 678.1021.

"Uncertificated security," s. 678.1021.

Section 68. Subsection (1) of section 679.1041, Florida Statutes, is amended to read:

679.1041 Control of deposit account.—

(1) A secured party has control of a deposit account if any of the following applies:

(a) The secured party is the bank with which the deposit account is maintained.~~;~~

(b) The debtor, secured party, and bank have agreed in a signed ~~an authenticated~~ record that the bank will comply with instructions originated by the secured party directing disposition of the funds in the deposit account without further consent by the debtor.~~; or~~

(c) The secured party becomes the bank's customer with

respect to the deposit account.

(d) Another person, other than the debtor:

1. Has control of the deposit account and acknowledges that it has control on behalf of the secured party; or

2. Obtains control of the deposit account after having acknowledged that it will obtain control of the deposit account on behalf of the secured party.

Section 69. Section 679.1051, Florida Statutes, is amended to read:

679.1051 Control of electronic chattel paper.—

(1) A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if a system employed for evidencing the assignment of interests in the chattel paper reliably establishes the purchaser as the person to which the authoritative electronic copy was assigned.

(2) A system satisfies subsection (1) if the record or records evidencing the chattel paper are created, stored, and assigned in a manner that:

(a) A single authoritative copy of the record or records exists which is unique, identifiable, and, except as otherwise provided in paragraphs (d), (e), and (f), unalterable;

(b) The authoritative copy identifies the purchaser as the assignee of the record or records;

(c) The authoritative copy is communicated to and maintained by the purchaser or its designated custodian;

(d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the purchaser;

(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

(3) A system satisfies subsection (1), and a purchaser has control of an authoritative electronic copy of a record evidencing chattel paper, if the electronic copy, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

(a) Enables the purchaser to readily identify each electronic copy as either an authoritative copy or a nonauthoritative copy;

(b) Enables the purchaser to readily identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as the assignee of the authoritative electronic copy; and

(c) Gives the purchaser exclusive power, subject to subsection (4), to:

1. Prevent others from adding or changing an identified assignee of the authoritative electronic copy; and

2. Transfer control of the authoritative electronic copy.

(4) Subject to subsection (5), a power is exclusive under subparagraphs (3)(c)1. and 2. even if:

(a) The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the authoritative electronic copy or has a protocol programmed to cause a change, including a transfer or loss of control; or

(b) The power is shared with another person.

(5) A power of a purchaser is not shared with another person as provided in paragraph (4)(b) and the purchaser's power is not exclusive if:

(a) The purchaser can exercise the power only if the power also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the purchaser; or

2. Is the transferor to the purchaser of an interest in the chattel paper.

(6) If a purchaser has the powers specified in subparagraphs (3)(c)1. and 2., the powers are presumed to be exclusive.

(7) A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if another person, other than the transferor to the purchaser of an interest in the

chattel paper:

(a) Has control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or

(b) Obtains control of the authoritative electronic copy after having acknowledged that it will obtain control of the electronic copy on behalf of the purchaser ~~A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.~~

~~(2) A system satisfies subsection (1), and a secured party has control of electronic chattel paper, if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:~~

~~(a) A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs (d), (e), and (f), unalterable;~~

~~(b) The authoritative copy identifies the secured party as the assignee of the record or records;~~

~~(c) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;~~

~~(d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the secured party;~~

~~(e) Each copy of the authoritative copy and any copy of a~~

~~copy is readily identifiable as a copy that is not the authoritative copy; and~~

~~(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized~~.

Section 70. Section 679.1052, Florida Statutes, is created to read:

679.1052 Control of electronic money.—

(1) A person has control of electronic money if both of the following apply:

(a) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded gives the person:

1. Power to avail itself of substantially all the benefit from the electronic money; and

2. Exclusive power, subject to subsection (2), to:

a. Prevent others from availing themselves of substantially all the benefit from the electronic money; and

b. Transfer control of the electronic money to another person or cause another person to obtain control of other electronic money as a result of the transfer of the electronic money.

(b) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded enables the person readily to identify itself in any way, including by name,

identifying number, cryptographic key, office, or account number, as having the powers under paragraph (a).

(2) Subject to subsection (3), a power is exclusive under sub-subparagraphs (1)(a)2.a. and b. even if:

(a) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded limits the use of the electronic money or has a protocol programmed to cause a change, including a transfer or loss of control; or

(b) The power is shared with another person.

(3) A power of a person is not shared with another person under paragraph (2)(b) and the person's power is not exclusive if:

(a) The person can exercise the power only if the power also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the person; or

2. Is the transferor to the person of an interest in the electronic money.

(4) If a person has the powers specified in sub-subparagraphs (1)(a)2.a. and b., the powers are presumed to be exclusive.

(5) A person has control of electronic money if another person, other than the transferor to the person of an interest

in the electronic money:

(a) Has control of the electronic money and acknowledges that it has control on behalf of the person; or

(b) Obtains control of the electronic money after having acknowledged that it will obtain control of the electronic money on behalf of the person.

Section 71. Section 679.1053, Florida Statutes, is created to read:

679.1053 Control of controllable electronic record, controllable account, or controllable payment intangible.—

(1) A secured party has control of a controllable electronic record as provided in s. 669.105.

(2) A secured party has control of a controllable account or controllable payment intangible if the secured party has control of the controllable electronic record that evidences the controllable account or controllable payment intangible.

Section 72. Section 679.1054, Florida Statutes, is created to read:

679.1054 No requirement to acknowledge or confirm; no duties.—

(1) A person that has control under s. 679.1051, s. 679.1052, or s. 679.1053 is not required to acknowledge that it has control on behalf of another person.

(2) If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise

agrees, or law other than this chapter otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

Section 73. Subsections (2) and (10) of section 679.2031, Florida Statutes, are amended to read:

679.2031 Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.—

(2) Except as otherwise provided in subsections (3) through (10), a security interest is enforceable against the debtor and third parties with respect to the collateral only if:

(a) Value has been given;

(b) The debtor has rights in the collateral or the power to transfer rights in the collateral to a secured party; and

(c) One of the following conditions is met:

1. The debtor has signed ~~authenticated~~ a security agreement that provides a description of the collateral and, if the security interest covers timber to be cut, a description of the land concerned;

2. The collateral is not a certificated security and is in the possession of the secured party under s. 679.3131 pursuant to the debtor's security agreement;

3. The collateral is a certificated security in registered form and the security certificate has been delivered to the secured party under s. 678.3011 pursuant to the debtor's security agreement; ~~or~~

4. The collateral is controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money ~~chattel paper~~, investment property, or letter-of-credit rights, ~~or electronic documents,~~ and the secured party has control under s. 669.105, s. 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071 pursuant to the debtor's security agreement; or

5. The collateral is chattel paper and the secured party has possession and control under s. 679.3152 pursuant to the debtor's security agreement.

(10) A security interest in an account consisting of a right to payment of a monetary obligation for the sale of real property that is the debtor's homestead under the laws of this state is not enforceable unless:

(a) The description of the account in the security agreement conspicuously states that the collateral includes the debtor's right to payment of a monetary obligation for the sale of real property;

(b) The description of the account in the security agreement includes a legal description of the real property;

(c) The description of the account in the security agreement conspicuously states that the real property is the debtor's homestead; and

(d) The security agreement is also signed ~~authenticated~~ by the debtor's spouse, if the debtor is married; if the debtor's

spouse is incompetent, then the method of signature ~~authentication~~ by the debtor's spouse is the same as provided by the laws of this state, other than this chapter, which apply to the alienation or encumbrance of homestead property by an incompetent person.

Section 74. Present subsection (3) of section 679.2041, Florida Statutes, is redesignated as subsection (4), a new subsection (3) is added to that section, and subsection (2) of that section is amended, to read:

679.2041 After-acquired property; future advances.—

(2) Subject to subsection (3), a security interest does not attach under a term constituting an after-acquired property clause to:

(a) Consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within 10 days after the secured party gives value; or

(b) A commercial tort claim.

(3) Subsection (2) does not prevent a security interest from attaching:

(a) To a consumer good as proceeds under s. 679.3151(1) or commingled goods under s. 679.336(3);

(b) To a commercial tort claim as proceeds under s. 679.3151(1); or

(c) Under an after-acquired property clause to property that is proceeds of consumer goods or a commercial tort claim.

Section 75. Subsection (3) of section 679.2071, Florida Statutes, is amended to read:

679.2071 Rights and duties of secured party having possession or control of collateral.—

(3) Except as otherwise provided in subsection (4), a secured party having possession of collateral or control of collateral under s. 677.106, s. 679.1041, s. 679.1051, s. 679.1052, s. 679.1061, or s. 679.1071:

(a) May hold as additional security any proceeds, except money or funds, received from the collateral;

(b) Shall apply money or funds received from the collateral to reduce the secured obligation, unless remitted to the debtor; and

(c) May create a security interest in the collateral.

Section 76. Subsection (2) of section 679.2081, Florida Statutes, is amended to read:

679.2081 Additional duties of secured party having control of collateral.—

(2) Within 10 days after receiving a signed ~~an authenticated~~ demand by the debtor:

(a) A secured party having control of a deposit account under s. 679.1041(1)(b) shall send to the bank with which the deposit account is maintained a signed record ~~an authenticated statement~~ that releases the bank from any further obligation to comply with instructions originated by the secured party;

(b) A secured party having control of a deposit account under s. 679.1041(1)(c) shall:

1. Pay the debtor the balance on deposit in the deposit account; or

2. Transfer the balance on deposit into a deposit account in the debtor's name;

(c) A secured party, other than a buyer, having control under s. 679.1051 of an authoritative electronic copy of a record evidencing chattel paper shall transfer control of the electronic copy to the debtor or a person designated by the debtor; ~~a secured party, other than a buyer, having control of electronic chattel paper under s. 679.1051 shall:~~

~~1. Communicate the authoritative copy of the electronic chattel paper to the debtor or its designated custodian;~~

~~2. If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic chattel paper is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and~~

~~3. Take appropriate action to enable the debtor or the debtor's designated custodian to make copies of or revisions to the authoritative copy which add or change an identified~~

~~assignee of the authoritative copy without the consent of the secured party;~~

(d) A secured party having control of investment property under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained a signed ~~an authenticated~~ record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party;

(e) A secured party having control of a letter-of-credit right under s. 679.1071 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party a signed ~~an authenticated~~ release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; ~~and~~

(f) A secured party having control under s. 677.106 of an authoritative electronic copy of an electronic document of title shall transfer control of the electronic copy to the debtor or a person designated by the debtor;

(g) A secured party having control under s. 679.1052 of electronic money shall transfer control of the electronic money to the debtor or a person designated by the debtor; and

(h) A secured party having control under s. 669.105 of a controllable electronic record, other than a buyer of a

controllable account or controllable payment intangible evidenced by the controllable electronic record, shall transfer control of the controllable electronic record to the debtor or a person designated by the debtor ~~of an electronic document shall:~~

~~1. Give control of the electronic document to the debtor or its designated custodian;~~

~~2. If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the electronic document is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and~~

~~3. Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authenticated copy which add or change an identified assignee of the authoritative copy without the consent of the secured party~~.

Section 77. Subsection (2) of section 679.209, Florida Statutes, is amended to read:

679.209 Duties of secured party if account debtor has been notified of assignment.—

(2) Within 10 days after receiving a signed ~~an authenticated~~ demand by the debtor, a secured party shall send to an account debtor that has received notification under s.

669.106(2) or s. 679.4016(1) of an assignment to the secured party as assignee a signed ~~under s. 679.4061(1) an authenticated~~ record that releases the account debtor from any further obligation to the secured party.

Section 78. Section 679.210, Florida Statutes, is amended to read:

679.210 Request for accounting; request regarding list of collateral or statement of account.—

(1) In this section, the term:

(a) "Request" means a record of a type described in paragraph (b), paragraph (c), or paragraph (d).

(b) "Request for an accounting" means a record signed ~~authenticated~~ by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

(c) "Request regarding a list of collateral" means a record signed ~~authenticated~~ by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

(d) "Request regarding a statement of account" means a record signed ~~authenticated~~ by a debtor requesting that the recipient approve or correct a statement indicating what the

debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

(e) "Reasonably identifying the transaction or relationship" means that the request provides information sufficient for the person to identify the transaction or relationship and respond to the request. Pursuant to s. 679.603(1), a secured party and debtor may determine by agreement the standards for measuring fulfillment of this duty.

(f) "Person" means a person or entity that is or was a secured party or otherwise claims or has claimed an interest in the collateral.

(2) Subject to subsections (3)-(6) ~~(3), (4), (5), and (6)~~, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14 days after receipt:

(a) In the case of a request for an accounting, by signing ~~authenticating~~ and sending to the debtor an accounting; and

(b) In the case of a request regarding a list of collateral or a request regarding a statement of account, by signing ~~authenticating~~ and sending to the debtor an approval or correction.

(3) A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may

comply with a request regarding a list of collateral by sending to the debtor a signed ~~an authenticated~~ record including a statement to that effect within 14 days after receipt.

(4) A person who receives a request regarding a list of collateral, claims no interest in the collateral when the request is received, and claimed an interest in the collateral at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor a signed ~~an authenticated~~ record:

(a) Disclaiming any interest in the collateral; and

(b) If known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the collateral.

(5) A person who receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when the request is received, and claimed an interest in the obligations at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor a signed ~~an authenticated~~ record:

(a) Disclaiming any interest in the obligations; and

(b) If known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the obligations.

(6) A debtor is entitled under this section without charge to one response to a request for an accounting or a request

regarding a statement of account for each secured obligation during any 6-month period. A debtor in a consumer transaction is entitled to a single response to a request regarding a list of collateral without charge during any 6-month period. The secured party may require payment of a charge not exceeding $25 for each additional response to a request for an accounting, a request regarding a statement of account, or a request regarding a list of collateral for a consumer transaction. To the extent provided in a signed ~~an authenticated~~ record, the secured party may require the payment of reasonable expenses, including attorney's fees, reasonably incurred in providing a response to a request regarding a list of collateral for a transaction other than a consumer transaction under this section; otherwise, the secured party may not charge more than $25 for each request regarding a list of collateral. Excluding a request related to a proposed satisfaction of the secured obligation, a secured party is not required to respond to more than 12 of each of the permitted requests in any 12-month period.

Section 79. Section 679.3011, Florida Statutes, is amended to read:

679.3011 Law governing perfection and priority of security interests.—Except as otherwise provided in ss. 679.1091, 679.3031, 679.3041, 679.3051, ~~and~~ 679.3061, and 679.3062, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a

security interest in collateral:

(1) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in subsections (4) and (5), while tangible negotiable documents, goods, instruments, or tangible money~~, or tangible chattel paper~~ is located in a jurisdiction, the local law of that jurisdiction governs:

(a) Perfection of a security interest in the goods by filing a fixture filing;

(b) Perfection of a security interest in timber to be cut; and

(c) The effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

(5) The law of this state governs:

(a) The perfection of a security interest in goods that are or are to become fixtures in this state by the filing of a fixture filing.

(b) The effect of perfection or nonperfection and the priority of a security interest in goods that are or are to become fixtures in this state.

Section 80. Subsection (1) of section 679.3041, Florida Statutes, is amended to read:

679.3041 Law governing perfection and priority of security interests in deposit accounts.—

(1) The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank even if the transaction does not bear any relation to the bank's jurisdiction.

Section 81. Paragraph (e) is added to subsection (1) of section 679.3051, Florida Statutes, to read:

679.3051 Law governing perfection and priority of security interests in investment property.—

(1) Except as otherwise provided in subsection (3), the following rules apply:

(e) Paragraphs (b), (c), and (d) apply even if the transaction does not bear any relation to the jurisdiction.

Section 82. Section 679.3062, Florida Statutes, is created to read:

679.3062 Law governing perfection and priority of security interests in chattel paper.—

(1) Except as provided in subsection (4), if chattel paper is evidenced only by an authoritative electronic copy of the chattel paper or is evidenced by an authoritative electronic copy and an authoritative tangible copy, the local law of the chattel paper's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the chattel paper, even if the transaction does not bear any relation to the chattel paper's jurisdiction.

(2) The following rules determine the chattel paper's jurisdiction under this section:

(a) If the authoritative electronic copy of the record evidencing chattel paper, or a record attached to or logically associated with the electronic copy and readily available for review, expressly provides that a particular jurisdiction is the chattel paper's jurisdiction for purposes of s. 679.3061, this chapter, or the Uniform Commercial Code, that jurisdiction is the chattel paper's jurisdiction.

(b) If paragraph (a) does not apply and the rules of the system in which the authoritative electronic copy is recorded are readily available for review and expressly provide that a particular jurisdiction is the chattel paper's jurisdiction for purposes of s. 679.3061, this chapter, or the Uniform Commercial Code, that jurisdiction is the chattel paper's jurisdiction.

(c) If paragraphs (a) and (b) do not apply and the authoritative electronic copy, or a record attached to or logically associated with the electronic copy and readily available for review, expressly provides that the chattel paper is governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

(d) If paragraphs (a), (b), and (c) do not apply and the rules of the system in which the authoritative electronic copy is recorded are readily available for review and expressly provide that the chattel paper or the system is governed by the law of a particular jurisdiction, that jurisdiction is the chattel paper's jurisdiction.

(e) If paragraphs (a)-(d) do not apply, the chattel paper's jurisdiction is the jurisdiction in which the debtor is located.

(3) If an authoritative tangible copy of a record evidences chattel paper and the chattel paper is not evidenced by an authoritative electronic copy, while the authoritative tangible copy of the record evidencing chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(a) Perfection of a security interest in the chattel paper by possession under s. 679.3152; and

(b) The effect of perfection or nonperfection and the priority of a security interest in the chattel paper.

(4) The local law of the jurisdiction in which the debtor

is located governs perfection of a security interest in chattel paper by filing.

Section 83. Section 679.3063, Florida Statutes, is created to read:

679.3063 Law governing perfection and priority of security interests in controllable accounts, controllable electronic records, and controllable payment intangibles.—

(1) Except as provided in subsection (2), the local law of the controllable electronic record's jurisdiction specified in s. 669.107(3) and (4) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a controllable electronic record and a security interest in a controllable account or controllable payment intangible evidenced by the controllable electronic record.

(2) The local law of the jurisdiction in which the debtor is located governs:

(a) Perfection of a security interest in a controllable account, controllable electronic record, or controllable payment intangible by filing; and

(b) Automatic perfection of a security interest in a controllable payment intangible created by a sale of the controllable payment intangible.

Section 84. Subsection (2) of section 679.3101, Florida Statutes, is amended, and subsection (1) of that section is republished, to read:

679.3101 When filing required to perfect security interest or agricultural lien; security interests and agricultural liens to which filing provisions do not apply.—

(1) Except as otherwise provided in subsection (2) and s. 679.3121(2), a financing statement must be filed to perfect all security interests and agricultural liens.

(2) The filing of a financing statement is not necessary to perfect a security interest:

(a) That is perfected under s. 679.3081(4), (5), (6), or (7);

(b) That is perfected under s. 679.3091 when it attaches;

(c) In property subject to a statute, regulation, or treaty described in s. 679.3111(1);

(d) In goods in possession of a bailee which is perfected under s. 679.3121(4)(a) or (b);

(e) In certificated securities, documents, goods, or instruments which is perfected without filing, control, or possession under s. 679.3121(5), (6), or (7);

(f) In collateral in the secured party's possession under s. 679.3131;

(g) In a certificated security which is perfected by delivery of the security certificate to the secured party under s. 679.3131;

(h) In controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts,

~~electronic chattel paper,~~ electronic documents, investment property, or letter-of-credit rights which is perfected by control under s. 679.3141(1) ~~s. 679.3141~~;

(i) In proceeds which is perfected under s. 679.3151; or

(j) That is perfected under s. 679.3161.

Section 85. Section 679.3121, Florida Statutes, is amended to read:

679.3121 Perfection of security interests in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, documents, goods covered by documents, instruments, investment property, letter-of-credit rights, and money; perfection by permissive filing; temporary perfection without filing or transfer of possession.—

(1) A security interest in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles ~~negotiable documents~~, instruments, ~~or~~ investment property, or negotiable documents may be perfected by filing.

(2) Except as otherwise provided in s. 679.3151(3) and (4) for proceeds:

(a) A security interest in a deposit account may be perfected only by control under s. 679.3141.

(b) And except as otherwise provided in s. 679.3081(4), a security interest in a letter-of-credit right may be perfected only by control under s. 679.3141.

(c) A security interest in tangible money may be perfected only by the secured party's taking possession under s. 679.3131.

(d) A security interest in electronic money may be perfected only by control under s. 679.3141.

(3) While goods are in the possession of a bailee that has issued a negotiable document covering the goods:

(a) A security interest in the goods may be perfected by perfecting a security interest in the document; and

(b) A security interest perfected in the document has priority over any security interest that becomes perfected in the goods by another method during that time.

(4) While goods are in the possession of a bailee that has issued a nonnegotiable document covering the goods, a security interest in the goods may be perfected by:

(a) Issuance of a document in the name of the secured party;

(b) The bailee's receipt of notification of the secured party's interest; or

(c) Filing as to the goods.

(5) A security interest in certificated securities, negotiable documents, or instruments is perfected without filing or the taking of possession or control for a period of 20 days from the time it attaches to the extent that it arises for new value given under a signed ~~an authenticated~~ security agreement.

(6) A perfected security interest in a negotiable document

or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for 20 days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

(a) Ultimate sale or exchange; or

(b) Loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.

(7) A perfected security interest in a certificated security or instrument remains perfected for 20 days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:

(a) Ultimate sale or exchange; or

(b) Presentation, collection, enforcement, renewal, or registration of transfer.

(8) After the 20-day period specified in subsection (5), subsection (6), or subsection (7) expires, perfection depends upon compliance with this chapter.

Section 86. Subsections (1), (3), and (4) of section 679.3131, Florida Statutes, are amended to read:

679.3131 When possession by or delivery to secured party perfects security interest without filing.—

(1) Except as otherwise provided in subsection (2), a secured party may perfect a security interest in ~~tangible~~

~~negotiable documents,~~ goods, instruments, negotiable tangible documents, or tangible money~~, or tangible chattel paper~~ by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under s. 678.3011.

(3) With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(a) The person in possession signs ~~authenticates~~ a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

(b) The person takes possession of the collateral after having signed ~~authenticated~~ a record acknowledging that the person will hold possession of the collateral for the secured party's benefit.

(4) If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs not ~~no~~ earlier than the time the secured party takes possession and continues only while the secured party retains possession.

Section 87. Section 679.3141, Florida Statutes, is amended to read:

679.3141 Perfection by control.—

(1) A security interest in controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, investment property, or letter-of-credit rights ~~investment property, deposit accounts, letter-of-credit rights, electronic chattel paper, or electronic documents~~ may be perfected by control of the collateral under s. 677.106, s. 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, s. 679.1061, or s. 679.1071.

(2) A security interest in controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, or letter-of-credit rights ~~deposit accounts, electronic chattel paper, letter-of-credit rights, or electronic documents~~ is perfected by control under s. 677.106, s. 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, or s. 679.1071 not earlier than the time ~~when~~ the secured party obtains control and remains perfected by control only while the secured party retains control.

(3) A security interest in investment property is perfected by control under s. 679.1061 not earlier than ~~from~~ the time the secured party obtains control and remains perfected by control until:

(a) The secured party does not have control; and

(b) One of the following occurs:

1. If the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

2. If the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

3. If the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

Section 88. Section 679.3152, Florida Statutes, is created to read:

679.3152 Perfection by possession and control of chattel paper.—

(1) A secured party may perfect a security interest in chattel paper by taking possession of each authoritative tangible copy of the record evidencing the chattel paper and obtaining control of each authoritative electronic copy of the electronic record evidencing the chattel paper.

(2) A security interest is perfected under subsection (1) not earlier than the time the secured party takes possession and obtains control and remains perfected under subsection (1) only while the secured party retains possession and control.

(3) Section 679.3131(3) and (5)-(8) applies to perfection by possession of an authoritative tangible copy of a record evidencing chattel paper.

Section 89. Subsections (1) and (6) of section 679.3161,

Florida Statutes, are amended to read:

679.3161 Continued perfection of security interest following change in governing law.—

(1) A security interest perfected pursuant to the law of the jurisdiction designated in s. 679.3011(1), ~~or~~ s. 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected until the earliest of:

(a) The time perfection would have ceased under the law of that jurisdiction;

(b) The expiration of 4 months after a change of the debtor's location to another jurisdiction; or

(c) The expiration of 1 year after a transfer of collateral to a person who thereby becomes a debtor and is located in another jurisdiction.

(6) A security interest in chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the chattel paper's jurisdiction, the controllable electronic record's jurisdiction, the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(a) The time the security interest would have become

unperfected under the law of that jurisdiction; or

(b) The expiration of 4 months after a change of the applicable jurisdiction to another jurisdiction.

Section 90. Subsections (2) and (4) of section 679.3171, Florida Statutes, are amended, subsections (8) through (11) are added to that section, and subsection (1) of that section is republished, to read:

679.3171 Interests that take priority over or take free of security interest or agricultural lien.—

(1) A security interest or agricultural lien is subordinate to the rights of:

(a) A person entitled to priority under s. 679.322; and

(b) Except as otherwise provided in subsection (5), a person who becomes a lien creditor before the earlier of the time:

1. The security interest or agricultural lien is perfected; or

2. One of the conditions specified in s. 679.2031(2)(c) is met and a financing statement covering the collateral is filed.

(2) Except as otherwise provided in subsection (5), a buyer, other than a secured party, of ~~tangible chattel paper, tangible documents,~~ goods, instruments, tangible documents, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or

agricultural lien and before it is perfected.

(4) Subject to subsections (6), (7), and (8), a licensee of a general intangible or a buyer, other than a secured party, of collateral other than electronic money ~~tangible chattel paper~~, tangible documents, goods, instruments, tangible documents, or a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(8) A buyer, other than a secured party, of chattel paper takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and:

(a) Receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and

(b) If each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control under s. 679.1052, obtains control of each authoritative electronic copy.

(9) A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected to control under s. 677.106, obtains control of each authoritative electronic copy.

(10) A buyer of a controllable electronic record takes

free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable electronic record.

(11) A buyer, other than a secured party, of a controllable account or a controllable payment intangible takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable account or controllable payment intangible.

Section 91. Subsections (4) and (6) of section 679.323, Florida Statutes, are amended, and subsection (1) of that section is republished, to read:

679.323 Future advances.—

(1) Except as otherwise provided in subsection (3), for purposes of determining the priority of a perfected security interest under s. 679.322(1)(a), perfection of the security interest dates from the time an advance is made to the extent that the security interest secures an advance that:

(a) Is made while the security interest is perfected only:

1. Under s. 679.3091 when it attaches; or

2. Temporarily under s. 679.3121(5), (6), or (7); and

(b) Is not made pursuant to a commitment entered into before or while the security interest is perfected by a method other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

(4) Except as otherwise provided in subsection (5), a

buyer of goods ~~other than a buyer in ordinary course of business~~ takes free of a security interest to the extent that it secures advances made after the earlier of:

(a) The time the secured party acquires knowledge of the buyer's purchase; or

(b) Forty-five days after the purchase.

(6) Except as otherwise provided in subsection (7), a lessee of goods~~, other than a lessee in ordinary course of business,~~ takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

(a) The time the secured party acquires knowledge of the lease; or

(b) Forty-five days after the lease contract becomes enforceable.

Section 92. Subsections (2) and (4) of section 679.324, Florida Statutes, are amended to read:

679.324 Priority of purchase-money security interests.—

(2) Subject to subsection (3) and except as otherwise provided in subsection (7), a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting security interest in chattel paper or an instrument constituting proceeds of the inventory and in proceeds of the chattel paper, if so provided in s. 679.330, and, except as otherwise provided

in s. 679.327, also has priority in identifiable cash proceeds of the inventory to the extent the identifiable cash proceeds are received on or before the delivery of the inventory to a buyer, if:

(a) The purchase-money security interest is perfected when the debtor receives possession of the inventory;

(b) The purchase-money secured party sends a signed ~~an authenticated~~ notification to the holder of the conflicting security interest;

(c) The holder of the conflicting security interest receives the notification within 5 years before the debtor receives possession of the inventory; and

(d) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

(4) Subject to subsection (5) and except as otherwise provided in subsection (7), a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in s. 679.327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

(a) The purchase-money security interest is perfected when the debtor receives possession of the livestock;

(b) The purchase-money secured party sends a signed ~~an~~

~~authenticated~~ notification to the holder of the conflicting security interest;

(c) The holder of the conflicting security interest receives the notification within 6 months before the debtor receives possession of the livestock; and

(d) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

Section 93. Section 679.3251, Florida Statutes, is created to read:

679.3251 Priority of security interest in controllable account, controllable electronic record, and controllable payment intangible.—A security interest in a controllable account, controllable electronic record, or controllable payment intangible held by a secured party having control of the account, electronic record, or payment intangible has priority over a conflicting security interest held by a secured party that does not have control.

Section 94. Subsections (1), (2), and (6) of section 679.330, Florida Statutes, are amended, and subsection (4) of that section is republished, to read:

679.330 Priority of purchaser of chattel paper or instrument.—

(1) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely

as proceeds of inventory subject to a security interest if:

(a) In good faith and in the ordinary course of the purchaser's business, the purchaser gives new value, ~~and~~ takes possession of each authoritative tangible copy of the record evidencing the chattel paper, and ~~or~~ obtains control under s. 679.1051 of each authoritative electronic copy of the record evidencing chattel paper ~~under s. 679.1051~~; and

(b) The authoritative copies of the record evidencing the chattel paper do ~~does~~ not indicate that the chattel paper ~~it~~ has been assigned to an identified assignee other than the purchaser.

(2) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value, ~~and~~ takes possession of each authoritative copy of the record evidencing the chattel paper, and ~~or~~ obtains control under s. 679.1051 of each authoritative electronic copy of the record evidencing the chattel paper ~~under s. 679.1051~~ in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(4) Except as otherwise provided in s. 679.331(1), a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument

in good faith and without knowledge that the purchase violates the rights of the secured party.

(6) For purposes of subsections (2) and (4), if the authoritative copies of the record evidencing chattel paper or an instrument indicate ~~indicates~~ that the chattel paper or instrument ~~it~~ has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

Section 95. Section 679.331, Florida Statutes, is amended to read:

679.331 Priority of rights of purchasers of controllable accounts, controllable electronic records, controllable payment intangibles ~~instruments~~, documents, instruments, and securities under other articles; priority of interests in financial assets and security entitlements and protection against assertion of claim under chapters 669 and ~~chapter~~ 678.—

(1) This chapter does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security, or a qualifying purchase of a controllable account, controllable electronic record, or controllable payment intangible. These holders or purchasers take priority over an earlier security interest, even if perfected, to the extent provided in chapters 669, 673, 677, and

678.

(2) This chapter does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of an adverse claim under chapter 669 or chapter 678.

(3) Filing under this chapter does not constitute notice of a claim or defense to the holders, purchasers, or persons described in subsections (1) and (2).

Section 96. Section 679.332, Florida Statutes, is amended to read:

679.332 Transfer of money; transfer of funds from deposit account; transfer of electronic money.—

(1) A transferee of tangible money takes the money free of a security interest if the transferee receives possession of the money without acting ~~unless the transferee acts~~ in collusion with the debtor in violating the rights of the secured party.

(2) A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account if the transferee receives the funds without acting ~~unless the transferee acts~~ in collusion with the debtor in violating the rights of the secured party.

(3) A transferee of electronic money takes the money free of a security interest if the transferee obtains control of the money without acting in collusion with the debtor in violating the rights of the secured party.

Section 97. Section 679.341, Florida Statutes, is amended to read:

679.341 Bank's rights and duties with respect to deposit account.—Except as otherwise provided in s. 679.340(3), and unless the bank otherwise agrees in a signed ~~an authenticated~~ record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

(1) The creation, attachment, or perfection of a security interest in the deposit account;

(2) The bank's knowledge of the security interest; or

(3) The bank's receipt of instructions from the secured party.

Section 98. Subsection (1) of section 679.4041, Florida Statutes, is amended to read:

679.4041 Rights acquired by assignee; claims and defenses against assignee.—

(1) Unless an account debtor has made an enforceable agreement not to assert defenses or claims, and subject to subsections (2)-(5) ~~(2) through (5)~~, the rights of an assignee are subject to:

(a) All terms of the agreement between the account debtor and assignor and any defense or claim in recoupment arising from the transaction that gave rise to the contract; and

(b) Any other defense or claim of the account debtor

against the assignor which accrues before the account debtor receives a notification of the assignment signed ~~authenticated~~ by the assignor or the assignee.

Section 99. Subsections (1) through (4) and (7) of section 679.4061, Florida Statutes, are amended, and subsection (13) is added to that section, to read:

679.4061 Discharge of account debtor; notification of assignment; identification and proof of assignment; restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective.—

(1) Subject to subsections (2)-(9) ~~(2) through (9)~~ and (13), an account debtor on an account, chattel paper, or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, signed ~~authenticated~~ by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

(2) Subject to subsections (8) and (13) ~~subsection (8)~~, notification is ineffective under subsection (1):

(a) If it does not reasonably identify the rights assigned;

(b) To the extent that an agreement between an account

debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this chapter; or

(c) At the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

1. Only a portion of the account, chattel paper, or payment intangible has been assigned to that assignee;

2. A portion has been assigned to another assignee; or

3. The account debtor knows that the assignment to that assignee is limited.

(3) Subject to subsections (8) and (13) ~~subsection (8)~~, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection (1).

(4) For the purposes of this subsection, the term "promissory note" includes a negotiable instrument that evidences chattel paper. Except as otherwise provided in subsections (5) and (12) and ss. 680.303 and 679.4071, and subject to subsection (8), a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(a) Prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(b) Provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

(7) Subject to subsections (8) and (13) ~~subsection (8)~~, an account debtor may not waive or vary its option under paragraph (2)(c).

(13) Subsections (1), (2), (3), and (7) do not apply to a controllable account or controllable payment intangible.

Section 100. Subsection (9) is added to section 679.4081, Florida Statutes, to read:

679.4081 Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles ineffective.—

(9) For the purposes of this section, the term "promissory note" includes a negotiable instrument that evidences chattel paper.

Section 101. Subsections (1) and (2) of section 679.509, Florida Statutes, are amended to read:

679.509 Persons entitled to file a record.—

(1) A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

(a) The debtor authorizes the filing in a signed ~~an authenticated~~ record or pursuant to subsection (2) or subsection (3); or

(b) The person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

(2) By signing ~~authenticating~~ or becoming bound as a debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

(a) The collateral described in the security agreement; and

(b) Property that becomes collateral under s. 679.3151(1)(b), whether or not the security agreement expressly covers proceeds.

Section 102. Subsections (2) and (3) of section 679.513, Florida Statutes, are amended to read:

679.513 Termination statement.—

(2) To comply with subsection (1), a secured party shall cause the secured party of record to file the termination statement:

(a) Within 1 month after there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value; or

(b) If earlier, within 20 days after the secured party receives a signed ~~an authenticated~~ demand from a debtor.

(3) In cases not governed by subsection (1), within 20 days after a secured party receives a signed ~~an authenticated~~ demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

(a) Except in the case of a financing statement covering accounts or chattel paper that has been sold or goods that are the subject of a consignment, there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;

(b) The financing statement covers accounts or chattel paper that has been sold but as to which the account debtor or other person obligated has discharged its obligation;

(c) The financing statement covers goods that were the subject of a consignment to the debtor but are not in the debtor's possession; or

(d) The debtor did not authorize the filing of the initial financing statement.

Section 103. Subsection (2) of section 679.601, Florida Statutes, is amended, and subsection (4) of that section is republished, to read:

679.601 Rights after default; judicial enforcement; consignor or buyer of accounts, chattel paper, payment intangibles, or promissory notes.—

(2) A secured party in possession of collateral or control of collateral under s. 679.1041, s. 679.1051, s. 679.1052, s. 679.1053, s. 679.1061, or s. 679.1071 has the rights and duties provided in s. 679.2071.

(4) Except as otherwise provided in subsection (7) and s. 679.605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

Section 104. Subsection (4) of section 679.604, Florida Statutes, is amended to read:

679.604 Procedure if security agreement covers real property or fixtures.—

(4) A secured party that removes collateral shall promptly reimburse any encumbrancer or owner of the real property, other than the debtor, for the cost of repair of any physical injury

caused by the removal. The secured party need not reimburse the encumbrancer or owner for any diminution in value of the real property caused by the absence of the goods removed or by any necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse. This subsection does not prohibit a secured party and the person entitled to reimbursement from entering into a signed ~~an authenticated~~ record providing for the removal of fixtures and reimbursement for any damage caused thereby.

Section 105. Section 679.605, Florida Statutes, is amended to read:

679.605 Unknown debtor or secondary obligor.—

(1) Except as provided in subsection (2), a secured party does not owe a duty based on its status as secured party:

(a) ~~(1)~~ To a person who is a debtor or obligor, unless the secured party knows:

1. ~~(a)~~ That the person is a debtor or obligor;

2. ~~(b)~~ The identity of the person; and

3. ~~(c)~~ How to communicate with the person; or

(b) ~~(2)~~ To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

1. ~~(a)~~ That the person is a debtor; and

2. ~~(b)~~ The identity of the person.

(2) A secured party owes a duty based on its status as a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(a) The person is a debtor or obligor; and

(b) The secured party knows that the information relating to the person in subparagraph (1)(a)1., subparagraph (1)(a)2., or subparagraph (1)(a)3. is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

Section 106. Paragraph (a) of subsection (1) and subsection (3) of section 679.608, Florida Statutes, are amended to read:

679.608 Application of proceeds of collection or enforcement; liability for deficiency and right to surplus.—

(1) If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

(a) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement under s. 679.607 in the following order to:

1. The reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited

by law, reasonable attorney's fees and legal expenses incurred by the secured party;

2. The satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

3. The satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives a signed ~~an authenticated~~ demand for proceeds before distribution of the proceeds is completed.

(3) If the secured party in good faith cannot determine the validity, extent, or priority of a subordinate security interest or other lien or there are conflicting claims of subordinate interests or liens, the secured party may commence an interpleader action with respect to remaining proceeds in excess of $2,500 in the circuit or county court, as applicable based upon the amount to be deposited, where the collateral was located or collected or in the county where the debtor has its chief executive office or principal residence in this state, as applicable. If authorized in a signed ~~an authenticated~~ record, the interpleading secured party is entitled to be paid from the remaining proceeds the actual costs of the filing fee and an attorney ~~attorney's~~ fee in the amount of $250 incurred in connection with filing the interpleader action and obtaining an

order approving the interpleader of funds. The debtor in a consumer transaction may not be assessed for the reasonable attorney ~~attorney's~~ fees and costs incurred in the interpleader action by the holders of subordinate security interests or other liens based upon disputes among said holders, and a debtor in a transaction other than a consumer transaction may only recover such fees and costs to the extent provided for in a signed ~~an authenticated~~ record. If authorized in a signed ~~an authenticated~~ record, the court in the interpleader action may award reasonable attorney ~~attorney's~~ fees and costs to the prevailing party in a dispute between the debtor and a holder of a security interest or lien which claims an interest in the remaining interplead proceeds, but only if the debtor challenges the validity, priority, or extent of said security interest or lien. Except as provided in this subsection, a debtor may not be assessed reasonable attorney ~~attorney's~~ fees and costs incurred by any party in an interpleader action commenced under this section.

Section 107. Subsections (1), (2), (3), (5), and (6) of section 679.611, Florida Statutes, are amended to read:

679.611 Notification before disposition of collateral.—

(1) In this section, the term "notification date" means the earlier of the date on which:

(a) A secured party sends to the debtor and any secondary obligor a signed ~~an authenticated~~ notification of disposition;

or

(b) The debtor and any secondary obligor waive the right to notification.

(2) Except as otherwise provided in subsection (4), a secured party that disposes of collateral under s. 679.610 shall send to the persons specified in subsection (3) a reasonable signed ~~authenticated~~ notification of disposition.

(3) To comply with subsection (2), the secured party shall send a signed ~~an authenticated~~ notification of disposition to:

(a) The debtor;

(b) Any secondary obligor; and

(c) If the collateral is other than consumer goods:

1. Any other person from whom the secured party has received, before the notification date, a signed ~~an authenticated~~ notification of a claim of an interest in the collateral;

2. Any other secured party or lienholder that, 10 days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

a. Identified the collateral;

b. Was indexed under the debtor's name as of that date; and

c. Was filed in the office in which to file a financing statement against the debtor covering the collateral as of that

date; and

3. Any other secured party that, 10 days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in s. 679.3111(1).

(5) A secured party complies with the requirement for notification prescribed by subparagraph (3)(c)2. if:

(a) Not later than 20 days or earlier than 30 days before the notification date, the secured party requests, in a commercially reasonable manner, information concerning financing statements indexed under the debtor's name in the office indicated in subparagraph (3)(c)2.; and

(b) Before the notification date, the secured party:

1. Did not receive a response to the request for information; or

2. Received a response to the request for information and sent a signed ~~an authenticated~~ notification of disposition to each secured party or other lienholder named in that response whose financing statement covered the collateral.

(6) For purposes of subsection (3), the secured party may send the signed ~~authenticated~~ notification as follows:

(a) If the collateral is other than consumer goods, to the debtor at the address in the financing statement, unless the secured party has received a signed ~~an authenticated~~ record from the debtor notifying the secured party of a different address

for such notification purposes or the secured party has actual knowledge of the address of the debtor's chief executive office or principal residence, as applicable, at the time the notification is sent;

(b) If the collateral is other than consumer goods, to any secondary obligor at the address, if any, in the signed ~~authenticated~~ agreement, unless the secured party has received a signed ~~an authenticated~~ record from the secondary obligor notifying the secured party of a different address for such notification purposes or the secured party has actual knowledge of the address of the secondary obligor's chief executive office or principal residence, as applicable, at the time the notification is sent; and

(c) If the collateral is other than consumer goods:

1. To the person described in subparagraph (3)(c)1., at the address stated in the notification;

2. To the person described in subparagraph (3)(c)2., at the address stated in the financing statement;

3. To the person described in subparagraph (3)(c)3., at the address stated in the official records of the recording or registration agency.

Section 108. Subsection (5) of section 679.613, Florida Statutes, is amended to read:

679.613 Contents and form of notification before disposition of collateral; general.—Except in a consumer-goods

transaction, the following rules apply:

(5)(a) The following form of notification and the form appearing in s. 679.614(3)(a) ~~s. 679.614(3)~~, when completed in accordance with the instructions in paragraph (b), each provides sufficient information:

NOTIFICATION OF DISPOSITION
OF COLLATERAL

To:...(Name of debtor, obligor, or other person to which the notification is sent)...
From:...(Name, address, and telephone number of secured party)...

Item 1. Name of any debtor that is not an addressee ~~Debtor(s)~~:...(Name of each debtor ~~Include only if debtor(s) are not an addressee~~)...

~~[For a public disposition:]~~

Item 2. We will sell ~~[or lease or license, as applicable]~~ ~~the~~ ...(describe collateral)...to the highest qualified bidder at public sale. A sale could include a lease or a license. The sale will be held ~~in public~~ as follows:

Day and Date:
Time:
Place:

~~[For a private disposition:]~~

Item 3. We will sell ~~[or lease or license, as applicable]~~ the ...(describe collateral)... at a private sale ~~privately~~ sometime after ...(~~day and~~ date).... A sale could include a lease or a license.

Item 4. You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell or, as applicable, ~~[or~~ lease or license.

Item 5. If you request an accounting, you must pay~~, as applicable] for~~ a charge of $.....

Item 6. You may request an accounting by calling us at ...(telephone number)....

(b) The following instructions apply to the form set forth in paragraph (a):

1. Do not include the item numbers in the notification, as they are used only for the purpose of clarification.

2. Include and complete Item 1 only if there is a debtor that is not an addressee of the notification and list the name or names.

3. Include and complete either Item 2, if the notification relates to a public disposition of the collateral, or Item 3, if the notification relates to a private disposition of the collateral. If Item 2 is completed, include the words "to the highest qualified bidder" only if applicable.

4. Include and complete Items 4 and 6.

5. Include and complete Item 5 only if the sender will

charge the recipient for an accounting.

Section 109. Subsection (3) of section 679.614, Florida Statutes, is amended to read:

679.614 Contents and form of notification before disposition of collateral; consumer-goods transaction.—In a consumer-goods transaction, the following rules apply:

(3)(a) The following form of notification, when completed in accordance with the instructions set forth in paragraph (b), provides sufficient information:

...(Name and address of secured party)...
...(Date)...

NOTICE OF OUR PLAN TO SELL PROPERTY

...(Name and address of any obligor who is also a debtor)...
Subject:...(Identify ~~Identification of~~ Transaction)...

We have your ...(describe collateral)..., because you broke promises in our agreement.

~~[For a public disposition:]~~

Item 1. We will sell ...(describe collateral)... at public sale. A sale could include a lease or license. The sale will be held as follows:

Date:

Time:

Place:

You may attend the sale and bring bidders ~~if you want~~.

~~[For a private disposition:]~~

Item 2. We will sell ...(describe collateral)... at private sale sometime after ...(date).... A sale could include a lease or license.

Item 3. The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you ...(will or will not, as applicable)... still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

Item 4. You can get the property back at any time before we sell it by paying us the full amount you owe, ~~(~~not just the past due payments~~)~~, including our expenses. To learn the exact amount you must pay, call us at ...(telephone number)....

Item 5. If you want us to explain to you ...(in writing or in description of electronic record)... how we have figured the amount that you owe us, Item 6. ~~you may~~ call us at ...(telephone number)..., ~~or~~ write us at ...(secured party's address)..., or contact us by ...(description of electronic communication method)... Item 7. and request a written explanation, an explanation in ...(description of electronic record)....

Item 8. We will charge you $.... for the explanation if we sent you another written explanation of the amount you owe us

within the last 6 months.

Item 9. If you need more information about the sale, call us at ...(telephone number)..., ~~or~~ write us at ...(secured party's address)..., or contact us by ...(description of electronic communication method)....

Item 10. We are sending this notice to the following other people who have an interest in ...(describe collateral)... or who owe money under your agreement:

...(Names of all other debtors and obligors, if any)...

(b) The following instructions apply to the form of notification in paragraph (a):

1. The instructions in this paragraph refer to the numbers before items in the form of notification in paragraph (a). Do not include the numbers in the notification. The numbers are used only for the purpose of these instructions.

2. Include and complete either Item 1, if the notification relates to a public disposition of the collateral, or Item 2, if the notification relates to a private disposition of the collateral.

3. Include and complete Items 3, 4, 5, 6, and 7.

4. In Item 5, include and complete any one of the three alternative methods for the explanation identified in paragraph (a).

5. In Item 6, include the telephone number. In addition, the sender may include and complete either or both of the two

additional alternative methods of communication identified in paragraph (a) for the recipient of the notification to communicate with the sender. Neither of the two additional methods of communication is required to be included.

6. In Item 7, include and complete the method or methods for the explanation—writing, writing or electronic record, or electronic record—included in Item 5.

7. Include and complete Item 8 only if a written explanation is included in Item 5 as a method for communicating the explanation and the sender will charge the recipient for another written explanation.

8. In Item 9, include either the telephone number or the address, or both. In addition, the sender may include and complete the additional method of communication identified in paragraph (a) for the recipient of the notification to communicate with the sender. The additional method of electronic communication is not required to be included.

9. If Item 10 does not apply, insert "None" after "agreement:."

Section 110. Subsection (1) of section 679.615, Florida Statutes, is amended to read:

679.615 Application of proceeds of disposition; liability for deficiency and right to surplus.—

(1) A secured party shall apply or pay over for application the cash proceeds of disposition under s. 679.610 in

the following order to:

(a) The reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(b) The satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

(c) The satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

1. The secured party receives from the holder of the subordinate security interest or other lien a signed ~~an authenticated~~ demand for proceeds before distribution of the proceeds is completed; and

2. In a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(d) A secured party that is a consignor of the collateral if the secured party receives from the consignor a signed ~~an authenticated~~ demand for proceeds before distribution of the proceeds is completed.

Section 111. Subsections (1), (2), and (3) of section 679.616, Florida Statutes, are amended to read:

679.616 Explanation of calculation of surplus or deficiency.—

(1) In this section, the term:

(a) "Explanation" means a record ~~writing~~ that:

1. States the amount of the surplus or deficiency;

2. Provides an explanation in accordance with subsection (3) of how the secured party calculated the surplus or deficiency;

3. States, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

4. Provides a telephone number or mailing address from which additional information concerning the transaction is available.

(b) "Request" means a record:

1. Signed ~~Authenticated~~d by a debtor or consumer obligor;

2. Requesting that the recipient provide an explanation; and

3. Sent after disposition of the collateral under s. 679.610.

(2) In a consumer-goods transaction in which the debtor is entitled to a surplus or a consumer obligor is liable for a deficiency under s. 679.615, the secured party shall:

(a) Send an explanation to the debtor or consumer obligor,

as applicable, after the disposition and:

1. Before or when the secured party accounts to the debtor and pays any surplus or first makes ~~written~~ demand in a record on the consumer obligor after the disposition for payment of the deficiency; and

2. Within 14 days after receipt of a request; or

(b) In the case of a consumer obligor who is liable for a deficiency, within 14 days after receipt of a request, send to the consumer obligor a record waiving the secured party's right to a deficiency.

(3) To comply with subparagraph (1)(a)2., an explanation ~~a writing~~ must provide the following information in the following order:

(a) The aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

1. If the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or

2. If the secured party takes or receives possession of the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;

(b) The amount of proceeds of the disposition;

(c) The aggregate amount of the obligations after deducting the amount of proceeds;

(d) The amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney's fees secured by the collateral which are known to the secured party and relate to the current disposition;

(e) The amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph (a); and

(f) The amount of the surplus or deficiency.

Section 112. Subsection (1) of section 679.619, Florida Statutes, is amended to read:

679.619 Transfer of record or legal title.—

(1) In this section, the term "transfer statement" means a record signed ~~authenticated~~ by a secured party stating:

(a) That the debtor has defaulted in connection with an obligation secured by specified collateral;

(b) That the secured party has exercised its post-default remedies with respect to the collateral;

(c) That, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral; and

(d) The name and mailing address of the secured party, debtor, and transferee.

Section 113. Subsections (1), (2), (3), and (6) of section 679.620, Florida Statutes, are amended to read:

679.620 Acceptance of collateral in full or partial satisfaction of obligation; compulsory disposition of collateral.—

(1) Except as otherwise provided in subsection (7), a secured party may accept collateral in full or partial satisfaction of the obligation it secures only if:

(a) The debtor consents to the acceptance under subsection (3);

(b) The secured party does not receive, within the time set forth in subsection (4), a notification of objection to the proposal signed ~~authenticated~~ by:

1. A person to whom the secured party was required to send a proposal under s. 679.621; or

2. Any other person, other than the debtor, holding an interest in the collateral subordinate to the security interest that is the subject of the proposal;

(c) If the collateral is consumer goods, the collateral is not in the possession of the debtor when the debtor consents to the acceptance; and

(d) Subsection (5) does not require the secured party to dispose of the collateral or the debtor waives the requirement pursuant to s. 679.624.

(2) A purported or apparent acceptance of collateral under

this section is ineffective unless:

(a) The secured party consents to the acceptance in a signed ~~an authenticated~~ record or sends a proposal to the debtor; and

(b) The conditions of subsection (1) are met.

(3) For purposes of this section:

(a) A debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record signed ~~authenticated~~ after default; and

(b) A debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record signed ~~authenticated~~ after default or the secured party:

1. Sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

2. In the proposal, proposes to accept collateral in full satisfaction of the obligation it secures, and, in a consumer transaction, provides notice that the proposal will be deemed accepted if it is not objected to by an authenticated notice within 30 days after the date the proposal is sent by the secured party; and

3. Does not receive a notification of objection signed

~~authenticated~~ by the debtor within 30 days after the proposal is sent.

(6) To comply with subsection (5), the secured party shall dispose of the collateral:

(a) Within 90 days after taking possession; or

(b) Within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and signed ~~authenticated~~ after default.

Section 114. Subsection (1) of section 679.621, Florida Statutes, is amended to read:

679.621 Notification of proposal to accept collateral.—

(1) A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

(a) Any person from whom the secured party has received, before the debtor consented to the acceptance, a signed ~~an authenticated~~ notification of a claim of an interest in the collateral;

(b) Any other secured party or lienholder that, 10 days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

1. Identified the collateral;

2. Was indexed under the debtor's name as of that date; and

3. Was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

(c) Any other secured party that, 10 days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in s. 679.3111(1).

Section 115. Section 679.624, Florida Statutes, is amended to read:

679.624 Waiver.—

(1) A debtor or secondary obligor may waive the right to notification of disposition of collateral under s. 679.611 only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

(2) A debtor may waive the right to require disposition of collateral under s. 679.620(5) only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

(3) Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under s. 679.623 only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

Section 116. Subsections (1) and (5) of section 679.625, Florida Statutes, are amended, and subsections (3), (6), and (7) are republished, to read:

679.625 Remedies for failure to comply with article.—

(1) If it is established that a secured party is not proceeding in accordance with this chapter, a court may order or restrain collection, enforcement, or disposition of collateral on appropriate terms and conditions. This subsection does ~~shall~~ not preclude a debtor other than a consumer and a secured party, or two or more secured parties in other than a consumer transaction, from agreeing in a signed ~~an authenticated~~ record that the debtor or secured party must first provide to the alleged offending secured party notice of a violation of this chapter and opportunity to cure before commencing any legal proceeding under this section.

(3) Except as otherwise provided in s. 679.628:

(a) A person who, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection (2) for the person's loss; and

(b) If the collateral is consumer goods, a person who was a debtor or a secondary obligor at the time a secured party failed to comply with this part may recover for that failure in any event an amount not less than the credit service charge plus 10 percent of the principal amount of the obligation or the time-price differential plus 10 percent of the cash price.

(5) In lieu of damages recoverable under subsection (2), the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover $500 in each case from

a person who:

(a) Fails to comply with s. 679.2081;

(b) Fails to comply with s. 679.209;

(c) Files a record that the person is not entitled to file under s. 679.509(1);

(d) Fails to cause the secured party of record to file or send a termination statement as required by s. 679.513(1) or (3) after receipt of a signed ~~an authenticated~~ record notifying the person of such noncompliance;

(e) Fails to comply with s. 679.616(2)(a) and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or

(f) Fails to comply with s. 679.616(2)(b).

(6) A debtor or consumer obligor may recover damages under subsection (2) and, in addition, $500 in each case from a person who, without reasonable cause, fails to comply with a request under s. 679.210. A recipient of a request under s. 679.210 which never claimed an interest in the collateral or obligations that are the subject of a request under that section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

(7) If a secured party fails to comply with a request regarding a list of collateral or a statement of account under s. 679.210, the secured party may claim a security interest only as shown in the list or statement included in the request as

against a person who is reasonably misled by the failure.

Section 117. Subsections (1) and (2) of section 679.628, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

679.628 Nonliability and limitation on liability of secured party; liability of secondary obligor.—

(1) Subject to subsection (6), unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(a) The secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement against the person, for failure to comply with this chapter; and

(b) The secured party's failure to comply with this chapter does not affect the liability of the person for a deficiency.

(2) Subject to subsection (6), a secured party is not liable because of its status as a secured party:

(a) To a person who is a debtor or obligor, unless the secured party knows:

1. That the person is a debtor or obligor;

2. The identity of the person; and

3. How to communicate with the person; or

(b) To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

1. That the person is a debtor; and

2. The identity of the person.

(6) Subsections (1) and (2) do not apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(a) The person is a debtor or obligor; and

(b) The secured party knows that the information in subparagraph (2)(a)1., subparagraph (2)(a)2., or subparagraph (2)(a)3., relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

Section 118. Part IX of chapter 679, Florida Statutes, consisting of ss. 679.901 and 679.902, Florida Statutes, is created and entitled "Transitional Provisions."

Section 119. Section 679.901, Florida Statutes, is created to read:

679.901 Saving clause.—Except as otherwise provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by

law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 120. Section 679.902, Florida Statutes, is created to read:

679.902 Transitional provisions.—Effective July 1, 2025, chapter 679 shall be amended by this act, including the transitional provisions for chapters 669 and 679, as amended by this act, as provided in part II of chapter 669.

Section 121. Section 680.1021, Florida Statutes, is amended to read:

680.1021 Scope.—

(1) This chapter applies to any transaction, regardless of form, that creates a lease and, in the case of a hybrid lease, applies to the extent provided in subsection (2).

(2) In a hybrid lease, both of the following apply:

(a) If the lease-of-goods aspects do not predominate:

1. Only the provisions of this chapter which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply;

2. Section 608.209 applies if the lease is a finance lease; and

3. Section 608.407 applies to the promises of the lessee in a finance lease to the extent that the promises are

consideration for the right to possession and use of the leased goods.

(b) If the lease-of-goods aspects predominate, this chapter applies to the transaction, but does not preclude application in appropriate circumstances of other law to aspects of the lease which do not relate to the lease of goods.

Section 122. Present paragraphs (i) through (z) of subsection (1) of section 680.1031, Florida Statutes, are redesignated as paragraphs (j) through (aa), respectively, a new paragraph (i) is added to that subsection, and paragraphs (a), (d), (e), (f), (h), (j), (l), and (m) of subsection (3) of that section are amended, to read:

680.1031 Definitions and index of definitions.—

(1) In this chapter, unless the context otherwise requires:

(i) "Hybrid lease" means a single transaction involving a lease of goods and:

1. The provision of services;

2. A sale of other goods; or

3. A sale, lease, or license of property other than goods.

(3) The following definitions in other chapters of this code apply to this chapter:

(a) "Account," s. 679.1021(1) ~~s. 679.1021(1)(b)~~.

(d) "Chattel paper," s. 679.1021(1) ~~s. 679.1021(1)(k)~~.

(e) "Consumer goods," s. 679.1021(1) ~~s. 679.1021(1)(w)~~.

(f) "Document," s. 679.1021(1) ~~s. 679.1021(1)(dd)~~.

(h) "General intangible," s. 679.1021(1) ~~s. 679.1021(1)(pp)~~.

(j) "Instrument," s. 679.1021(1) ~~s. 679.1021(1)(uu)~~.

(l) "Mortgage," s. 679.1021(1) ~~s. 679.1021(1)(ccc)~~.

(m) "Pursuant to a commitment," s. 679.1021(1) ~~s. 679.1021(1)(ppp)~~.

Section 123. Section 680.1071, Florida Statutes, is amended to read:

680.1071 Waiver or renunciation of claim or right after default.—Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a ~~written~~ waiver or renunciation in a signed record ~~and~~ delivered by the aggrieved party.

Section 124. Subsections (1), (3), and (5) of section 680.201, Florida Statutes, are amended to read:

680.201 Statute of frauds.—

(1) A lease contract is not enforceable by way of action or defense unless:

(a) In a lease contract that is not a consumer lease, the total payments to be made under the lease contract, excluding payments for options to renew or buy, are less than $1,000; or

(b) There is a record ~~writing~~, signed by the party against whom enforcement is sought or by that party's authorized agent, sufficient to indicate that a lease contract has been made

between the parties and to describe the goods leased and the lease term.

(3) A record ~~writing~~ is not insufficient because it omits or incorrectly states a term agreed upon, but the lease contract is not enforceable under paragraph (1)(b) beyond the lease term and the quantity of goods shown in the record ~~writing~~.

(5) The lease term under a lease contract referred to in subsection (4) is:

(a) If there is a record ~~writing~~ signed by the party against whom enforcement is sought or by that party's authorized agent specifying the lease term, the term so specified;

(b) If the party against whom enforcement is sought admits in that party's pleading, testimony, or otherwise in court a lease term, the term so admitted; or

(c) A reasonable lease term.

Section 125. Section 680.202, Florida Statutes, is amended to read:

680.202 Final ~~written~~ expression: parol or extrinsic evidence.—Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a record ~~writing~~ intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(1) By course of dealing or usage of trade or by course of performance; and

(2) By evidence of consistent additional terms unless the court finds the record ~~writing~~ to have been intended also as a complete and exclusive statement of the terms of the agreement.

Section 126. Section 680.203, Florida Statutes, is amended to read:

680.203 Seals inoperative.—The affixing of a seal to a record ~~writing~~ evidencing a lease contract or an offer to enter into a lease contract does not render the record ~~writing~~ a sealed instrument, and the law with respect to sealed instruments does not apply to the lease contract or offer.

Section 127. Section 680.205, Florida Statutes, is amended to read:

680.205 Firm offers.—An offer by a merchant to lease goods to or from another person in a signed record ~~writing~~ that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed 3 months. Any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Section 128. Subsection (2) of section 680.208, Florida Statutes, is amended to read:

680.208 Modification, rescission, and waiver.—

(2) A signed lease agreement that excludes modification or rescission except by a signed record ~~writing~~ may not be otherwise modified or rescinded, but, except as between merchants, such a requirement on a form supplied by a merchant must be separately signed by the other party.

Section 129. Part VI of chapter 680, Florida Statutes, consisting of s. 680.601, Florida Statutes, is created and entitled "Transitional Provisions."

Section 130. Section 680.601, Florida Statutes, is created to read:

680.601 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 131. Subsection (6) of section 55.205, Florida Statutes, is amended to read:

55.205 Effect of judgment lien.—

(6) A judgment lien acquired under s. 55.202 may be enforced only through judicial process, including attachment under chapter 76; execution under chapter 56; garnishment under chapter 77; a charging order under s. 605.0503, s. 620.1703, or

s. 620.8504; or proceedings supplementary to execution under s. 56.29. A holder of a judgment lien acquired under s. 55.202, who is not enforcing separate lien rights in a judgment debtor's property, may not enforce his or her rights under this section through self-help repossession or replevin without a court order or without the express consent of the judgment debtor contained in a record authenticated in accordance with s. 668.50 or s. 679.1021(1) ~~s. 679.1021(1)(g)~~ after the judgment lien attaches.

Section 132. Subsection (2) and paragraph (b) of subsection (3) of section 319.27, Florida Statutes, are amended to read:

319.27 Notice of lien on motor vehicles or mobile homes; notation on certificate; recording of lien.—

(2) No lien for purchase money or as security for a debt in the form of a security agreement, retain title contract, conditional bill of sale, chattel mortgage, or other similar instrument or any other nonpossessory lien, including a lien for child support, upon a motor vehicle or mobile home upon which a Florida certificate of title has been issued shall be enforceable in any of the courts of this state against creditors or subsequent purchasers for a valuable consideration and without notice, unless a sworn notice of such lien has been filed in the department and such lien has been noted upon the certificate of title of the motor vehicle or mobile home. Such notice shall be effective as constructive notice when filed. The

interest of a statutory nonpossessory lienor; the interest of a nonpossessory execution, attachment, or equitable lienor; or the interest of a lien creditor as defined in s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, if nonpossessory, is ~~shall~~ not ~~be~~ enforceable against creditors or subsequent purchasers for a valuable consideration unless such interest becomes a possessory lien or is noted upon the certificate of title for the subject motor vehicle or mobile home prior to the occurrence of the subsequent transaction. Provided the provisions of this subsection relating to a nonpossessory statutory lienor; a nonpossessory execution, attachment, or equitable lienor; or the interest of a lien creditor as defined in s. 679.1021(1) does ~~s. 679.1021(1)(zz) shall~~ not apply to liens validly perfected before ~~prior to~~ October 1, 1988. The notice of lien must ~~shall~~ provide the following information:

(a) The date of the lien if a security agreement, retain title contract, conditional bill of sale, chattel mortgage, or other similar instrument was executed prior to the filing of the notice of lien;

(b) The name and address of the registered owner;

(c) A description of the motor vehicle or mobile home, showing the make, type, and vehicle identification number; and

(d) The name and address of the lienholder.

(3)

(b) As applied to a determination of the respective rights

of a secured party under this chapter and a lien creditor as defined by s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, or a nonpossessory statutory lienor, a security interest under this chapter shall be perfected upon the filing of the notice of lien with the department, the county tax collector, or their agents. Provided, however, the date of perfection of a security interest of such secured party shall be the same date as the execution of the security agreement or other similar instrument if the notice of lien is filed in accordance with this subsection within 15 days after the debtor receives possession of the motor vehicle or mobile home and executes such security agreement or other similar instrument. The date of filing of the notice of lien shall be the date of its receipt by the department central office in Tallahassee, if first filed there, or otherwise by the office of the county tax collector, or their agents.

Section 133. Subsection (2) of section 328.0015, Florida Statutes, is amended to read:

328.0015 Definitions.—

(2) The following definitions and terms also apply to this part:

(a) "Agreement" as defined in s. 671.201 ~~s. 671.201(3)~~.

(b) "Buyer in ordinary course of business" as defined in s. 671.201 ~~s. 671.201(9)~~.

(c) "Conspicuous" as defined in s. 671.201 ~~s. 671.201(11)~~.

(d) "Consumer goods" as defined in s. 679.1021(1) ~~s.~~

~~679.1021(1)(w)~~.

(e) "Debtor" as defined in s. 679.1021(1) ~~s. 679.1021(1)(bb)~~.

(f) "Knowledge" as defined in s. 671.209.

(g) "Lease" as defined in s. 680.1031(1) ~~s. 680.1031(1)(j)~~.

(h) "Lessor" as defined in s. 6801031(1) ~~s. 680.1031(1)(p)~~.

(i) "Notice" as defined s. 671.209.

(j) "Representative" as defined in s. 671.201 ~~s. 671.201(37)~~.

(k) "Sale" as defined in s. 672.106(1).

(l) "Security agreement" as defined in s. 679.1021(1) ~~s. 679.1021(1)(uuu)~~.

(m) "Seller" as defined in s. 672.103(1) ~~s. 672.103(1)(d)~~.

(n) "Send" as defined in s. 671.201 ~~s. 671.201(40)~~.

(o) "Value" as defined in s. 671.211.

Section 134. Subsection (13) of section 517.061, Florida Statutes, is amended to read:

517.061 Exempt transactions.—Except as otherwise provided in subsection (11), the exemptions provided herein from the registration requirements of s. 517.07 are self-executing and do not require any filing with the office before being claimed. Any person who claims entitlement to an exemption under this section bears the burden of proving such entitlement in any proceeding

brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following transactions; however, such transactions are subject to s. 517.301:

(13) By or for the account of a pledgeholder, a secured party as defined in s. 679.1021(1) ~~s. 679.1021(1)(ttt)~~, or a mortgagee selling or offering for sale or delivery in the ordinary course of business and not for the purposes of avoiding ~~the provisions of~~ this chapter, to liquidate a bona fide debt, a security pledged in good faith as security for such debt.

Section 135. Subsection (2) of section 559.9232, Florida Statutes, is amended to read:

559.9232 Definitions; exclusion of rental-purchase agreements from certain regulations.—

(2) A rental-purchase agreement that complies with this act may ~~shall~~ not be construed to be, nor be governed by, any of the following:

(a) A lease or agreement that constitutes a credit sale as defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

(b) A lease that constitutes a "consumer lease" as defined in 12 C.F.R. s. 213.2(a)(6);

(c) Any lease for agricultural, business, or commercial purposes;

(d) Any lease made to an organization;

(e) A lease or agreement that constitutes a "retail

installment contract" or "retail installment transaction" as those terms are defined in s. 520.31; or

(f) A security interest as defined in s. 671.201 ~~s. 671.201(39)~~.

Section 136. Paragraph (g) of subsection (2) of section 563.022, Florida Statutes, is amended to read:

563.022 Relations between beer distributors and manufacturers.—

(2) DEFINITIONS.—In construing this section, unless the context otherwise requires, the word, phrase, or term:

(g) "Good faith" means honesty in fact in the conduct or transaction concerned as defined and interpreted under s. 671.201 ~~s. 671.201(21)~~.

Section 137. Paragraph (d) of subsection (16) of section 668.50, Florida Statutes, is amended, and paragraph (b) of subsection (3) of that section is republished, to read:

668.50 Uniform Electronic Transaction Act.—

(3) SCOPE.—

(b) This section does not apply to a transaction to the extent the transaction is governed by:

1. A provision of law governing the creation and execution of wills, codicils, or testamentary trusts;

2. The Uniform Commercial Code other than s. 671.107 and chapters 672 and 680; or

3. The Uniform Computer Information Transactions Act.

(16) TRANSFERABLE RECORDS.—

(d) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in s. 671.201 ~~s. 671.201(22)~~, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the Uniform Commercial Code, including, if the applicable statutory requirements under s. 673.3021, s. 677.501, or s. 679.330 are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively. Delivery, possession, and indorsement are not required to obtain or exercise any of the rights under this paragraph.

Section 138. For the purpose of incorporating the amendment made by this act to section 671.105, Florida Statutes, in a reference thereto, subsections (1) and (2) of section 655.55, Florida Statutes, are reenacted to read:

655.55 Law applicable to deposits in and contracts relating to extensions of credit by a deposit or lending institution located in this state.—

(1) The law of this state, excluding its law regarding comity and conflict of laws, governs all aspects, including without limitation the validity and effect, of any deposit account in a branch or office in this state of a deposit or lending institution, including a deposit account otherwise covered by s. 671.105(1), regardless of the citizenship,

residence, location, or domicile of any other party to the contract or agreement governing such deposit account, and regardless of any provision of any law of the jurisdiction of the residence, location, or domicile of such other party, whether or not such deposit account bears any other relation to this state, except that this section does not apply to any such deposit account:

(a) To the extent provided to the contrary in s. 671.105(2); or

(b) To the extent that all parties to the contract or agreement governing such deposit account have agreed in writing that the law of another jurisdiction will govern it.

(2) The law of this state, excluding its law regarding comity and conflict of laws, governs all aspects, including without limitation the validity and effect, of any contract relating to an extension of credit made by a branch or office in this state of a deposit or lending institution, including a contract otherwise covered by s. 671.105(1), if the contract expressly provides that it will be governed by the law of this state, regardless of the citizenship, residence, location, or domicile of any other party to such contract and regardless of any provision of any law of the jurisdiction of the residence, location, or domicile of such other party, whether or not such contract bears any other relation to this state, except that this section does not apply to any such contract to the extent

provided to the contrary in s. 671.105(2).

Section 139. For the purpose of incorporating the amendment made by this act to section 671.105, Florida Statutes, in a reference thereto, subsection (2) of section 685.101, Florida Statutes, is reenacted to read:

685.101 Choice of law.—

(2) This section does not apply to any contract, agreement, or undertaking:

(a) Regarding any transaction which does not bear a substantial or reasonable relation to this state in which every party is either or a combination of:

1. A resident and citizen of the United States, but not of this state; or

2. Incorporated or organized under the laws of another state and does not maintain a place of business in this state;

(b) For labor or employment;

(c) Relating to any transaction for personal, family, or household purposes, unless such contract, agreement, or undertaking concerns a trust at least one trustee of which resides or transacts business as a trustee in this state, in which case this section applies;

(d) To the extent provided to the contrary in s. 671.105(2); or

(e) To the extent such contract, agreement, or undertaking is otherwise covered or affected by s. 655.55.

Section 140. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsection (1) of section 90.953, Florida Statutes, is reenacted to read:

90.953 Admissibility of duplicates.—A duplicate is admissible to the same extent as an original, unless:

(1) The document or writing is a negotiable instrument as defined in s. 673.1041, a security as defined in s. 678.1021, or any other writing that evidences a right to the payment of money, is not itself a security agreement or lease, and is of a type that is transferred by delivery in the ordinary course of business with any necessary endorsement or assignment.

Section 141. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsections (1), (3), and (4) of section 673.1061, Florida Statutes, are reenacted to read:

673.1061 Unconditional promise or order.—

(1) Except as provided in this section, for the purposes of s. 673.1041(1), a promise or order is unconditional unless it states:

(a) An express condition to payment;

(b) That the promise or order is subject to or governed by another writing; or

(c) That rights or obligations with respect to the promise or order are stated in another writing.

A reference to another writing does not of itself make the promise or order conditional.

(3) If a promise or order requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the promise or order, the condition does not make the promise or order conditional for the purposes of s. 673.1041(1). If the person whose specimen signature appears on an instrument fails to countersign the instrument, the failure to countersign is a defense to the obligation of the issuer, but the failure does not prevent a transferee of the instrument from becoming a holder of the instrument.

(4) If a promise or order at the time it is issued or first comes into possession of a holder contains a statement, required by applicable statutory or administrative law, to the effect that the rights of a holder or transferee are subject to claims or defenses that the issuer could assert against the original payee, the promise or order is not thereby made conditional for the purposes of s. 673.1041(1); but if the promise or order is an instrument, there cannot be a holder in due course of the instrument.

Section 142. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsection (2) of section 673.1151, Florida Statutes, is reenacted to read:

673.1151 Incomplete instrument.—

(2) Subject to subsection (3), if an incomplete instrument is an instrument under s. 673.1041, it may be enforced according to its terms if it is not completed, or according to its terms as augmented by completion. If an incomplete instrument is not an instrument under s. 673.1041, but, after completion, the requirements of s. 673.1041 are met, the instrument may be enforced according to its terms as augmented by completion.

Section 143. For the purpose of incorporating the amendment made by this act to sections 673.1041 and 673.1051, Florida Statutes, in a reference thereto, subsection (2) of section 673.1031, Florida Statutes, is reenacted to read:

673.1031 Definitions.—

(2) Other definitions applying to this chapter and the sections in which they appear are:

"Acceptance," s. 673.4091.

"Accommodated party," s. 673.4191.

"Accommodation party," s. 673.4191.

"Alteration," s. 673.4071.

"Anomalous indorsement," s. 673.2051.

"Blank indorsement," s. 673.2051.

"Cashier's check," s. 673.1041.

"Certificate of deposit," s. 673.1041.

"Certified check," s. 673.4091.

"Check," s. 673.1041.

"Consideration," s. 673.3031.
"Draft," s. 673.1041.
"Holder in due course," s. 673.3021.
"Incomplete instrument," s. 673.1151.
"Indorsement," s. 673.2041.
"Indorser," s. 673.2041.
"Instrument," s. 673.1041.
"Issue," s. 673.1051.
"Issuer," s. 673.1051.
"Negotiable instrument," s. 673.1041.
"Negotiation," s. 673.2011.
"Note," s. 673.1041.
"Payable at a definite time," s. 673.1081.
"Payable on demand," s. 673.1081.
"Payable to bearer," s. 673.1091.
"Payable to order," s. 673.1091.
"Payment," s. 673.6021.
"Person entitled to enforce," s. 673.3011.
"Presentment," s. 673.5011.
"Reacquisition," s. 673.2071.
"Special indorsement," s. 673.2051.
"Teller's check," s. 673.1041.
"Transfer of instrument," s. 673.2031.
"Traveler's check," s. 673.1041.
"Value," s. 673.3031.

Section 144. For the purpose of incorporating the amendment made by this act to section 673.6041, Florida Statutes, in a reference thereto, subsection (2) of section 673.6051, Florida Statutes, is reenacted to read:

673.6051 Discharge of indorsers and accommodation parties.—

(2) Discharge, under s. 673.6041, of the obligation of a party to pay an instrument does not discharge the obligation of an indorser or accommodation party having a right of recourse against the discharged party.

Section 145. For the purpose of incorporating the amendment made by this act to section 675.116, Florida Statutes, in a reference thereto, subsection (2) of section 679.3061, Florida Statutes, is reenacted to read:

679.3061 Law governing perfection and priority of security interests in letter-of-credit rights.—

(2) For purposes of this part, an issuer's jurisdiction or nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in s. 675.116.

Section 146. For the purpose of incorporating the amendment made by this act to section 675.104, Florida Statutes, in a reference thereto, paragraph (j) of subsection (1) of section 675.103, Florida Statutes, is reenacted to read:

675.103 Definitions.—

(1) For purposes of this chapter:

(j) "Letter of credit" means a definite undertaking that satisfies the requirements of s. 675.104 by an issuer to a beneficiary at the request or for the account of an applicant or, in the case of a financial institution, to itself or for its own account, to honor a documentary presentation by payment or delivery of an item of value.

Section 147. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (3) of section 674.2101, Florida Statutes, is reenacted to read:

674.2101 Security interest of collecting bank in items, accompanying documents, and proceeds.—

(3) Receipt by a collecting bank of a final settlement for an item is a realization on its security interest in the item, accompanying documents, and proceeds. So long as the bank does not receive final settlement for the item or give up possession of the item or possession or control of the accompanying or associated documents for purposes other than collection, the security interest continues to that extent and is subject to chapter 679, but:

(a) No security agreement is necessary to make the security interest enforceable (s. 679.2031(2)(c)1.);

(b) No filing is required to perfect the security interest; and

(c) The security interest has priority over conflicting perfected security interests in the item, accompanying documents, or proceeds.

Section 148. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (2) of section 675.1181, Florida Statutes, is reenacted to read:

675.1181 Security interest of issuer or nominated person.—

(2) As long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (1), the security interest continues and is subject to chapter 679, but a security agreement is not necessary to make the security interest enforceable under s. 679.2031(2)(c):

(a) If the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(b) If the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document.

Section 149. For the purpose of incorporating the

amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, section 679.1101, Florida Statutes, is reenacted to read:

679.1101 Security interests arising under chapter 672 or chapter 680.—A security interest arising under s. 672.401, s. 672.505, s. 672.711(3), or s. 680.508(5) is subject to this chapter. However, until the debtor obtains possession of the goods:

(1) The security interest is enforceable, even if s. 679.2031(2)(c) has not been satisfied;

(2) Filing is not required to perfect the security interest;

(3) The rights of the secured party after default by the debtor are governed by chapter 672 or chapter 680; and

(4) The security interest has priority over a conflicting security interest created by the debtor.

Section 150. For the purpose of incorporating the amendment made by this act to section 677.106, Florida Statutes, in a reference thereto, subsection (3) of section 672.103, Florida Statutes, is reenacted to read:

672.103 Definitions and index of definitions.—

(3) The following definitions in other chapters apply to this chapter:

"Check," s. 673.1041.

"Consignee," s. 677.102.

"Consignor," s. 677.102.

"Consumer goods," s. 679.1021.

"Control," s. 677.106.

"Dishonor," s. 673.5021.

"Draft," s. 673.1041.

Section 151. For the purpose of incorporating the amendment made by this act to section 677.106, Florida Statutes, in a reference thereto, subsection (3) of section 674.104, Florida Statutes, is reenacted to read:

674.104 Definitions and index of definitions.—

(3) The following definitions in other chapters apply to this chapter:

"Acceptance," s. 673.4091.

"Alteration," s. 673.4071.

"Cashier's check," s. 673.1041.

"Certificate of deposit," s. 673.1041.

"Certified check," s. 673.4091.

"Check," s. 673.1041.

"Control," s. 677.106.

"Good faith," s. 673.1031.

"Holder in due course," s. 673.3021.

"Instrument," s. 673.1041.

"Notice of dishonor," s. 673.5031.

"Order," s. 673.1031.

"Ordinary care," s. 673.1031.

"Person entitled to enforce," s. 673.3011.

"Presentment," s. 673.5011.

"Promise," s. 673.1031.

"Prove," s. 673.1031.

"Teller's check," s. 673.1041.

"Unauthorized signature," s. 673.4031.

Section 152. For the purpose of incorporating the amendment made by this act to section 678.1061, Florida Statutes, in a reference thereto, subsection (3) of section 678.5101, Florida Statutes, is reenacted to read:

678.5101 Rights of purchaser of security entitlement from entitlement holder.—

(3) In a case not covered by the priority rules in chapter 679, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection (4), purchasers who have control rank according to priority in time of:

(a) The purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under s. 678.1061(4)(a);

(b) The securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security

entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under s. 678.1061(4)(b); or

(c) If the purchaser obtained control through another person under s. 678.1061(4)(c), the time on which priority would be based under this subsection if the other person were the secured party.

Section 153. For the purpose of incorporating the amendment made by this act to section 678.1061, Florida Statutes, in a reference thereto, subsection (1) of section 679.1061, Florida Statutes, is reenacted to read:

679.1061 Control of investment property.—

(1) A person has control of a certificated security, uncertificated security, or security entitlement as provided in s. 678.1061.

Section 154. For the purpose of incorporating the amendment made by this act to sections 678.1061, 679.3131, 679.3141, and 679.323, Florida Statutes, in references thereto, subsections (2), (5), and (7) of section 679.328, Florida Statutes, are reenacted to read:

679.328 Priority of security interests in investment property.—The following rules govern priority among conflicting security interests in the same investment property:

(2) Except as otherwise provided in subsections (3) and (4), conflicting security interests held by secured parties each

of which has control under s. 679.1061 rank according to priority in time of:

(a) If the collateral is a security, obtaining control;

(b) If the collateral is a security entitlement carried in a securities account and:

1. If the secured party obtained control under s. 678.1061(4)(a), the secured party's becoming the person for which the securities account is maintained;

2. If the secured party obtained control under s. 678.1061(4)(b), the securities intermediary's agreement to comply with the secured party's entitlement orders with respect to security entitlements carried or to be carried in the securities account; or

3. If the secured party obtained control through another person under s. 678.1061(4)(c), the time on which priority would be based under this paragraph if the other person were the secured party; or

(c) If the collateral is a commodity contract carried with a commodity intermediary, the satisfaction of the requirement for control specified in s. 679.1061(2)(b) with respect to commodity contracts carried or to be carried with the commodity intermediary.

(5) A security interest in a certificated security in registered form which is perfected by taking delivery under s. 679.3131(1) and not by control under s. 679.3141 has priority

over a conflicting security interest perfected by a method other than control.

(7) In all other cases, priority among conflicting security interests in investment property is governed by ss. 679.322 and 679.323.

Section 155. For the purpose of incorporating the amendment made by this act to sections 679.1041 and 679.3141, Florida Statutes, in references thereto, subsections (1) and (2) of section 679.327, Florida Statutes, are reenacted to read:

679.327 Priority of security interests in deposit account.—The following rules govern priority among conflicting security interests in the same deposit account:

(1) A security interest held by a secured party having control of the deposit account under s. 679.1041 has priority over a conflicting security interest held by a secured party that does not have control.

(2) Except as otherwise provided in subsections (3) and (4), security interests perfected by control under s. 679.3141 rank according to priority in time of obtaining control.

Section 156. For the purpose of incorporating the amendment made by this act to sections 679.2031 and 679.4041, Florida Statutes, in a reference thereto, subsection (4) of section 679.1091, Florida Statutes, is reenacted to read:

679.1091 Scope.—

(4) This chapter does not apply to:

(a) A landlord's lien, other than an agricultural lien;

(b) A lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but s. 679.333 applies with respect to priority of the lien;

(c) An assignment of a claim for wages, salary, or other compensation of an employee;

(d) A sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;

(e) An assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;

(f) An assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;

(g) An assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;

(h) A transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(i) An assignment of a right represented by a judgment,

other than a judgment taken on a right to payment that was collateral;

(j) A right of recoupment or set-off, but:

1. Section 679.340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and

2. Section 679.4041 applies with respect to defenses or claims of an account debtor;

(k) The creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

1. Liens on real property in ss. 679.2031 and 679.3081;

2. Fixtures in s. 679.334;

3. Fixture filings in ss. 679.5011, 679.5021, 679.512, 679.516, and 679.519; and

4. Security agreements covering personal and real property in s. 679.604;

(l) An assignment of a claim arising in tort, other than a commercial tort claim, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(m) An assignment of a deposit account, other than a nonnegotiable certificate of deposit, in a consumer transaction, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(n) Any transfer by a government or governmental unit; or

(o) A transfer or pledge of, or creation of a security interest in, any interest or right or portion of any interest or right in any storm-recovery property as defined in s. 366.8260.

Section 157. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (2) of section 679.709, Florida Statutes, is reenacted to read:

679.709 Priority.—

(2) For purposes of s. 679.322(1), the priority of a security interest that becomes enforceable under s. 679.2031 of this act dates from the time this act takes effect if the security interest is perfected under this act by the filing of a financing statement before this act takes effect which would not have been effective to perfect the security interest under chapter 679, Florida Statutes 2000. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

Section 158. For the purpose of incorporating the amendment made by this act to section 679.210, Florida Statutes, in a reference thereto, subsection (2) of section 679.602, Florida Statutes, is reenacted to read:

679.602 Waiver and variance of rights and duties.—Except as otherwise provided in s. 679.624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the

rules stated in the following listed sections:

(2) Section 679.210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

Section 159. For the purpose of incorporating the amendment made by this act to section 679.3141, Florida Statutes, in a reference thereto, section 679.329, Florida Statutes, is reenacted to read:

679.329 Priority of security interests in letter-of-credit right.—The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under s. 679.1071 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under s. 679.3141 rank according to priority in time of obtaining control.

Section 160. For the purpose of incorporating the amendment made by this act to section 679.3161, Florida Statutes, in a reference thereto, subsection (3) of section 679.320, Florida Statutes, is reenacted to read:

679.320 Buyer of goods.—

(3) To the extent that it affects the priority of a

security interest over a buyer of goods under subsection (2), the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by s. 679.3161(1) and (2).

Section 161. For the purpose of incorporating the amendment made by this act to section 679.3171, Florida Statutes, in a reference thereto, paragraph (b) of subsection (8) of section 727.109, Florida Statutes, is reenacted to read:

727.109 Power of the court.—The court shall have power to:

(8) Hear and determine any of the following actions brought by the assignee, which she or he is empowered to maintain:

(b) Determine the validity, priority, and extent of a lien or other interests in assets of the estate, or to subordinate or avoid an unperfected security interest pursuant to the assignee's rights as a lien creditor under s. 679.3171.

Section 162. For the purpose of incorporating the amendment made by this act to sections 679.3171 and 679.323, Florida Statutes, in references thereto, subsection (3) of section 680.307, Florida Statutes, is reenacted to read:

680.307 Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.—

(3) Except as otherwise provided in ss. 679.3171, 679.321, and 679.323, a lessee takes a leasehold interest subject to a security interest held by a creditor or lessor.

Section 163. For the purpose of incorporating the amendment made by this act to section 679.628, Florida Statutes, in a reference thereto, subsection (3) of section 679.626, Florida Statutes, is reenacted to read:

679.626 Action in which deficiency or surplus is in issue.—In an action arising from a transaction in which the amount of a deficiency or surplus is in issue, the following rules apply:

(3) Except as otherwise provided in s. 679.628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by which the sum of the secured obligation, reasonable expenses, and, to the extent provided for by agreement and not prohibited by law, attorney's fees exceeds the greater of:

(a) The proceeds of the collection, enforcement, disposition, or acceptance; or

(b) The amount of proceeds that would have been realized had the noncomplying secured party proceeded in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance.

Section 164. This act shall take effect July 1, 2025.

HB 1427

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 1427	**COMPANION BILL:** CS/SB 110 (Simon)
TITLE: Rural Communities	**LINKED BILLS:** None
SPONSOR(S): Griffitts, Abbott	**RELATED BILLS:** None

Committee References

Commerce ➤ Health & Human Services ➤ Budget

SUMMARY

Effect of the Bill:

The bill establishes the Office of Rural Prosperity within the Department of Commerce. The bill creates or revises various programs to foster economic development, infrastructure, education, and health care in rural communities.

Fiscal or Economic Impact:

There will be a substantial fiscal impact on state government, and there will be a positive indeterminate fiscal impact on local governments and the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Collaboration with Rural Communities

The Office of Rural Prosperity

The bill creates the Office of Rural Prosperity (Office) within the Department of Commerce (Department) for the purpose of supporting rural communities, helping them navigate available state and federal resources, and representing rural interests across state government. The Office will serve as the state point of contact for rural local governments and will administer various rural-focused grant programs currently administered by the Department, as well as new programs created in the bill. The Office will be led by a director, who will be appointed by the Governor and confirmed by the Senate. (Section 11).

The Office will create and maintain an interactive tool, the "Rural Resource Directory," designed for rural local governments to navigate state and federal grants and resources.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) will review the effectiveness of the Office by December 15, 2026, and each year thereafter until 2028. Beginning in 2029, OPPAGA shall review and evaluate the Office every three years and shall submit a report[1] based on its findings. (Section 11).

The bill transfers the administration of the following programs from the Department to the Office:

- Regional Rural Development Grants Program (Section 14);
- Rural Community Development Revolving Loan Fund (Section 17);
- Rural Infrastructure Fund (Section 18);
- Rural Economic Development Strategy Grants (Section 21).

[1] OPPAGA must submit each report to the President of the Senate and the Speaker of the House of Representatives in accordance the schedule.

Regional Rural Community Liaison Centers

By October 1, 2025, the Office must establish and staff seven regional rural community liaison centers across the state for the purpose of providing in-person state support to rural local governments. The Office must by rule divide the state into seven regions and assign a liaison center to each region. Each liaison center will be staffed with at least two full-time department personnel who will be responsive to the rural local governments within the respective region. Specifically, liaison centers are required, at a minimum, to do the following:

- Work with local governments to plan and achieve goals for local or regional growth, economic development, and rural prosperity;
- Facilitate access to state and federal resources, such as grants, loans, and other aid or resources;
- Advise on waivers for rural local governments for certain requirements for state and federal programs, such as local financial match waivers;
- Coordinate technical assistance needs with the Department and other state or federal agencies;
- Promote model ordinances, policies, and strategies related to economic development;
- Regularly engage with the Rural Economic Development Initiative; and
- Assist local governments with regulatory and reporting compliance.

Rural Communities Report (Section 8)

The bill requires OPPAGA and the Office of Economic and Demographic Research (EDR) to prepare a report on the impact of Florida Statutes on rural communities. Specifically, the two entities must review definitions in the Florida Statutes of terms such as "rural community," "rural area of opportunity," and similar terms used to define rural areas of the state to assess whether the current definitions are appropriate, whether appropriate metrics are used to describe these communities and if statutory changes are needed. OPPAGA and the EDR must also survey rural local governments to evaluate the statutory advantages of qualifying as a rural local government and assess perceived unmet needs in the implementation of current statutory provisions designed to support rural communities. OPPAGA and the EDR must submit a report and recommendations to the President of the Senate and the Speaker of the House of Representatives by December 31, 2025. These provisions expire on July 1, 2026.

Fiscally-Constrained Counties (Section 7)

The bill updates definitions related to fiscally constrained counties (FCC). For example, the bill increases the FCC threshold from a county that raises $5 million in property tax revenue per 1 mill, to $10 million per 1 mill.

The bill increases the total distribution to no less than $50 million per fiscal year and changes the revenue source from the tax on direct-to-home satellite service to sales tax. The current distribution from direct-to-home satellite is instead redirected to General Revenue. The bill also changes the formula to use the following distribution factors: sales tax collections, per capita personal income, and population. An FCC with declining per capita sales tax collections or per capital personal income will receive a relatively larger share of the total distribution. Finally, the bill adds spending requirements. Specifically, 50% of the distribution must be used for public safety, 30% for infrastructure, and 20% for any public purpose. Debt service is prohibited.

Renaissance Grants for Counties with Declining Population (Section 12)

The bill establishes the Renaissance Grant Program to be administered by the Office of Rural Prosperity (Office). Under the program, the Office will provide $1 million block grants to counties which are "growth-impeded," meaning a county has had a declining population over the last ten years, as certified by the EDR. By October 1, 2025, the EDR must certify to the Office which counties are growth-impeded. After the initial certification, the EDR shall annually certify whether each participating county remains growth-impeded, until the county has three consecutive years of population growth.

Participating counties must enter into an agreement with the Office to receive the $1 million block grant and have broad authority to design a specific plan to achieve population growth within the specified parameters.

Participating counties must design a plan to make targeted investments in the community to achieve population growth and increase the economic vitality of the community. The plan must incorporate certain features.

Each participating county must hire a renaissance coordinator who is responsible for overseeing the use of funds, coordinating with other entities, and complying with reporting requirements. Upon request, the regional rural community liaison center staff must provide training and assistance to the renaissance coordinator.

The bill directs the Auditor General to conduct an operational audit of each participating county's grant program every two years, beginning in 2026. Additionally, on December 31, 2026, and each year thereafter, the EDR must submit an annual report of grant recipients by county to the President of the Senate and the Speaker of the House of Representatives.

The Renaissance Grant Program expires June 30, 2040.

Rural Economic Development Initiative (REDI) (Section 19)

The bill requires REDI to meet at least monthly and requires the REDI representative or his or her designee to be physically present or available electronically. The bill provides a legislative finding that rural communities are the essential conduits for the economy's distribution, manufacturing, and food supply. The bill removes a reference to "economically distressed" rural communities which broadens REDI's reach to all rural communities. The bill requires:

- Enhanced reporting on projects being coordinated by REDI and enhanced reporting on program requirement waivers granted to rural communities, and
- REDI to provide legislative recommendations for statutory waivers or reductions for economic development programs for rural applicants.

The bill removes language regarding rural enterprise zones, catalyst projects, and catalyst sites.

Agreements Funded with Federal or State Assistance

The bill clarifies provisions regarding the payment of invoices due and requires agencies to expedite such payment requests for local governments.

The bill requires each state agency to annually report to the Office, by August 1, a summary of the implementation of this provision for the previous fiscal year, which shall be incorporated in the office annual report (Section 6).

Adds Small Business Development Center Circuit Riders

The Small Business Development Center (SDBC) currently funds staff in rural areas to "ride the circuit" of their region and work with local governments and communities to provide services, including access to capital, technical assistance, and other small business services. The bill appropriates $1 million to increase circuit riders and reach more communities through this program (Sections 9 and 42).

Inventory of Communities Seeking to Recruit Businesses

The bill requires each local government within a Rural Area of Opportunity (RAO) or its local economic development organization to submit certain required information to the Department for inclusion in the inventory of communities seeking to recruit businesses. (Section 10).

Options for Rural Housing

Raises Minimum Allocations for SHIP to Jump Start Rural Housing Options

Currently allocations are population-based, with the minimum allocation for each county within the State Housing Initiatives Partnership (SHIP) Program set at $350,000. The bill increases the minimum allocation for each county to $1 million which will provide additional funding to rural communities (Section 34).

Preserves Rental Housing in Rural Communities

The bill removes statutory restrictions on the use of SHIP funds. It allows counties and municipalities to use up to 25 percent of their SHIP funds to preserve existing multifamily affordable rental housing financed with USDA loans. This provision expires on June 30, 2031.

The bill appropriates $30 million in nonrecurring funds from the General Revenue Fund to the Florida Housing Finance Corporation (FHFC) to preserve affordable multifamily rental housing funded through USDA loans. Funds must be used to issue competitive requests for application for the rehabilitation or acquisition of such properties to ensure continued affordability. By October 1, 2026, the FHFC must submit a report to the President of the Senate and the Speaker of the House of Representatives on projects funded pursuant to this section. The report must include the number of units preserved and the financing portfolio for each project. (Section 35).

Rural Transportation and Broadband Infrastructure

Rural Infrastructure Fund

The bill appropriates $40 million in nonrecurring funds and $5 million in recurring funds from the General Revenue Fund to the Office for the Rural Infrastructure Fund. (Section 46).

The bill also:

- Specifically provides that grant funds may be awarded to a unit of local government within a rural community or a RAO; or to a regional economic development organization, a unit of local government, or certain economic development organizations for an infrastructure project located within an unincorporated area that has a population of 15,000 or less, has been in existence for 100 years or more, is contiguous to a rural community, and has been adversely affected by a natural disaster or presents a unique economic development opportunity of regional impact.
- Clarifies that grant funds may be awarded for "site readiness" expenses, which may include clearing title, surveys, permitting, environmental studies, and regulatory compliance costs.
- Requires the Office to consult with the Department of Transportation (FDOT) instead of Visit Florida when reviewing applications for funding.
- Requires enhanced annual reporting of the program.

Rural Community Development Revolving Loan Fund

The bill requires the Office to include in its annual report detailed information about the fund, including loans made during the previous fiscal year, active loans, repaid loans, and unobligated funds. (Section 17).

Improves Coordination for Broadband Programs (Section 22)

The bill improves coordination and technical assistance between the Office of Broadband at the Department and rural communities in need of broadband services. The bill requires the Office of Broadband:

- To consult with each regional rural community liaison center and with the Office to develop and update its strategic plan to increase broadband internet service.
- To submit a quarterly report on the implementation of broadband activities in rural communities and an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

Establishes Public Infrastructure Smart Technology Grants (Section 13)

The Public Infrastructure Smart Technology Grant Program, which will be administered by the Office, will fund and support infrastructure projects in rural communities that utilize smart technology to increase efficiency, enhance public services, and promote sustainable development.

The bill directs the Office to contract with one or more not-for-profit entities (smart technology lead organization) that specializes in smart regional planning to provide grants to counties and municipalities within a RAO for public infrastructure smart technology projects. The bill defines "public infrastructure smart technology" as systems and applications that use connectivity, data analytics, automation to improve public infrastructure by increasing efficiency, enhancing public services, and promoting sustainable development.

Rural Economic Development Strategy Grants (Section 21)

The bill provides that grants may be provided to assist with costs associated with marketing sites to potential businesses for an economic development project. The bill requires the regional rural community liaison centers within the Office to aid those applying for grants. The bill provides that marketing grants may include funding to deploy materials through advertising campaigns and costs associated with marketing, site preparation, meetings, trade missions, and professional development.

Creates the Florida Arterial Road Modernization (FARM) Program (Section 29)

The bill creates the Florida Arterial Road Modernization (FARM) Program within FDOT to provide capacity and safety improvements to two-lane arterial roads located in rural communities.

Beginning in fiscal year 2025-2026, FDOT is directed to allocate from the State Transportation Trust Fund a minimum of $50 million annually to fund the FARM Program. This includes an additional $30 million redirected by the bill from documentary stamp taxes revenues into the State Transportation Trust Fund[2] and the $20 million currently required to be allocated to the existing rural arterial road program. The bill directs FDOT to use certain criteria to prioritize funding projects under the program.

Beginning January 1, 2027, and every two years thereafter, FDOT must issue a report to the Governor, the President of the Senate and the Speaker of the House of Representatives evaluating the condition of arterial roads in rural communities and the implementation of the FARM Program.

Expands Small County Road Assistance Program

The Small County Road Assistance Program (SCRAP) assists small county governments in resurfacing and reconstructing county roads. The bill amends powers and duties of FDOT to specifically authorize the department to provide technical assistance and support to counties that are not located in a metropolitan planning organization.

The bill redirects a portion of vehicle title fees, which are currently directed to the state's general revenue fund, to the State Transportation Trust Fund to increase funding available for SCRAP. FDOT is currently required to expend $25 million on the program, and this redirect more than doubles the state's investment in these counties. (Sections 26, 27, and 30).

The bill amends provisions relating to the Small County Outreach Program (SCOP) to remove obsolete statutory provisions and correct cross-references. Similarly, the bill revises the SCOP funding eligibility requirements to repeal an existing category for certain local governments located within the Everglades Agricultural Area or designated river basins. (Section 28).

Education Opportunities in Rural Communities

[2] The bill amends s. 201.15, F.S., to specify that $30 million in documentary stamp taxes must be paid to the credit of the State Transportation Trust Fund and used exclusively for the FARM Program.

Expands Regional Education Consortia

The bill increases from $50,000 to $150,000 the consortia funding per eligible member and appropriates recurring funding for this investment. (Section 36).

Creates Regional Consortium Service Organization Supplemental Services Program

The bill creates a grant program administered by the three regional consortium service organizations to supplement member needs related to transportation; district finance personnel services; cybersecurity support; school safety; college, career, and workforce development; academic support; and behavior support within exceptional student education services (Section 37).

The bill provides that such funding must be distributed as follows (Section 55):

- $5,555,149 to the Heartland Educational Consortium;
- $11,912,923 to the North East Florida Educational Consortium; and
- $7,531,928 to the Panhandle Area Educational Consortium.

The funds must be distributed to each regional consortium service organization no later than 30 days following the release of the funds to the Department of Education.

Updates Special Facility Construction Account

The bill modifies the participation requirement for a school district that receives funds under the Special Facility Construction Account (SFCA). The bill removes the restriction that a school district may not receive funding while any portion of the district's participation requirement is outstanding.

The bill specifies that, for new construction projects under the SFCA, beginning in the 2025-2026 fiscal year, the district is not required to budget the value of 1 mill per year toward the project, but must use those funds toward authorized capital purchases specified in law. However, the bill maintains a requirement that the district levies the maximum 1.5 mills ad valorem tax or raise an equivalent revenue from the school capital outlay surtax for the three years prior to the application for funds, and for the initial year of appropriation plus two additional years. (Section 40).

Charter School Capital Outlay Funding

The bill specifies the revenue to be deducted from the capital funds a district participating under the SFCA program must distribute to each eligible charter school. The bill maintains the requirement that the total discretionary millage revenue that a school district must distribute to each eligible charter school must be reduced by the school district's annual debt service obligation incurred as of March 1, 2017, which has not been subsequently retired (Section 39).

Adds a Student Loan Repayment Program for Rural Educators

The bill creates the Rural Incentive for Professional Educators (RIPE) program. The program provides an annual benefit for educators that reside in and work as instructional employees or administrators at public or private schools in a fiscally constrained county (Section 38).

Participants receive up to $15,000 in total student loan repayment assistance over five years, disbursed in annual payments not to exceed $3,000 per year. The bill provides certain criteria for an individual to be eligible for the RIPE program. (Section 38).

Access to Health Care in Rural Areas

To further access to healthcare in rural communities, the bill:

- Creates the Stroke, Cardiac, and Obstetric Response and Education (SCORE) Grant Program within the Department of Health (DOH) to implement training, purchase equipment, establish telehealth capabilities, and develop quality improvement programs with the goal of improving patient outcomes and increasing access to high-quality stroke, cardiac, and obstetric care in rural communities (Section 32);
- Creates the Rural Access to Primary and Preventative Care Grant Program (RAPP-C) program within the DOH to provide incentive funding for primary care physicians, physician assistants, and autonomous Advanced Practice Registered Nurses to open new practice locations in rural and underserved areas of the state (Section 31) ; and
- Expands the existing Rural Hospital Capital Improvement Grant Program (RHCI) to allow rural hospitals to use grant funds to establish mobile care units to provide primary care services, behavioral health services, or obstetric and gynecological services in rural health professional shortage areas (HPSA) or to establish telehealth kiosks to provide urgent care services in rural HPSAs (Section 33).

Effective Date

The effective date of the bill is July 1, 2025 (Section 88).

RULEMAKING:

The bill requires the State Board of Education to adopt rules no later than January 31, 2026 for the RIPE program (Section 38). The bill requires the Office of Rural Prosperity within the Department of Commerce to promulgate by rule the division of Florida into seven different regions and assign a regional rural community liaison center to each region (Section 11). The bill allows the Department of Health to adopt rules to implement the RAPP-C Grant Program (Section 31).
Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

Revenues
The Revenue Estimating Conference estimated that the provisions of the bill will have a recurring negative impact on General Revenue of $106.1 million and a recurring positive impact on State Trust Fund revenue of $65.6 million and a recurring positive impact on local government revenue of $40.5 million in FY 2025-26.

Appropriations
The bill makes the following appropriations to the Department Commerce:
- $1,827,591 in recurring funds and $652,327 in nonrecurring funds from the General Revenue Fund for the staffing and operation of the Office of Rural Prosperity, which includes funding for 17 full-time equivalent positions for the office.
- $8 million in recurring funds from General Revenue for the Office of Rural Prosperity for block grants to certain low-population rural counties under the Renaissance Grant Program.
- $500,000 in recurring funds from the Grants and Donations Trust Fund within Commerce for the Public Infrastructure Smart Technology Grant Program as created by the bill.
- $40 million in nonrecurring funds and $5 million in recurring funds from General Revenue for the Rural Infrastructure Fund. This appropriation is in addition to the base appropriation of $5 million, bringing the total recurring funds for the program to $10 million.
- $4 million in nonrecurring funds and $1 million in recurring funds from General Revenue for Rural Community Development Revolving Loan Fund. This appropriation is in addition to the base appropriation of $420,000, bringing the total recurring funds for the program to $1.42 million.
- $250,000 in recurring funds from the Grants and Donations Trust Fund within Commerce is appropriated for the Rural Economic Development Strategy Grant program created by the bill.

- $1 million in recurring funds from General Revenue for the SBDC to implement the requirements of the rural-focused Florida SBDC Network activity.

The bill does not change the appropriation for the Regional Rural Development Grants Program in the Department of Commerce, which remains at $750,000 annually.

The bill increases the base amount for the State Housing Initiatives Partnership (SHIP) from $350,000 to $1 million. Funding for this program is provided annually in the General Appropriations Act and is based on a distribution formula. In general, local governments that typically receive the base amount will see an increase in grant funds received.

The bill appropriates $30 million in nonrecurring funds from the General Revenue Fund to the Florida Housing Finance Corporation to be used to issue loans to preserve affordable multifamily rental housing funded through USDA loans. The bill also authorizes local SHIP administrators to use up to 25 percent of their allocated SHIP funds to preserve such housing.

The amendments made in the bill to the Rural Economic Development Initiative to modernize and revitalize the organization and functions may result in increased use of state programs by rural communities, leading to a financial benefit in these areas.

The bill makes the following appropriations to the Department of Education:

- $25 million in recurring funds from the General Revenue Fund for grant funding to the three regional consortium service organizations.
- $3.6 million in recurring funds from the General Revenue Fund for the increase in grant funds to regional consortiums, from $50,000 to $150,000 annually. With a base appropriation of $1.75 million, this would bring the total recurring funds for the program to $5.35 million annually.
- $7 million in recurring funds from General Revenue to implement the Rural Incentive for Professional Educators (RIPE) Program.

The bill makes the following appropriations to the Department of Health:

- $5 million in nonrecurring funds from the General Revenue Fund for the purpose of implementing the Stroke, Cardiac, and Obstetric Response and Education (SCORE) Grant Program.
- $25 million in nonrecurring funds from the General Revenue Fund to implement the Rural Access to Primary and Preventative Care (RAPP-C) Grant Program.
- $25 million in nonrecurring funds from the General Revenue Fund implement the Rural Hospital Capital Improvement (RHCI) Grant Program.

The bill appropriates $1,499,261 in recurring funds from the General Revenue Fund and $1,933,112 in recurring funds from the Medical Care Trust Fund to the Agency for Health Care Administration (AHCA) to establish a Diagnosis-Related Grouping (DRG) reimbursement methodology for critical access hospitals, as defined in s. 408.07, F.S., for the purpose of providing inpatient reimbursement to such a hospital in amounts comparable to the reimbursement the hospital would receive for inpatient services from the federal Medicare program.

The bill appropriates $4,840,182 in recurring funds from the General Revenue Fund and $6,240,820 in recurring funds from the Medical Care Trust Fund to the AHCA to establish an Enhanced Ambulatory Patient Grouping (EAPG) reimbursement methodology for critical access hospitals, as defined in s. 408.07, F.S., for the purpose of providing outpatient reimbursement to such a hospital in amounts comparable to the reimbursement the hospital would receive for outpatient services from the federal Medicare program.

LOCAL GOVERNMENT:

The Revenue Estimating Conference estimated the provisions of the bill will have a recurring positive impact on local government revenue of $40.5 million in FY 2025-26.

Local governments in rural areas of the state will benefit from participating in the grant programs created specifically for them in the bill and the associated funding for the newly created and already existing programs.

PRIVATE SECTOR:

The bill creates a number of new grant programs and increases funding for existing programs which are designed to fund, either directly or indirectly, private sector activity, primarily in the transportation, education, and healthcare fields. Citizens in rural communities will benefit indirectly from programs designed to increase community investment as guided by local governments.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

The Department of Commerce

The Department of Commerce (Department) is Florida's lead agency for working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to promote economic opportunities for all Floridians.[3] The Department is also the state's chief agency for business recruitment and expansion.[4] The department must also promote viable, sustainable communities by providing technical assistance and guidance on growth and development issues, grants, and other assistance to local communities.[5]

The head of the Department is the Secretary of Commerce, who is appointed by the Governor and confirmed by the Senate.[6] The secretary may create offices within the Office of the Secretary and within the divisions to promote efficient and effective operation of the Department.[7] The Department must also ensure that the state's goals and policies relating to economic development, workforce development, community planning and development, and affordable housing are fully integrated with appropriate implementation strategies.[8]

There are seven divisions and offices within the Department:

- Economic Development
- Community Development
- Workforce Services
- Finance and Administration
- Information Technology
- Office of the Secretary
- Office of Economic Accountability and Transparency[9]

The Department is charged with managing the activities of public-private partnerships and state agencies in order to avoid duplication and promote coordinated and consistent implementation of programs, including rural community development.[10] This includes stimulation of economic development and job creation in rural areas, including strategies for rural marketing and the development of infrastructure in rural areas.[11] Additionally, the Department runs a number of financial and grant programs aimed at helping small rural communities in Florida.

Rural Economic Development Initiative (REDI)

The Rural Economic Development Initiative (REDI) was established by the Legislature to encourage and facilitate the location and expansion of major economic development projects of significant scale in rural communities.[12] REDI operates as a statewide initiative led by the Department to serve Florida's rural communities by providing a

[3] S. 20.60(4), F.S.
[4] *Id.*
[5] S. 20.60(4)(c), F.S
[6] S. 20.60(2), F.S.
[7] S. 20.60(3)(b), F.S.
[8] S. 20.60(3), F.S.
[9] *Id.*
[10] S. 20.60(4)(e), F.S.
[11] S. 20.60(5)(a)4.c., F.S.
[12] S. 288.0656(1)(a), F.S.

more focused and coordinated effort among state and regional agencies to improve the fiscal, economic, and community viability of these areas.[13]

Specified agencies and organizations[14] are required to designate a high-level staff person to serve as their REDI representative. Each REDI representative is responsible for ensuring that their agency or organization is informed about REDI and helps to identify opportunities to accommodate or include rural local governments in their agency programs.

REDI is required to review and evaluate the impact of statutes and rules on rural communities and work to minimize any adverse impact and undertake outreach and capacity-building efforts.[15] A rural community is defined as:

- A county with a population of 75,000 or fewer;
- A county with a population of 125,000 or fewer, if the county is contiguous to a county with a population of 75,000 or fewer;
- Any municipality in a county that meets the above criteria; or
- An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer, with an employment base focused on traditional agriculture or resource-based industries, located in a county not defined as rural, and which has at least three or more economic distress factors.[16]

Each REDI member agency is required to review financial match requirements for projects in rural areas, develop a proposal to waive or reduce match requirements, and submit such proposals to REDI.[17] REDI must call a meeting within 30 days of receipt of such proposals for comment and recommendation.[18] Waivers and reductions must be requested by the county or community, and to the fullest extent possible member organizations must expedite rule and amendment adoption to incorporate the reduction in match by rural areas in financial distress.[19] REDI must prepare an annual report as a supplement to the Department's annual report which includes in an evaluation on the status of changes to rules, number of awards made with waivers, and recommendations for future changes.[20]

Based on recommendations of the REDI, the Governor may designate up to three rural areas of opportunity (RAOs) by executive order,[21] which establishes certain local governments as a priority for the Department. The orders also permit all state agencies and departments to use all available tools and resources to the extent permissible by law to promote the creation and development of projects designated by the RAO that has been recommended by the department.[22]

Rural Area of Opportunity

A RAO is a rural community,[23] or region comprised of rural communities that has been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster.[24] An area may also be designated as

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[13] S. 288.0656(3), F.S.
[14] The Department of Transportation, Department of Environmental Protection, Department of Agriculture and Consumer Services, Department of State, Department of Health, Department of Children and Families, Department of Corrections, Department of Education, Department of Juvenile Justice, Fish and Wildlife Conservation Commission, each water management district, CareerSource Florida, Inc., VISIT Florida, the Florida Regional Planning Council Association, Agency for Health Care Administration, and the Institute of Food and Agricultural Sciences. *See* s. 288.0656(6)(a), F.S.
[15] S. 288.0656(4), F.S.
[16] S. 288.0656(2)(e), F.S.
[17] S. 288.06561, F.S.
[18] S. 288.06561(3), F.S.
[19] S. 288.06561(4) and (7), F.S.
[20] S. 288.06561(8), F.S.
[21] S. 288.0656(7)(a), F.S.
[22] Executive Orders 20-170, 21-149, and 23-132 available at https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO_20-170.pdf, https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO_21-149.pdf, and https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO-23-132.pdf (last visited Mar. 21, 2025)
[23] S. 288.0656(2)(e), F.S.

an RAO if it presents a unique economic development opportunity of regional impact.[25] The designation of an RAO must be agreed upon by the Department, as well as the county and municipal governments to be included in the RAO.[26]

This designation establishes these areas as priority assignments for REDI and allows the Governor, acting through REDI, to waive criteria, requirements, or similar provisions of any economic development initiative. Such incentives include, but are not limited to, the Quick Response Training Program[27], the Quick Response Training Program for participants in the welfare transition program[28], transportation projects,[29] the brownfield redevelopment bonus refund[30], and the rural job tax credit program.[31]

Currently, there are three designated RAO areas:

- Northwest RAO: Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Liberty, Wakulla, and Washington counties, and portions of Walton County (the City of Freeport and lands north of the Choctawhatchee Bay and intercoastal waterway).
- South Central RAO: DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee counties, and the cities of Pahokee, Belle Glade, and South Bay in Palm Beach County and the city of Immokalee in Collier County.
- North Central RAO: Baker, Bradford, Columbia, Dixie, Gilchrist, Hamilton, Jefferson, Lafayette, Levy, Madison, Putnam, Suwannee, Taylor, and Union counties.[32]

Fiscally Constrained Counties

Fiscally constrained counties are counties entirely within a RAO or where a 1-mill levy would raise no more than $5 million in annual tax revenue.[33] There are 29 counties that currently meet these conditions; Baker, Bradford, Calhoun, Columbia, Desoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, Wakulla, and Washington.[34] Highlands' and Putnam's 1-mill levy currently surpass the $5 million threshold.

Direct-to-Home Satellite Service Tax Distribution

Retail sales of direct-to-home satellite service received in Florida are subject to the communications service tax at the rate of 9.07 percent and the gross receipts tax at the rate of 2.37 percent.[35]

From communications services tax receipts, 55.9 percent is distributed through the state's "standard" sales tax distribution formula.[36] The remaining 44.1 percent is transferred to the local government half-cent sales tax trust fund.[37]

Seventy percent of the transfer is distributed formulaically to all counties within the state. The remaining 30 percent is distributed to fiscally constrained counties that are eligible to participate in the local government half-

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[24] S. 288.0656(2)(d), F.S.
[25] *Id.*
[26] S. 288.0656(7)(b), F.S.
[27] S. 288.047, F.S.
[28] S.288.047(8), F.S.
[29] S. 339.2821, F.S.
[30] S. 288.107, F.S.
[31] Ss. 212.098 and 220.1895, F.S.
[32] Department of Commerce, *Rural Areas of Opportunity*, *available at* https://floridajobs.org/community-planning-and-development/rural-community-programs/rural-areas-of-opportunity (last visited Mar.19, 2025). The economic development organizations for these RAOs are named Opportunity Florida, Florida's Heartland Regional Economic Development Initiative, and the North Florida Economic Development Partnership, respectively.
[33] S. 218.67(1), F.S.
[34] Florida Department of Revenue, *Fiscally Constrained Counties*, available at https://www.floridarevenue.com/property/Documents/fcc_map.pdf (last visited Mar. 21, 2025).
[35] Ss. 202.12(1)(b) and 203.01(1)(b)2., F.S.
[36] S. 202.18(2)(b), F.S. *See also*, s. 212.20(6)(d), F.S. Gross receipts tax revenues are distributed to the Public Education Capital Outlay (PECO) and Debt Service Trust Fund in accordance with section 9 of Article XII of the State Constitution.
[37] S. 202.18(2)(c)1., F.S.

cent sales tax distribution.[38] Fiscally constrained counties may use the funds from this distribution for any public purpose, except for debt service.[39]

The collections from the tax on direct-to-home satellite service have declined in recent years; decreasing from $18.1 million in Fiscal Year 2018-2019 to $10.1 million in Fiscal Year 2023-2024.[40]

Distribution Factors

Each fiscally constrained county receives a portion of the total direct-to-home satellite service distribution. At the beginning of each fiscal year, the Department of Revenue (DOR) determines the amount to be distributed to each fiscally constrained county using the prior fiscal year's certified school taxable value, county millage rate, and latest April 1 county population, excluding prisoners.[41] The following factors were created by DOR to determine each county's relative share of the total distribution available for the coming fiscal year:[42]

The relative revenue-raising-capacity factor is based on a county's certified school taxable value and population and referred to in law as the ability of a county to generate property tax revenues from 1 mill on a per capita basis. 43 Counties that generate less per capita revenue receive a higher factor.[44]

The local-effort factor is based on a county's millage rate and referred to in law as a measure of the relative level of local effort of a county as indicated by the millage rate levied for the prior fiscal year.[45] This factor guarantees that each county receives a portion of the total distribution. It uses the most recently adopted countywide operating millage rate for each eligible county and multiplies that millage rate by 0.1. For example, a county with a countywide operating millage rate of 6.73 would receive a factor value of 0.673.

Sales and Use Tax

Florida levies a 6 percent tax on the sale or rental of most items of tangible personal property,[46] admissions,[47] transient rentals,[48] and a limited number of services, as well as a 2 percent tax on commercial leases.[49] Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.[50] Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.[51]

A portion of Florida's state sales and use tax collections are distributed to all eligible counties and municipalities through the County and Municipal Revenue Sharing programs and the Local Government Half-Cent Sales Tax program. These programs distributed to fiscally constrained counties, including municipalities within the counties, approximately $363.0 million in Fiscal Year 2023-2024.[52]

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[38] *Id.*
[39] S. 218.67(5), F.S.
[40] Florida Office of Economic and Demographic Research, *Ordinary, Emergency, Supplemental, and Fiscally-Constrained Distributions by County: SFY 1987-2024,* available at https://edr.state.fl.us/Content/local-government/data/data-a-to-z/g-l.cfm (last visited Mar. 21, 2025).
[41] S. 186.901, F.S.
[42] S. 218.67(3)(a), F.S
[43] *Id.*
[44] For example, a county that raises $25 or less per capita receives a factor value of 1; whereas a county that raises more than $50 per capita receives a factor value of 0. In Fiscal Year 2024-2025, only three fiscally constrained counties were eligible for this factor. *See* Email correspondence with staff at the Department of Revenue, Feb. 6, 2025 (on file with the Senate Committee on Finance and Tax).
[45] S. 218.67(3)(b), F.S.
[46] S. 212.05(1)(a)1.a., F.S.
[47] S. 212.04(1)(b), F.S.
[48] S. 212.03(1)(a), F.S.
[49] S. 212.031, F.S.
[50] S. 212.07(2), F.S.
[51] S. 212.055, F.S.
[52] Florida Department of Revenue, Office of Tax Research, General Tax Distributions, Forms 5 and 6, available at https://floridarevenue.com/DataPortal/Pages/TaxResearch.aspx (last visited Mar. 21, 2025).

In contrast to the tax on direct-to-home satellite service, collections from sales tax have increased from $28.5 billion in Fiscal Year 2018-2019 to $41.1 billion in Fiscal Year 2023-2024.[53] Additionally, sales tax collections are based on sales of a wide variety of goods and some services and change with the state's economic cycles.

Florida Office of Broadband

The Office of Broadband (office) is an office created within the Division of Community Development[54] in the Department for the purpose of providing broadband internet service to residents of Florida including: libraries, schools, colleges and universities, health care providers, and community organizations.[55] Under the office, the department may apply for and accept federal funds, enter into contracts, and establish any committee or workgroups to administer the program.[56]

Regional Rural Development Grants Program

The Regional Rural Development Grants Program was established to provide funding, through matching grants, to build the professional capacity of regionally based economic development organizations located in rural communities. The concept of building the professional capacity of an economic development organization includes hiring professional staff to develop, deliver, and provide economic development professional services. Professional services include technical assistance, education and leadership development, marketing, and project recruitment.[57]

Applications submitted to the Department for funding through this program must provide the following:[58]

- Official commitments of support from each of the units of local government represented by the regional organization;
- The regional organization is in existence and actively involved in economic development activities serving the region; and
- The manner in which the organization coordinates its efforts with those other local and state organizations.

A contract or agreement that involves the expenditure of grant funds must include:[59]

- The purpose of the contract or agreement.
- Specific performance standards and responsibilities for each entity under the contract or agreement.
- A detailed project or contract budget, if applicable.
- The value of any services provided.
- The projected travel expenses for employees and board members, if applicable.

An organization may receive up to $50,000 a year or $250,000 for any three regional economic development organizations that serve an entire RAO.[60] The Department is authorized to spend up to $750,000 each fiscal year from funds appropriated to the Rural Community Development Revolving Loan Fund to carry out this program.[61]

Rural Infrastructure Fund

The Rural Infrastructure Fund is a grant program created to facilitate the planning, preparing, and financing of infrastructure projects in rural communities.[62] The program provides access to federal and state infrastructure funding programs, including, but not limited to, those offered by the United States Departments of Agriculture and

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[53] Florida Office of Economic and Demographic Research, *2023 and 2024 Florida Tax Handbooks*, available at https://edr.state.fl.us/content/revenues/reports/tax-handbook/ (last visited Mar. 21, 2025).
[54] S. 288.9961(4), F.S.
[55] S. 288.9961(1), F.S.
[56] S. 288.9961(5), F.S.
[57] S. 288.018(1)(b), F.S.
[58] S. 288.018(2), F.S.
[59] S. 288.018(3)(a), F.S.
[60] S. 288.018(1)(c), F.S.
[61] S. 288.018(4), F.S.
[62] *See* s. 288.0655, F.S.

Commerce and including those offered by Rural Economic Development Initiative agencies.[63] The program funds total infrastructure project grants, infrastructure feasibility grants, and preclearance review grants.

The Department may award grants for up to 75 percent of the total infrastructure cost, or up to 100 percent of the total infrastructure project cost for a project that is located in a rural community that is also located in a fiscally constrained county[64] or a RAO.[65] Additionally, projects may include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth or reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities.

Eligible uses of funds include improvements to public infrastructure for industrial or commercial sites and upgrades to or development of public tourism infrastructure.[66] Infrastructure can include public or public-private partnership facilities, such as stormwater systems, telecommunication, roads or other remedies to transportation impediments, nature-based tourism facilities and physical requirements necessary to facilitate tourism, trade, and economic development activities.[67] The Department may award grants of up to $300,000 for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation activities.[68] The total project participation grant may be used in conjunction with the infrastructure feasibility grant.

To enable local governments to access the resources the Department may award grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of suitable land.[69] Authorized grants under program may not exceed $75,000 each, except in the case of a project in a rural area of opportunity, in which case the grant may not exceed $300,000.[70]

Rural Community Development Revolving Loan Fund

The Rural Community Development Revolving Loan Fund Program is administered by the Department to facilitate the use of existing federal, state, and local financial resources by providing local governments with financial assistance to further promote the economic viability of rural communities.[71]

The program provides for long-term loans, loan guarantees, and loan loss reserves to units of local governments, or economic development organizations in counties with populations of 75,000 or fewer, or within any county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.[72] Loans must be made pursuant to agreements specifying the terms and conditions agreed to between the applicant and the department, and loans are the legal obligations of the applicant.[73] All repayments of principal and interest must be returned to the loan fund and made available for loans to other applicants.

However, in a RAO, repayments of principal and interest may be retained by the applicant if repayments are dedicated and matched to fund regionally based economic development organizations representing the rural area of opportunity.[74]

Rural Economic Development Strategy Grants

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[63] S. 288.0655(2)(b), F.S.
[64] A fiscally constrained country is any county that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656, F.S., or each county for which the value of a mill will raise no more than $5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., F.S., from the previous July 1. S. 218.67(1), F.S.
[65] S. 288.0655(2)(b), F.S.
[66] *Id.*
[67] Broadband internet service must be provided in partnership with one or more dealers of communications services. S. 288.0655(2)(b), F.S.
[68] S. 288.0655(2)(c), F.S.
[69] S. 288.0655(2)(e), F.S.
[70] *Id.*
[71] S. 288.065, (1) F.S.
[72] S. 288.065, (2)(a) F.S.
[73] S. 288.065 (2)(b), F.S.
[74] S. 288.065 (2)(c), F.S.

The Department accepts and administers money which is appropriated to the department for providing grants to assist rural communities in developing and implementing strategic economic development plans.[75] The rural community must be counties with populations of 75,000 or fewer, or within any county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer, or a municipality therein.[76] The Department must establish criteria for reviewing grant applications under this section. These criteria include, but are not limited to, the degree of participation and commitment by the local community and the application's consistency with local comprehensive planning.[77]

Inventory of Communities Seeking to Recruit Businesses

By September 30 of each year, a county or municipality that has a population of at least 25,000 or its local economic development organization must submit to the Department a brief overview of the strengths, services, and economic development incentives that its community offers.[78] The local government or its local economic development organization also must identify any industries that it is encouraging to locate or relocate to its area.[79] Such local governments and organizations seeking to recruit businesses may submit information and may participate in any activity or initiative resulting from the collection, analysis, and reporting of the information to the Department.[80]

Agreements Funded with Federal or State Assistance

Current law requires an agency agreement that provides state financial assistance to a recipient or subrecipient,[81] or that provides federal financial assistance to a subrecipient, to include the following:

- A provision specifying scope of work that clearly establishes the tasks the recipient or subrecipient is required to perform;
- A provision dividing the agreement into quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and must specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable;
- A provision specifying the financial consequences that apply if the recipient or subrecipient fails to perform the minimum level of service required in the agreement. The provision can be excluded in specified situations;
- A provision specifying that a recipient or subrecipient of federal or state financial assistance may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period;
- A provision specifying that any balance of unobligated funds which has been advanced or paid must be refunded to the state agency;
- A provision specifying that any funds paid in excess of the amount to which the recipient or subrecipient is entitled must be refunded to the state agency; and
- Any additional information required pursuant to the Florida Single Audit Act.[82]

Current law prohibits an agency agreement that provides state or federal financial assistance to local government entities within a RAO from requiring the local government entity to expend funds in order to be reimbursed. For these local government entities, an agency is authorized to advance funding based on an analysis of estimated costs, to pay service providers and vendors directly, or to undertake other options to meet the requirements of the agreement, allowing local governments in rural areas to be paid without spending their own capital first.[83]

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[75] S. 288.0657 (2), F.S.
[76] S. 288.0657 (1), F.S.
[77] S. 288.0657(4), F.S.
[78] S. 288.007, F.S.
[79] *Id.*
[80] *Id.*
[81] S. 215.97, F.S., defines a "subrecipient" as a nonstate entity that receives state financial assistance through another nonstate entity.
[82] S. 215.971(1)(a)-(g), F.S.
[83] S. 215.971, F.S (h) F.S.

The Small Business Development Center Network

Established in 2008, the Florida Small Business Development Center Network (SBDC) is the principal business assistance organization for small businesses in the state. The purpose of the SBDC is to serve emerging and established for-profit, privately held businesses that maintain a place of business in the state.[84] The SBDC is a consortium of regional small business development centers throughout the state that offer current and prospective small businesses consulting services, training opportunities, and access to other resources and information.[85] Regional centers are based at several of Florida's colleges and universities.[86] The SBDC is run by a statewide director in consultation with a 19 member statewide advisory board.[87]

The network is funded in part by the U.S. Small Business Administration, Department of Defense, State of Florida through appropriations, and other private and public partners, with the University of West Florida serving as the SBDC's designated lead host institution.[88] Half of any state funds received directly by a host institution which are specifically designated for the network are distributed for the following purposes:

- Ensuring that support services are available statewide, especially in underserved and rural areas of the state, to assist eligible businesses;
- Enhancing participation in the network among state universities and colleges; and
- Facilitating the adoption of innovative small business assistance best practices by the regional small business development centers.

State Housing Initiatives Partnership (SHIP) Program

The SHIP Program was created to provide funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The SHIP program provides funds to all 67 counties and 52 Community Development Block Grant[89] entitlement cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing plans.[90] The program was designed to serve very-low, low-, and moderate-income families and is administered by Florida Housing Finance Corporation (FHFC). SHIP funds may be used to pay for emergency repairs, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buydowns, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.[91]

Funds are expended per each local government's adopted Local Housing Assistance Plan (LHAP), which details the housing strategies it will use.[92] Local governments submit their LHAPs to the FHFC for review to ensure that they meet the broad statutory guidelines and the requirements of the program rules. The guaranteed minimum allocation amount that will be disbursed on a quarterly or more frequent basis by the FHFC to local governments is $350,000.[93]

Certain statutory requirements restrict a local government's use of funds made available under the SHIP program (excluding amounts set aside for administrative costs):

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[84] Ch. 2008-149, L.O.F., codified as s. 288.001, F.S.
[85] America's SBDC Florida, *Consulting Services*, available at https://floridasbdc.org/ (last visited Mar. 21, 2025)
[86] America's SBDC Florida, *Our Network*, available at https://floridasbdc.org/ (last visited Mar. 21, 2025).
[87] S. 288.001 (3)-(4), F.S.
[88] America's SBDC Florida, *About Funding*, available at https://floridasbdc.org/about/ (last visited Mar. 21, 2025).
[89] The CDBG program is a federal program created in 1974 that provides funding for housing and community development activities.
[90] *See* ss. 420.907-420.9089, F.S.
[91] S. 420.9072(7), F.S.
[92] S. 420.9075, F.S. S. 420.9075(3), F.S., outlines a list of strategies LHAPs are encouraged to employ, such as helping those affected by mobile home park closures, encouraging innovative housing design to reduce long-term housing costs, preserving assisted housing, and reducing homelessness.
[93] S. 420.9073 (3)(a-b) F.S.

- At least 75 percent of SHIP funds must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing;[94] and
- Up to 25 percent of SHIP funds may be reserved for allowed rental services.[95]

Within those distributions by local governments, additional requirements must be met:
- At least 65 percent of SHIP funds must be reserved for home ownership for eligible persons;[96]
- At least 20 percent of SHIP funds must serve persons with special needs;[97]
- Up to 20 percent of SHIP funds may be used for manufactured housing;[98] and
- At least 30 percent of SHIP funds must be used for awards to very-low-income persons or eligible sponsors serving very-low-income persons, and another 30 percent must be used for awards for low-income-persons or eligible sponsors serving low-income persons.[99]

USDA Section 515 Rural Affordable Housing

Many of rural America's 65 million residents experience acute housing problems with nearly 30 percent of rural households experiencing at least one major housing problem, such as high cost, physical deficiencies, or overcrowding.[100] The United States Department of Agriculture's (USDA) Section 515 program is a part of the national Rural Rental Housing program. Under the Section 515 program, USDA Rural Development makes direct loans to developers to finance affordable multifamily rental housing for very low-income, low-income, and moderate-income families, for elderly people, and for persons with disabilities.[101]

Section 515 funds can be used for any new construction and for the rehabilitation of existing rural properties. Funding can also be used to buy or improve land, and to provide critical infrastructure for properties such as water and waste disposal systems. However, no new rental properties have been developed under Section 515 since 2011.[102]

Small County Road Programs

Small County Road Assistance Program (SCRAP)

FDOT administers SCRAP to assist small county governments in resurfacing or reconstructing county roads that were part of the county road system on June 10, 1995.[103] Counties eligible to compete for funding based on population include those with a population of 75,000 or less according to the 1990 federal census. Under this criterion, there are currently 33 counties eligible to receive funding through the program. Capacity improvements on county roads are not eligible for SCRAP funding, except when FDOT determines that widening existing lanes as part of a resurfacing or reconstruction project is necessary to address safety concerns.[104]

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[94] S. 420.9075(5)(c), F.S.
[95] S. 420.9075(5)(b), F.S. However, a local government may not expend money distributed to it to provide ongoing rent subsidies, except for: security and utility deposit assistance; eviction prevention not to exceed six months' rent; or a rent subsidy program for very-low-income households with at least one adult who is a person with special needs or is homeless, not to exceed 12 months' rental assistance.
[96] S. 420.9075(5)(a), F.S. "Eligible person" or "eligible household" means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income based upon the annual gross income of the household.
[97] S. 420.9075(5)(d), F.S.
[98] S. 420.9075(5)(e), F.S.
[99] S. 420.9075(5)(g)2., F.S.
[100] National Low Income Housing Coalition, *USDA Rural Rental Housing Programs,* available at *https://nlihc.org/sites/default/files/AG-2019/04-13_USDA-Rural-Rental-Housing-Programs.pdf* (last visited Mar. 21, 2025).
[101] *Id.*
[102] *Id.*
[103] S. 339.2816(4), F.S.
[104] FDOT, *Work Program Instructions FY 25/26-29/30*, September 6, 2024, at p. 394, available at https://fdotewp1.dot.state.fl.us/fmsupportapps/Documents/development/WorkProgramInstructions.pdf

Currently, up to $25 million annually from the State Transportation Trust Fund may be used to fund the SCRAP.[105] Available funds are allocated to the FDOT districts based on the number of counties eligible for funding under the criteria in s. 339.2816, F.S.

Small County Outreach Program (SCOP)

The SCOP assists small counties in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads. Small counties eligible to compete for project funding include those with a population of 200,000 or less as determined by the most recent official estimate of the Office of Economic and Demographic Research.[106] Similar to the SCRAP, available funds are allocated to FDOT districts based on the number of counties eligible for funding under the criteria in s. 339.2818, F.S.

FDOT is required to fund 75 percent of the cost of projects on county roads selected for funding under the program and the county must provide 25 percent of such costs.[107] Rural counties qualifying under the Rural Economic Development Initiative[108] may apply for a waiver or reduction of the required 25 percent local match.[109] Subject to specific appropriation, municipalities within a rural area of opportunity may also compete for funding at up to 100 percent of the project costs.[110]

In 2024, the SCOP was amended to incorporate additional eligibility provisions. Specifically, subject to a specific appropriation, a local government either wholly or partially within the Everglades Agricultural Area, the Peace River Basin, or the Suwannee River Basin may compete for additional funding at up to 100 percent of project costs on state or county roads used primarily as farm-to-market connections between rural agricultural areas and market distribution centers, excluding capacity improvement projects.[111]

Arterial Roads

Under Florida's Transportation Code "arterial road" means a route providing service which is relatively continuous and of relatively high traffic volume, long average trip length, high operating speed, and high mobility importance.[112] Arterials include U.S. numbered highways and principal state roads that connect cities and towns. FDOT's Functional Classification system distinguishes between urban and rural designations for arterial roads.[113] FDOT routinely manages and improves arterial roads to increase capacity and facilitate traffic throughput, while at the same time achieving the paramount goal of improving safety.

FDOT is required to identify and include in the work program projects to increase capacity by widening existing two-lane arterial rural roads to four lanes. To be included in a work program project, the road must be classified as an arterial rural road, and truck traffic using the road must amount to at least 15 percent of all such traffic, as determined by the department. FDOT is required to fund at least $20 million annually for such projects.[114]

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[105] S. 339.2816(3), F.S.
[106] S. 339.2818, F.S.
[107] S. 339.2818(4)(a), F.S.
[108] *See* s. 288.056, F.S., for a full description of the Rural Economic Development Initiative.
[109] FDOT, *Work Program Instructions FY 25/26-29/30*, September 6, 2024, at p. 384, available at https://fdotewp1.dot.state.fl.us/fmsupportapps/Documents/development/WorkProgramInstructions.pdf (last visited Mar. 21, 2025).
[110] S. 339.2818(7), F.S.
[111] S. 339.2818(8), F.S.
[112] S. 334.03(1), F.S.
[113] FDOT, *2020 Urban Area Boundary and Functional Classification Handbook*, available at https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/statistics/docs/urbanfunclass.pdf?sfvrsn=84c718c4_15 (last visited Mar. 21, 2025).
[114] S. 339.68, F.S.

Rural Hospital Capital Improvement (RHCI) Grant Program

This grant program is available to rural hospitals[115] that apply and guarantee, subject to appropriation, at least $100,000 per hospital to fund projects to acquire, repair, improve, or upgrade systems, facilities and equipment. Between fiscal years 2023-2025 the grant program has helped to fund numerous improvement projects at rural hospitals including, but not limited to:

- Adding a third chiller at AdventHealth Palm Coast;
- Purchasing a leased building which houses a rural health clinic by AdventHealth Wauchula;
- Replacing nuclear medicine camera equipment and upgrading and refreshing patient rooms and air conditioning at Ascension Sacred Heart Emerald Coast;
- Replacing the air conditioning system at Doctors' Memorial Hospital in Bonifay; and
- Renovating emergency department space at Doctors' Memorial Hospital in Perry and Ed Fraser Memorial Hospital in Macclenny.[116]

Regional Educational Consortia

School districts with 20,000 or fewer students, developmental research schools, and the Florida School for the Deaf and the Blind may enter into cooperative agreements to form a regional consortium service organization (regional consortium).[117] Regional consortium service organizations (regional consortia) are intended to provide programs and services to small school districts to save money, increase student achievement, and improve organizational efficiency via economies of scale and collaboration.[118]

There are three regional consortia:

- The Heartland Educational Consortium (HEC),[119]
- The North East Regional Consortium (NEFEC),[120] and
- The Panhandle Area Educational Consortium (PAEC).[121]

Florida's Regional Consortia members include 36 school districts, 430 schools, 12,000 teachers, and 160,000 students.[122]

Each regional consortium must provide, at a minimum, three of the following services: exceptional student education; teacher education centers; environmental education; federal grant procurement and coordination; data processing; health insurance; risk management insurance; staff development; purchasing; or planning and accountability.[123] Each regional consortium receives an incentive grant of $50,000 per school district to be used for the delivery of services within the participating school districts. The determination of services and use of such funds is determined by the board of directors of the regional consortium.[124]

The board of directors of a regional consortium may use various means to generate revenue in support of its activities, which may include patents, copyrights, and trademarks and licenses. Such funds must be used to support

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[115] A rural hospital is defined in s. 395.602, F.S. According to Florida Health Finder, there are 24 rural hospitals in Florida.
[116] A full list of all projects is on file with Senate Health Policy Committee staff.
[117] S. 1001.451(1), F.S.
[118] Heartland Educational Consortium, North East Florida Educational Consortium, Panhandle Area Educational Consortium, *Florida's Regional Consortia*, Presentation to the Florida Senate Committee on Education Pre-K - 12 (Feb. 4, 2025), available at https://www.flsenate.gov/Committees/Show/ED/MeetingPacket/6290/10954_MeetingPacket_6290_2.pdf, at 6.
[119] HEC serves six-member districts: DeSoto, Glades, Hardee, Hendry, Highlands, and Okeechobee.
[120] NEFEC serves 13-member districts: Baker, Bradford, Columbia, Dixie, Flagler, Gilchrist, Hamilton, Lafayette, Levy, Nassau, Putnam, Suwannee, and Union. NEFEC also serves the Florida School for the Deaf and the Blind and the P.K. Yonge Developmental Research School.
[121] PAEC serves 13-member districts: Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Liberty, Madison, Taylor, Wakulla, Walton, Washington. PAEC also serves the FSU Collegiate School and FAMU Developmental Research School.
[122] Heartland Educational Consortium, North East Florida Educational Consortium, Panhandle Area Educational Consortium, *Florida's Regional Consortia*, Presentation to the Florida Senate Committee on Education Pre-K - 12 (Feb. 4, 2025), available at https://www.flsenate.gov/Committees/Show/ED/MeetingPacket/6290/10954_MeetingPacket_6290_2.pdf, at 6.
[123] S. 1001.451(1), F.S.
[124] S. 1001.451(2), F.S.

the organization's marketing and research and development activities in order to improve and increase services to its member districts.[125]

Special Facility Construction Accounts

The Special Facility Construction Account (SFCA) within the Department of Education (DOE) is used to provide necessary construction funds to school districts that have urgent construction needs but lack sufficient resources, and cannot reasonably anticipate sufficient resources within the next three years.[126] These projects typically are located in rural school districts that have an insufficient tax base to fund large construction projects. The state's smaller school districts, which serve 20,000 or fewer students, generally raise considerably less through local discretionary property taxes than larger Florida school districts. As a result, small school districts may have a difficult time raising the local funds needed to pay for new schools.[127] In 2023, rural school districts that were members of regional consortium service organizations occupied ranks 36-67 in taxable values and values of the 1.5 mill discretionary levy.[128]

A district that receives funds under the SFCA must, for three years prior to applying for funds, and for a continuing period necessary to meet its participation requirement, levy the maximum millage against the district's nonexempt assessed property value as authorized under s. 1011.71(2) or raise an equivalent amount of revenue from the school capital outlay surtax authorized under s. 212.055(6). In addition, a district must budget the value of 1 mill per year to the project until the participation requirement[129] related to the discretionary capital improvement levy or capital outlay surtax is satisfied.[130] A district may not receive funding for more than one approved project in any 3-year period or while any portion of the district's participation requirement is outstanding.[131]

Charter School Capital Outlay Funding

Charter school capital outlay funding consists of state funds when such funds are appropriated in the General Appropriations Act and revenue resulting from the 1.5 mill discretionary capital improvement levy authorized in law.[132]

If the school board levies the discretionary capital improvement millage, DOE must, when determining the amount of revenue that a school district must distribute to each eligible charter school, reduce from the total amount the total discretionary millage revenue by the school district's annual debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and any amount of participation requirement under the Special Facility Construction Account that is being satisfied by revenues raised by the discretionary millage.[133] Of the total calculated amount based on a district's discretionary millage and the total number of students in district charter schools, the school district must distribute 40 percent in 2024-2025, and 60 percent in 2025-2026.[134]

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[125] S. 1001.451(5), F.S.
[126] S. 1013.64(2)(a), F.S.
[127] Office of Program Policy Analysis & Government Accountability, *Special Facility Construction Projects Appear Needed, but Have Excess Capacity* (Report 11-02, Jan. 2011) available at https://oppaga.fl.gov/Documents/Reports/11-02.pdf, at 1-2.
[128] Heartland Educational Consortium, North East Florida Educational Consortium, Panhandle Area Educational Consortium, *Florida's Regional Consortia*, Presentation to the Florida Senate Committee on Education Pre-K - 12 (Feb. 4, 2025), available at https://www.flsenate.gov/Committees/Show/ED/MeetingPacket/6290/10954_MeetingPacket_6290_2.pdf, at 10.
[129] The participation requirement is unencumbered and future revenue from school bonds under Art. XII, s. 9(d), Fla. Const., the discretionary capital improvement levy under s. 1011.71(2), and the amounts from the Public Education Capital Outlay and Debt Service Trust Fund in the year of the initial appropriation and for the 2 years immediately following the initial appropriation. S. 1013.64(2)(a)11., F.S.
[130] S. 1013.64(2)(a)8., F.S.
[131] S. 1013.64(2)(a), F.S.
[132] S. 1013.62(1), F.S. The 1.5 mill discretionary capital improvement levy is authorized under s. 1011.71(2), F.S.
[133] S. 1013.62(3), F.S.
[134] S. 1013.62(3)(d), F.S.

By October 1 of each year, each school district must certify to DOE the amount of debt service and participation requirement that can be reduced from the total discretionary millage revenue. The Auditor General must verify compliance with these requirements during scheduled operational audits of school districts.[135]

For all school districts with charter schools in that district, the total 2025-2026 estimated local funds that must be shared with charter schools is $214,219,713. Of the 29 fiscally constrained counties[136] that may be eligible for funds under the Special Facilities Construction Account, the 2025-2026 estimated local funds that must be shared with charter schools is $1,292,083.[137]

OTHER RESOURCES:

Addressing Rural Health Challenges Head On - PMC
Rural-Urban Differences in Cardiovascular Mortality in the United States, 2010-2022 | JACC
COE - Difficulty Hiring Teachers in Rural Areas

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Commerce Committee			Hamon	Larkin
Health & Human Services Committee				
Budget Committee				

[135] S. 1013.62(3), F.S. Flush-left provision.
[136] Each county that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or each county for which the value of a mill will raise no more than $5 million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, is considered a fiscally constrained county. S. 218.67(1), F.S. *See also* Florida Department of Revenue, *Fiscally Constrained Counties*, available at https://www.floridarevenue.com/property/Documents/fcc_map.pdf (last visited Mar. 21, 2025).
[137] The amount is derived from 60 percent of the calculation of each district's ad valorem taxes, after specified deductions, and eligible charter school full-time equivalent students. See 1013.62(3), F.S.

A bill to be entitled

An act relating to rural communities; amending s. 20.60, F.S.; revising the list of divisions and offices within the Department of Commerce to conform to changes made by the act; revising the annual program reports that must be included in the annual report of the Department of Commerce; amending s. 163.3168, F.S.; requiring the state land planning agency to give preference for technical assistance funding to local governments located in a rural area of opportunity; requiring the agency to consult with the Office of Rural Prosperity when awarding certain funding; amending s. 201.15, F.S.; requiring that a certain sum be paid to the credit of the State Transportation Trust Fund for the exclusive use of the Florida Arterial Road Modernization Program; amending s. 202.18, F.S.; redirecting the transfer of certain communication services tax revenue; amending s. 212.20, F.S.; revising the distribution of sales and use tax revenue to include a transfer to fiscally constrained counties; amending s. 215.971, F.S.; providing construction regarding agreements funded with federal or state assistance; requiring each state agency to report to the Office of Rural Prosperity by a certain date with a summary of certain information;

requiring the office to summarize the information it receives for its annual report; amending s. 218.67, F.S.; revising the conditions required for a county to be considered a fiscally constrained county; authorizing eligible counties to receive a distribution of sales and use tax revenue; revising the sources that the Department of Revenue must use to determine the amount distributed to fiscally constrained counties; revising the factors for allocation of the distribution of revenue to fiscally constrained counties; requiring that the computation and amount distributed be calculated based on a specified rounding algorithm; authorizing specified uses for the revenue; conforming a cross-reference; amending s. 288.0001, F.S.; requiring the Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability (OPPAGA) to prepare a report for a specified purpose; specifying requirements for the report; providing that the Office of Economic and Demographic Research and OPPAGA must be provided with all data necessary to complete the rural communities or areas report upon request; authorizing the Office of Economic and Demographic Research and OPPAGA to collaborate on all data collection and analysis; requiring the Office of

Economic and Demographic Research and OPPAGA to submit the report to the Legislature by a specified date; providing additional requirements for the report; providing for expiration; amending s. 288.001, F.S.; requiring the Florida Small Business Development Center Network to use certain funds appropriated for a specified purpose; authorizing the network to dedicate funds to facilitate certain events; amending s. 288.007, F.S.; revising which local governments and economic development organizations seeking to recruit businesses are required to submit a specified report; creating s. 288.013, F.S.; providing legislative findings; creating the Office of Rural Prosperity within the Department of Commerce; requiring the Governor to appoint a director, subject to confirmation by the Senate; providing that the director reports to and serves at the pleasure of the secretary of the department; providing the duties of the office; requiring the office to establish by a specified date a certain number of regional rural community liaison centers across this state for a specified purpose; providing the powers, duties, and functions of the liaison centers; requiring the liaison centers, to the extent possible, to coordinate with certain entities; requiring the liaison centers

to engage with the Rural Economic Development Initiative (REDI); requiring at least one staff member of a liaison center to attend the monthly meetings in person or by means of electronic communication; requiring the director of the office to submit an annual report to the Administration Commission in the Executive Office of the Governor; specifying requirements for the annual report; requiring that the annual report also be submitted to the Legislature by a specified date and published on the office's website; requiring the director of the office to attend the next Administration Commission meeting to present detailed information from the annual report; requiring OPPAGA to review the effectiveness of the office by a certain date annually until a specified date; requiring OPPAGA to review the office at specified intervals; requiring such reviews to include certain information to be considered by the Legislature; requiring that such reports be submitted to the Legislature; requiring OPPAGA to review certain strategies from other states; requiring OPPAGA to submit to the Legislature its findings at certain intervals; creating s. 288.014, F.S.; providing legislative findings; requiring the Office of Rural Prosperity to administer the Renaissance Grants

Program to provide block grants to eligible communities; requiring the Office of Economic and Demographic Research to certify to the Office of Rural Prosperity certain information by a specified date; defining the term "growth-impeded"; requiring the Office of Economic and Demographic Research to certify annually that a county remains growth-impeded until such county has positive population growth for a specified amount of time; providing that such county, after 3 consecutive years of population growth, is eligible to participate in the program for 1 additional year; requiring a county eligible for the program to enter into an agreement with the Office of Rural Prosperity in order to receive the block grant; giving such counties broad authority to design their specific plans; prohibiting the Office of Rural Prosperity from determining how such counties implement the block grant; requiring regional rural community liaison center staff to provide assistance, upon request; requiring participating counties to report annually to the Office of Rural Prosperity with certain information; providing that a participating county receives a specified amount from funds appropriated to the program; requiring participating counties to make all attempts to limit the amount

spent on administrative costs; authorizing participating counties to contribute other funds for block grant purposes; requiring participating counties to hire a renaissance coordinator; providing that funds from the block grant may be used to hire the renaissance coordinator; providing the responsibilities of the renaissance coordinator; requiring the regional rural community liaison center staff to provide assistance and training to the renaissance coordinator, upon request; requiring participating counties to design a plan to make targeted investments to achieve population growth and increase economic vitality; providing requirements for such plans; requiring participating counties to develop intergovernmental agreements with certain entities in order to implement the plan; requiring the Auditor General to conduct an operational audit every 2 years for a specified purpose; requiring the Office of Economic and Demographic Research to provide an annual report on a specified date of renaissance block grant recipients by county; providing requirements for the annual report; requiring that the report be submitted to the Governor and the Legislature; prohibiting funds appropriated for the program from being subject to reversion; providing for an

expiration of the section; creating s. 288.0175, F.S.; creating the Public Infrastructure Smart Technology Grant Program within the Office of Rural Prosperity; defining terms; requiring the office to contract with one or more smart technology lead organizations to administer a grant program for a specified purpose; providing the criteria for such contracts; requiring that projects funded by the grant program be included in the office's annual report; amending s. 288.018, F.S.; requiring the office, rather than the Department of Commerce, to establish a grant program to provide funding for regional economic development organizations; revising who may apply for such grants; providing that a grant award may not exceed a certain amount in a year; providing exceptions to a provision that the department may expend a certain amount for a certain purpose; amending s. 288.019, F.S.; revising the program criteria and procedures that agencies and organizations of REDI are required to review; revising the list of impacts each REDI agency and organization must consider in its review; requiring REDI agencies and organizations to develop a proposal for modifications which minimizes the financial and resource impacts to a rural community; requiring that ranking of evaluation criteria and scoring procedures

be used only when ranking is a component of the program; requiring that match requirements be waived or reduced for rural communities; providing that donations of land may be treated as in-kind matches; requiring each agency and organization that applies for or receives federal funding to request federal approval to waive or reduce the financial match requirements, if any, for projects in rural communities; requiring that proposals be submitted to the office, rather than the department; requiring each REDI agency and organization to modify rules or policies as necessary to reflect the finalized proposal; requiring that information about authorized waivers be included on the office's online rural resource directory; conforming a cross-reference; amending s. 288.021, F.S.; requiring, when practicable, the economic development liaison to serve as the agency representative for REDI; amending s. 288.065, F.S.; defining the term "unit of local government"; requiring the office to include in its annual report certain information about the Rural Community Development Revolving Loan Fund; conforming provisions to changes made by the act; amending s. 288.0655, F.S.; revising the list of grants that may be awarded by the office; deleting the authorization

for local match requirements to be waived for a catalyst site; revising the list of departments the office must consult with to certify applicants; requiring the office to include certain information about the Rural Infrastructure Trust Fund in its annual report; conforming provisions to changes made by the act; amending s. 288.0656, F.S.; providing legislative findings; providing that REDI is created within the Office of Rural Prosperity, rather than the department; deleting the definitions of the terms "catalyst project" and "catalyst site"; requiring that an alternate for each designated deputy secretary be a deputy secretary or higher-level staff person; requiring that the names of such alternates be reported to the director of the office; requiring at least one rural liaison to participate in REDI meetings; requiring REDI to meet at least each month; deleting a provision that a rural area of opportunity may designate catalyst projects; requiring REDI to submit a certain report to the office, rather than to the department; specifying requirements for such report; conforming provisions to changes made by the act; repealing s. 288.06561, F.S., relating to reduction or waiver of financial match requirements; amending s. 288.0657, F.S.; requiring the office,

rather than the department, to provide grants to assist rural communities; providing that such grants may be used for specified purposes; requiring the rural liaison to assist those applying for such grants; providing that marketing grants may include certain funding; amending s. 288.9961, F.S.; revising the definition of the term "underserved"; requiring the office to consult with regional rural community liaison centers on development of a certain strategic plan; requiring rural liaisons to assist rural communities with providing feedback in applying for federal grants for broadband Internet services; requiring the office to submit reports with specified information to the Governor and the Legislature within certain timeframes; repealing s. 290.06561, F.S., relating to designation of rural enterprise zones as catalyst sites; amending s. 319.32, F.S.; revising the disposition of fees collected for certain title certificates; amending s. 334.044, F.S.; revising the powers and duties of the Department of Transportation; amending s. 339.0801, F.S.; revising the allocation of funds received in the State Transportation Trust Fund; amending s. 339.2816, F.S.; requiring, rather than authorizing, that certain funds received from the State Transportation Trust Fund be used for the Small

County Road Assistance Program; requiring the department to use other additional revenues for the Small County Road Assistance Program; providing an exception from the prohibition against funding capacity improvements on county roads; amending s. 339.2818, F.S.; deleting a provision that the funds allocated under the Small County Outreach Program are in addition to the Small County Road Assistance Program; deleting a provision that a local government within the Everglades Agricultural Area, the Peace River Basin, or the Suwannee River Basin may compete for additional funding; conforming provisions to changes made by the act; making a technical change; amending s. 339.68, F.S.; providing legislative findings; creating the Florida Arterial Road Modernization Program within the Department of Commerce; defining the term "rural community"; requiring the department to allocate from the State Transportation Trust Fund a minimum sum in each fiscal year to fund the program; providing that such funding is in addition to any other funding provided to the program; providing criteria the department must use to prioritize projects for funding under the program; requiring the department to submit a report to the Governor and the Legislature by a specified date;

requiring that such report be submitted every 2 years thereafter; providing the criteria for such report; requiring the Department of Transportation to allocate additional funds to implement the Small County Road Assistance Program and amend the tentative work program for a specified number of fiscal years; requiring the department to submit a budget amendment before the adoption of the work program; requiring the department to allocate sufficient funds to implement the Florida Arterial Road Modernization Program; requiring the department to amend the current tentative work program for a specified number of fiscal years to include the program's projects; requiring the department to submit a budget amendment before the implementation of the program; requiring that the revenue increases in the State Transportation Trust Fund which are derived from the act be used to fund the work program; creating s. 381.403, F.S.; providing legislative findings; creating the Rural Access to Primary and Preventive Care Grant Program within the Department of Health for a specified purpose; defining terms; requiring the department to award grants under the program to physicians and autonomous advanced practice registered nurses intending to open new practices or practice locations

in qualifying rural areas; specifying eligibility criteria for the grants; requiring the department, by a specified date, to create an application process for applying for grants under the program; specifying requirements for the application and application process; authorizing the department, subject to specific appropriation, to award grants under the program; specifying limitations on the awarding of grants; specifying expenses for which grant funds are authorized and prohibited; requiring the department to enter into a contract with each grant recipient; specifying requirements for the contracts; authorizing the department to adopt rules; requiring the department, beginning on a specified date and annually thereafter, to provide a report containing specified information to the Governor and the Legislature; providing for future legislative review and repeal of the program; creating s. 381.9856, F.S.; creating the Stroke, Cardiac, and Obstetric Response and Education Grant Program within the Department of Health; specifying the purpose of the program; defining terms; requiring the department to award grants under the program to certain entities meeting specified criteria; requiring the department to give priority to certain applicants; limiting individual grants to a

specified amount per year; requiring grant recipients to submit quarterly reports to the department; requiring the department to monitor program implementation and outcomes; requiring the department to submit an annual report to the Governor and the Legislature by a specified date; authorizing the department to adopt rules; providing construction; providing for future legislative review and repeal of the program; amending s. 395.6061, F.S.; providing that rural hospital capital grant improvement program funding may be awarded to rural hospitals to establish mobile care units and telehealth kiosks for specified purposes; defining terms; amending s. 420.9073, F.S.; revising the calculation of guaranteed amounts distributed from the Local Government Housing Trust Fund; reenacting and amending s. 420.9075, F.S.; authorizing a certain percentage of the funds made available in each county and eligible municipality from the local housing distribution to be used to preserve multifamily affordable rental housing; specifying what such funds may be used for; providing an expiration; amending s. 1001.451, F.S.; revising the services required to be provided by regional consortium service organizations when such services are found to be necessary and appropriate by such

organizations' boards of directors; revising the allocation that certain regional consortium service organizations are eligible to receive from the General Appropriations Act; requiring each regional consortium service organization to submit an annual report to the Department of Education; requiring that unexpended amounts in certain funds be carried forward; requiring each regional consortium service organization to provide quarterly financial reports to member districts; requiring member districts to designate a district to serve as a fiscal agent for certain purposes; providing for compensation of the fiscal agent district; requiring regional consortium service organizations to retain all funds received from grants or contracted services to cover indirect or administrative costs associated with the provision of such services; requiring the regional consortium service organization board of directors to determine products and services provided by the organization; requiring a regional consortium service organization board of directors to recommend the establishment of positions and appointments to a fiscal agent district; requiring that personnel be employed under specified personnel policies; authorizing the regional consortium service organization board of directors to

recommend a salary schedule for personnel; authorizing regional consortium service organizations to purchase or lease property and facilities essential to their operations; providing for the distribution of revenue if a regional consortium service organization is dissolved; deleting a provision requiring applications for incentive grants; authorizing regional consortium service organization boards of directors to contract to provide services to nonmember districts; requiring that a fund balance be established for specified purposes; deleting a requirement for the use of certain funds; authorizing a regional consortium service organization to administer a specified program; creating s. 1001.4511, F.S.; creating the Regional Consortia Service Organization Supplemental Services Program; providing the purpose of the program; authorizing funds to be used for specified purposes; requiring each regional consortium service organization to report the distribution of funds annually to the Legislature; providing for the carryforward of funds; providing appropriations; creating s. 1009.635, F.S.; establishing the Rural Incentive for Professional Educators Program within the Department of Education; requiring the program to provide financial assistance for the repayment of

student loans to eligible participants who establish permanent residency and employment in rural communities; providing that eligible participants may receive up to a certain amount in total student loan repayment assistance over a certain timeframe; requiring the department to verify certain information of participants in the program before it disburses awards; providing that the program is administered through the Office of Student Financial Assistance within the department; requiring the department to develop procedures and monitor compliance; requiring the State Board of Education to adopt rules by a certain date; amending s. 1013.62, F.S.; revising the calculation methodology to determine the amount of revenue that a school district must distribute to each eligible charter school; amending s. 1013.64, F.S.; revising conditions under which a school district may receive funding on an approved construction project; providing appropriations for specified purposes; amending ss. 163.3187, 212.205, 257.191, 257.193, 265.283, 288.11621, 288.11631, 443.191, 571.26, and 571.265, F.S.; conforming cross-references and provisions to changes made by the act; reenacting s. 288.9935(8), F.S., relating to the Microfinance Guarantee Program, to incorporate the amendment made

to s. 20.60, F.S., in a reference thereto; reenacting ss. 125.0104(5)(c), 193.624(3), 196.182(2), 218.12(1), 218.125(1), 218.135(1), 218.136(1), 252.35(2)(cc), 288.102(4), 403.064(16)(g), 589.08(2) and (3), and 1011.62(1)(f), F.S., relating to authorized uses of tourist development tax; applicability of assessments of renewable energy source devices; application of exemptions of renewable energy source devices; appropriations to offset reductions in ad valorem tax revenue in fiscally constrained counties; offset for tax loss associated with certain constitutional amendments affecting fiscally constrained counties; offset for tax loss associated with reductions in value of certain citrus fruit packing and processing equipment; offset for ad valorem revenue loss affecting fiscally constrained counties; Division of Emergency Management powers; one-to-one match requirement under the Supply Chain Innovation Grant Program; applicability of provisions related to reuse of reclaimed water; land acquisition restrictions; and funds for operation of schools, respectively, to incorporate the amendment made to s. 218.67, F.S., in references thereto; reenacting s. 403.0741(6)(c), F.S., relating to grease waste removal and disposal, to incorporate the amendments made to ss. 218.67 and

339.2818, F.S., in references thereto; reenacting s. 163.3177(7)(e), F.S., relating to required and optional elements of comprehensive plans and studies and surveys, to incorporate the amendment made to s. 288.0656, F.S., in a reference thereto; reenacting s. 288.9962(7)(a), F.S., relating to the Broadband Opportunity Program, to incorporate the amendment made to s. 288.9961, F.S., in a reference thereto; reenacting s. 215.211(1), F.S., relating to service charges and elimination or reduction for specified proceeds, to incorporate the amendment made to s. 319.32, F.S., in a reference thereto; reenacting s. 339.66(5) and (6), F.S., relating to upgrades of arterial highways with controlled access facilities, to incorporate the amendment made to s. 339.68, F.S., in references thereto; reenacting ss. 420.9072(4) and (6), 420.9076(7)(b), and 420.9079(2), F.S., relating to the State Housing Initiatives Partnership Program, adoption of affordable housing incentive strategies and committees, and the Local Government Housing Trust Fund, respectively, to incorporate the amendment made to s. 420.9073, F.S., in references thereto; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (3) and paragraph (c) of subsection (10) of section 20.60, Florida Statutes, are amended to read:

20.60 Department of Commerce; creation; powers and duties.—

(3)(a) The following divisions and offices of the Department of Commerce are established:

1. The Division of Economic Development.

2. The Division of Community Development.

3. The Division of Workforce Services.

4. The Division of Finance and Administration.

5. The Division of Information Technology.

6. The Office of the Secretary.

7. The Office of Rural Prosperity.

8.~~7.~~ The Office of Economic Accountability and Transparency, which shall:

a. Oversee the department's critical objectives as determined by the secretary and make sure that the department's key objectives are clearly communicated to the public.

b. Organize department resources, expertise, data, and research to focus on and solve the complex economic challenges facing the state.

c. Provide leadership for the department's priority issues that require integration of policy, management, and critical

objectives from multiple programs and organizations internal and external to the department; and organize and manage external communication on such priority issues.

d. Promote and facilitate key department initiatives to address priority economic issues and explore data and identify opportunities for innovative approaches to address such economic issues.

e. Promote strategic planning for the department.

(10) The department shall, by November 1 of each year, submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the condition of the business climate and economic development in the state.

(c) The report must incorporate annual reports of other programs, including:

1. A detailed report of the performance of the Black Business Loan Program and a cumulative summary of quarterly report data required under s. 288.714.

2. ~~The Rural Economic Development Initiative established under s. 288.0656.~~

~~3.~~ A detailed report of the performance of the Florida Development Finance Corporation and a summary of the corporation's report required under s. 288.9610.

3.~~4.~~ Information provided by Space Florida under s. 331.3051 and an analysis of the activities and accomplishments

of Space Florida.

Section 2. Subsection (5) is added to section 163.3168, Florida Statutes, to read:

163.3168 Planning innovations and technical assistance.—

(5) When selecting applications for funding for technical assistance, the state land planning agency shall give preference to local governments located in a rural area of opportunity as defined in s. 288.0656. The state land planning agency shall consult with the Office of Rural Prosperity when awarding funding pursuant to this section.

Section 3. Paragraph (i) is added to subsection (4) of section 201.15, Florida Statutes, to read:

201.15 Distribution of taxes collected.—All taxes collected under this chapter are hereby pledged and shall be first made available to make payments when due on bonds issued pursuant to s. 215.618 or s. 215.619, or any other bonds authorized to be issued on a parity basis with such bonds. Such pledge and availability for the payment of these bonds shall have priority over any requirement for the costs of collection and enforcement under this section. Before distribution pursuant to this section, the Department of Revenue shall deduct amounts necessary to pay the costs of the collection and enforcement of the tax levied by this chapter. The costs may not be levied against any portion of taxes pledged to debt service on bonds to the extent that the costs are required to pay any amounts

relating to the bonds. All of the costs of the collection and enforcement of the tax levied by this chapter shall be available and transferred to the extent necessary to pay debt service and any other amounts payable with respect to bonds authorized before January 1, 2017, secured by revenues distributed pursuant to this section. All taxes remaining after deduction of costs shall be distributed as follows:

(4) After the required distributions to the Land Acquisition Trust Fund pursuant to subsections (1) and (2), the lesser of 8 percent of the remainder or $150 million in each fiscal year shall be paid into the State Treasury to the credit of the State Housing Trust Fund and shall be expended pursuant to s. 420.50871. If 8 percent of the remainder is greater than $150 million in any fiscal year, the difference between 8 percent of the remainder and $150 million shall be paid into the State Treasury to the credit of the General Revenue Fund. The remainder shall be distributed as follows:

(i) A total of $30 million shall be paid to the credit of the State Transportation Trust Fund, which funds are exclusively for the use of the Florida Arterial Road Modernization Program as provided in s. 339.68.

Section 4. Paragraph (c) of subsection (2) of section 202.18, Florida Statutes, is amended to read:

202.18 Allocation and disposition of tax proceeds.—The proceeds of the communications services taxes remitted under

this chapter shall be treated as follows:

(2) The proceeds of the taxes remitted under s. 202.12(1)(b) shall be allocated as follows:

(c)1. After the distribution required under paragraph (b), 70 percent of the remainder ~~During each calendar year, the remaining portion of the proceeds~~ shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund~~.~~ ~~Seventy percent of such proceeds shall be~~ and allocated in the same proportion as the allocation of total receipts of the half-cent sales tax under s. 218.61 and the emergency distribution under s. 218.65 in the prior state fiscal year. Thirty percent of the remainder ~~of such proceeds~~ shall be transferred to the General Revenue Fund ~~distributed pursuant to s. 218.67~~.

2. The proportion of the proceeds allocated based on the emergency distribution under s. 218.65 shall be distributed pursuant to s. 218.65.

3. In each calendar year, the proportion of the proceeds allocated based on the half-cent sales tax under s. 218.61 shall be allocated to each county in the same proportion as the county's percentage of total sales tax allocation for the prior state fiscal year and distributed pursuant to s. 218.62.

4. The department shall distribute the appropriate amount to each municipality and county each month at the same time that local communications services taxes are distributed pursuant to subsection (3).

Section 5. Paragraph (d) of subsection (6) of section 212.20, Florida Statutes, is amended to read:

212.20 Funds collected, disposition; additional powers of department; operational expense; refund of taxes adjudicated unconstitutionally collected.—

(6) Distribution of all proceeds under this chapter and ss. 202.18(1)(b) and (2)(b) and 203.01(1)(a)3. is as follows:

(d) The proceeds of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be distributed as follows:

1. In any fiscal year, the greater of $500 million, minus an amount equal to 4.6 percent of the proceeds of the taxes collected pursuant to chapter 201, or 5.2 percent of all other taxes and fees imposed pursuant to this chapter or remitted pursuant to s. 202.18(1)(b) and (2)(b) shall be deposited in monthly installments into the General Revenue Fund.

2. After the distribution under subparagraph 1., 8.9744 percent of the amount remitted by a sales tax dealer located within a participating county pursuant to s. 218.61 shall be transferred into the Local Government Half-cent Sales Tax Clearing Trust Fund. Beginning July 1, 2003, the amount to be transferred shall be reduced by 0.1 percent, and the department shall distribute this amount to the Public Employees Relations Commission Trust Fund less $5,000 each month, which shall be added to the amount calculated in subparagraph 3. and

distributed accordingly.

3. After the distribution under subparagraphs 1. and 2., 0.0966 percent shall be transferred to the Local Government Half-cent Sales Tax Clearing Trust Fund and distributed pursuant to s. 218.65.

4. After the distributions under subparagraphs 1., 2., and 3., 2.0810 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Counties pursuant to s. 218.215.

5. After the distributions under subparagraphs 1., 2., and 3., 1.3653 percent of the available proceeds shall be transferred monthly to the Revenue Sharing Trust Fund for Municipalities pursuant to s. 218.215. If the total revenue to be distributed pursuant to this subparagraph is at least as great as the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, no municipality shall receive less than the amount due from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000. If the total proceeds to be distributed are less than the amount received in combination from the Revenue Sharing Trust Fund for Municipalities and the former Municipal Financial Assistance Trust Fund in state fiscal year 1999-2000, each municipality shall receive an amount proportionate to the amount it was due

in state fiscal year 1999-2000.

6. After the distributions required under subparagraphs 1.-5., the greater of $50 million or 0.1438 percent of the available proceeds shall be transferred to fiscally constrained counties pursuant to s. 218.67.

7. Of the remaining proceeds:

a. In each fiscal year, the sum of $29,915,500 shall be divided into as many equal parts as there are counties in the state, and one part shall be distributed to each county. The distribution among the several counties must begin each fiscal year on or before January 5th and continue monthly for a total of 4 months. If a local or special law required that any moneys accruing to a county in fiscal year 1999-2000 under the then-existing provisions of s. 550.135 be paid directly to the district school board, special district, or a municipal government, such payment must continue until the local or special law is amended or repealed. The state covenants with holders of bonds or other instruments of indebtedness issued by local governments, special districts, or district school boards before July 1, 2000, that it is not the intent of this subparagraph to adversely affect the rights of those holders or relieve local governments, special districts, or district school boards of the duty to meet their obligations as a result of previous pledges or assignments or trusts entered into which obligated funds received from the distribution to county

governments under then-existing s. 550.135. This distribution specifically is in lieu of funds distributed under s. 550.135 before July 1, 2000.

b. The department shall distribute $166,667 monthly to each applicant certified as a facility for a new or retained professional sports franchise pursuant to s. 288.1162. Up to $41,667 shall be distributed monthly by the department to each certified applicant as defined in s. 288.11621 for a facility for a spring training franchise. However, not more than $416,670 may be distributed monthly in the aggregate to all certified applicants for facilities for spring training franchises. Distributions begin 60 days after such certification and continue for not more than 30 years, except as otherwise provided in s. 288.11621. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided in s. 288.1162(5) or s. 288.11621(3).

c. The department shall distribute up to $83,333 monthly to each certified applicant as defined in s. 288.11631 for a facility used by a single spring training franchise, or up to $166,667 monthly to each certified applicant as defined in s. 288.11631 for a facility used by more than one spring training franchise. Monthly distributions begin 60 days after such certification or July 1, 2016, whichever is later, and continue for not more than 20 years to each certified applicant as

defined in s. 288.11631 for a facility used by a single spring training franchise or not more than 25 years to each certified applicant as defined in s. 288.11631 for a facility used by more than one spring training franchise. A certified applicant identified in this sub-subparagraph may not receive more in distributions than expended by the applicant for the public purposes provided in s. 288.11631(3).

d. The department shall distribute $15,333 monthly to the State Transportation Trust Fund.

e.(I) On or before July 25, 2021, August 25, 2021, and September 25, 2021, the department shall distribute $324,533,334 in each of those months to the Unemployment Compensation Trust Fund, less an adjustment for refunds issued from the General Revenue Fund pursuant to s. 443.131(3)(e)3. before making the distribution. The adjustments made by the department to the total distributions shall be equal to the total refunds made pursuant to s. 443.131(3)(e)3. If the amount of refunds to be subtracted from any single distribution exceeds the distribution, the department may not make that distribution and must subtract the remaining balance from the next distribution.

(II) Beginning July 2022, and on or before the 25th day of each month, the department shall distribute $90 million monthly to the Unemployment Compensation Trust Fund.

(III) If the ending balance of the Unemployment Compensation Trust Fund exceeds $4,071,519,600 on the last day

of any month, as determined from United States Department of the Treasury data, the Office of Economic and Demographic Research shall certify to the department that the ending balance of the trust fund exceeds such amount.

(IV) This sub-subparagraph is repealed, and the department shall end monthly distributions under sub-sub-subparagraph (II), on the date the department receives certification under sub-sub-subparagraph (III).

f. Beginning July 1, 2023, in each fiscal year, the department shall distribute $27.5 million to the Florida Agricultural Promotional Campaign Trust Fund under s. 571.26, for further distribution in accordance with s. 571.265.

8.~~7.~~ All other proceeds must remain in the General Revenue Fund.

Section 6. Paragraph (h) of subsection (1) of section 215.971, Florida Statutes, is amended to read:

215.971 Agreements funded with federal or state assistance.—

(1) An agency agreement that provides state financial assistance to a recipient or subrecipient, as those terms are defined in s. 215.97, or that provides federal financial assistance to a subrecipient, as defined by applicable United States Office of Management and Budget circulars, must include all of the following:

(h)1. If the agency agreement provides federal or state

financial assistance to a county or municipality that is a rural community or rural area of opportunity as those terms are defined in s. 288.0656(2), a provision allowing the agency to provide for the payment of invoices to the county, municipality, or rural area of opportunity as that term is defined in s. 288.0656(2), for verified and eligible performance that has been completed in accordance with the terms and conditions set forth in the agreement. This provision is not intended to require reimbursement to the county, municipality, or rural area of opportunity for invoices paid, but to allow the agency to provide for the payment of invoices due. The agency shall expedite such payment requests in order to facilitate the timely payment of invoices received by the county, municipality, or rural area of opportunity. This provision is included to alleviate the financial hardships that certain rural counties and municipalities encounter when administering agreements, and must be exercised by the agency when a county or municipality demonstrates financial hardship, to the extent that federal or state law, rule, or other regulation allows such payments. This paragraph may not be construed to alter or limit any other provisions of federal or state law, rule, or other regulation.

2. By August 1, 2026, and each year thereafter, each state agency shall report to the Office of Rural Prosperity summarizing the implementation of this paragraph for the preceding fiscal year. The Office of Rural Prosperity shall

summarize the information received pursuant to this paragraph in its annual report as required in s. 288.013.

Section 7. Section 218.67, Florida Statutes, is amended to read:

218.67 Distribution for fiscally constrained counties.—

(1) Each county ~~that is entirely within a rural area of opportunity as designated by the Governor pursuant to s. 288.0656 or each county~~ for which the value of a mill will raise no more than $10 ~~$5~~ million in revenue, based on the taxable value certified pursuant to s. 1011.62(4)(a)1.a., from the previous July 1, shall be considered a fiscally constrained county.

(2) Each fiscally constrained county government that participates in the local government half-cent sales tax shall be eligible to receive an additional distribution ~~from the Local Government Half-cent Sales Tax Clearing Trust Fund,~~ as provided in s. 212.20(6)(d)6. ~~s. 202.18(2)(c)1.~~, in addition to its regular monthly distribution provided under this part and any emergency or supplemental distribution under s. 218.65.

(3) The amount to be distributed to each fiscally constrained county shall be determined by the Department of Revenue at the beginning of the fiscal year, using the prior fiscal year's sales and use tax collections ~~July 1 taxable value certified pursuant to s. 1011.62(4)(a)1.a., tax data~~, population as defined in s. 218.21, and the most current calendar year per

capita personal income published by the Bureau of Economic Analysis of the United States Department of Commerce ~~millage rate levied for the prior fiscal year~~. The amount distributed shall be allocated based upon the following factors:

(a) The contribution-to-revenue ~~relative revenue-raising capacity~~ factor for each participating county shall equal 100 multiplied by a quotient, the numerator of which is the county's population and the denominator of which is the state sales and use tax collections attributable to the county ~~be the ability of the eligible county to generate ad valorem revenues from 1 mill of taxation on a per capita basis. A county that raises no more than $25 per capita from 1 mill shall be assigned a value of 1; a county that raises more than $25 but no more than $30 per capita from 1 mill shall be assigned a value of 0.75; and a county that raises more than $30 but no more than $50 per capita from 1 mill shall be assigned a value of 0.5. No value shall be assigned to counties that raise more than $50 per capita from 1 mill of ad valorem taxation~~.

(b) The personal-income ~~local-effort~~ factor shall equal a quotient, the numerator of which is the median per capita personal income of participating counties and the denominator of which is the county's per capita personal income ~~be a measure of the relative level of local effort of the eligible county as indicated by the millage rate levied for the prior fiscal year. The local-effort factor shall be the most recently adopted~~

~~countywide operating millage rate for each eligible county multiplied by 0.1~~.

(c) Each eligible county's proportional allocation of the total amount available to be distributed to all of the eligible counties shall be in the same proportion as the sum of the county's two factors is to the sum of the two factors for all eligible counties. The proportional rate computation must be carried to the fifth decimal place, and the amount to distribute to each county must be rounded to the next whole dollar amount. The counties that are eligible to receive an allocation under this subsection and the amount available to be distributed to such counties do ~~shall~~ not include counties participating in the phaseout period under subsection (4) or the amounts they remain eligible to receive during the phaseout.

(4) For those counties that no longer qualify under the requirements of subsection (1) after the effective date of this act, there shall be a 2-year phaseout period. Beginning on July 1 of the year following the year in which the value of a mill for that county exceeds $10 ~~$5~~ million in revenue, the county shall receive two-thirds of the amount received in the prior year, and beginning on July 1 of the second year following the year in which the value of a mill for that county exceeds $10 ~~$5~~ million in revenue, the county shall receive one-third of the amount received in the last year that the county qualified as a fiscally constrained county. Following the 2-year phaseout

period, the county is ~~shall~~ no longer ~~be~~ eligible to receive any distributions under this section unless the county can be considered a fiscally constrained county as provided in subsection (1).

(5)(a) The revenues received under this section must be allocated ~~may be used~~ by a county to be used for the following purposes:

1. Fifty percent may be used for public safety, including salary expenditures for law enforcement officers or correctional officers, as those terms are defined in s. 943.10(1) and (2), respectively, firefighters as defined in s. 633.102, or emergency medical technicians or paramedics as those terms are defined in s. 401.23.

2. Thirty percent may be used for infrastructure needs.

3. Twenty percent may be expended for any public purpose.

(b) The revenues received under this section ~~any public purpose, except that such revenues~~ may not be used to pay debt service on bonds, notes, certificates of participation, or any other forms of indebtedness.

Section 8. Subsection (6) is added to section 288.0001, Florida Statutes, to read:

288.0001 Economic Development Programs Evaluation.—The Office of Economic and Demographic Research and the Office of Program Policy Analysis and Government Accountability (OPPAGA) shall develop and present to the Governor, the President of the

Senate, the Speaker of the House of Representatives, and the chairs of the legislative appropriations committees the Economic Development Programs Evaluation.

(6)(a) The Office of Economic and Demographic Research and OPPAGA shall prepare a report on the impact of the Florida Statutes on rural communities. Specifically, the report must include the following:

1. A review of definitions in the Florida Statutes of terms such as "rural community," "rural area of opportunity," and other similar terms used to define rural areas of this state, including population-based references, to assess the adequacy of the current statutory framework in defining these areas. The analysis must include, but need not be limited to:

a. Evaluation of whether current provisions properly distinguish these communities or areas from more urban and suburban parts of this state;

b. Consideration of updates to the definitions and references to classify additional rural areas, such as growing communities, unincorporated areas, or rural communities by design; and

c. Study of appropriate metrics to be used to describe rural communities or areas, such as population, geographic, demographic, or other metrics, or combinations thereof.

2. A survey of local governments meeting the statutory definition of "rural community" or "rural area of opportunity"

to assess the benefits to the local government of being identified as such and any perceived unmet needs in the implementation of current statutory provisions designed to support rural communities or areas.

3. An analysis of state grant programs and recurring appropriations that explicitly benefit rural communities or areas, including, but not limited to, program purpose, funding amounts, participation rates, and consistency with peer-reviewed studies on effective economic programs for these areas.

(b) Upon request, the Office of Economic and Demographic Research and OPPAGA must be provided with all data necessary to complete the report, including any confidential data, by any entity with information related to this review. The offices may collaborate on all data collection and analysis.

(c) The Office of Economic and Demographic Research and OPPAGA shall submit a report to the President of the Senate and the Speaker of the House of Representatives by December 31, 2025. The report must provide recommendations to address any findings, including any changes in statutory definitions or references to rural communities or areas, opportunities to enhance state support to rural communities or areas, outcome measures or other criteria that may be used to examine the effectiveness of state grant programs for rural communities or areas, and adjustments to program design, including changes to increase participation in state grant programs for rural

communities or areas.

(d) This subsection expires July 1, 2026.

Section 9. Present paragraphs (d) and (e) of subsection (7) of section 288.001, Florida Statutes, are redesignated as paragraphs (e) and (f), respectively, and a new paragraph (d) is added to that subsection, to read:

288.001 The Florida Small Business Development Center Network.—

(7) ADDITIONAL STATE FUNDS; USES; PAY-PER-PERFORMANCE INCENTIVES; STATEWIDE SERVICE; SERVICE ENHANCEMENTS; BEST PRACTICES; ELIGIBILITY.—

(d) Notwithstanding paragraphs (a), (b), and (c), the network shall use funds directly appropriated for the specific purpose of expanding service in rural communities, as defined in s. 288.0656, in addition to any funds allocated by the network from other sources. The network shall use the funds to develop an activity plan focused on network consultants and resources in rural communities. In collaboration with regional economic development organizations as defined in s. 288.018, the plan must provide for either full- or part-time consultants to be available for at least 20 hours per week in rural areas or be permanently stationed in rural areas. This may include establishing a circuit in specific rural locations to ensure the consultants' availability on a regular basis. By using the funds to create a regular presence in rural areas, the network can

strengthen community collaboration, raise awareness of available resources to provide opportunities for new business development or existing business growth, and make professional experience, education, and business information available in these essential communities. The network may dedicate funds to facilitate local or regional events that focus on small business topics, provide consulting services, and leverage partner organizations, such as the regional economic development organizations, local workforce development boards as described in s. 445.07, and Florida College System institutions.

Section 10. Section 288.007, Florida Statutes, is amended to read:

288.007 Inventory of communities seeking to recruit businesses.—By September 30 of each year, a county or municipality that has a population of at least 25,000 or its local economic development organization, and each local government within a rural area of opportunity as defined in s. 288.0656 or its local economic development organization, shall ~~must~~ submit to the department a brief overview of the strengths, services, and economic development incentives that its community offers. The local government or its local economic development organization also shall ~~must~~ identify any industries that it is encouraging to locate or relocate to its area. Unless otherwise required pursuant to this section, a county or municipality having a population of 25,000 or less ~~fewer~~ or its local

economic development organization seeking to recruit businesses may submit information as required in this section and may participate in any activity or initiative resulting from the collection, analysis, and reporting of the information to the department pursuant to this section.

Section 11. Section 288.013, Florida Statutes, is created to read:

288.013 Office of Rural Prosperity.—

(1) The Legislature finds that the unique characteristics and nature of the rural communities in this state are integral to making this state an attractive place to visit, work, and live. Further, the Legislature finds that building a prosperous rural economy and vibrant rural communities is in the best interest of this state. Rural prosperity is integral to supporting this state's infrastructure, housing, and agricultural and food-processing needs, as well as promoting the health and advancement of the overall economy of this state. It is of importance to the state that its rural areas are able to grow, whether locally or in regional partnerships. To better serve rural communities, and in recognition of rural Florida's unique challenges and opportunities, the Office of Rural Prosperity is established to ensure these efforts are coordinated, focused, and effective.

(2) The Office of Rural Prosperity is created within the Department of Commerce for the purpose of supporting rural

communities by helping rural stakeholders navigate available programs and resources and representing rural interests across state government.

(3) The Governor shall appoint a director to lead the office, subject to confirmation by the Senate. The director shall report to the secretary of the department and shall serve at the pleasure of the secretary.

(4) The office shall do all of the following:

(a) Serve as the state's point of contact for rural local governments.

(b) Administer the Rural Economic Development Initiative ("REDI") pursuant to s. 288.0656.

(c) Provide training and technical assistance to rural local governments on a broad range of community and economic development activities. The training and technical assistance may be offered using communications technology or in person and must be recorded and posted to the office's website. The training and technical assistance must include, at a minimum, the following topics:

1. How to access state and federal resources, including training on the online rural resource directory required under paragraph (d).

2. Best practices relating to comprehensive planning, economic development, and land development in rural communities.

3. Strategies to address management and administrative

capacity challenges unique to rural local governments.

4. Requirements of, and updates on recent changes to, the Community Planning Act under s. 163.3161.

5. Updates on other recent state and federal laws affecting rural local governments.

(d) Create and maintain an online rural resource directory to serve as an interactive tool to navigate the various state and federal resources, tools, and services available to rural local governments. The office shall regularly maintain the resource directory and, to the greatest extent possible, include up-to-date information on state and federal programs, resources, tools, and services that address the needs of rural communities in all areas of governance. Each state agency shall routinely provide information and updates to the office for maintenance of the resource directory. The resource directory must allow users to search by indicators, such as agency name, resource type, or topic, and include a notification function to allow users to receive alerts when new or modified resources are available. To the greatest extent possible, the resource directory must include information on financial match requirements for the state and federal programs listed in the directory.

(5)(a) By October 1, 2025, the office shall establish and staff seven regional rural community liaison centers across this state for the purpose of providing specialized in-person state support to local governments in rural areas of opportunity as

defined in s. 288.0656. The department shall by rule divide this state into seven regions and assign a regional rural community liaison center to each region. Each liaison center shall support the local governments within its geographic territory and shall be staffed with at least two full-time department personnel. At a minimum, liaison centers shall have the following powers, duties, and functions:

1. Work with local governments to plan and achieve goals for local or regional growth, economic development, and rural prosperity.

2. Facilitate local government access to state and federal resources, such as grants, loans, and other aid or resources.

3. Advise local governments on available waivers of program requirements, including financial match waivers or reductions, for projects using state or federal funds through the Rural Economic Development Initiative under s. 288.0656.

4. Coordinate local government technical assistance needs with the department and other state or federal agencies.

5. Promote model ordinances, policies, and strategies related to economic development.

6. Assist local governments with regulatory and reporting compliance.

(b) To the greatest extent possible, the regional rural community liaison centers shall coordinate with local and regional governmental entities, regional economic development

organizations as defined in s. 288.018, and other appropriate entities to establish a network to foster community-driven solutions that promote viable and sustainable rural communities.

(c) The regional rural community liaison centers shall regularly engage with the Rural Economic Development Initiative established in s. 288.0656, and at least one staff member from each liaison center shall attend, either in person or by means of electronic communication, the monthly meetings required by s. 288.0656(6)(c).

(6) By December 1, 2025, and each year thereafter, the director of the office shall submit to the Administration Commission in the Executive Office of the Governor a written report describing the office's operations and accomplishments for the preceding year, inclusive of the Rural Economic Development Initiative report required by s. 288.0656(8). In consultation with the Department of Agriculture and Consumer Services, the office shall also include in the annual report recommendations for policies, programs, and funding to further support the needs of rural communities in this state. The office shall submit the annual report to the President of the Senate and the Speaker of the House of Representatives by December 1 of each year and publish the annual report on the office's website. The director shall present, in person at the next scheduled Administration Commission meeting, detailed information from the annual report required by this subsection.

(7)(a) The Office of Program Policy Analysis and Government Accountability (OPPAGA) shall review the effectiveness of the office by December 15, 2026, and each year thereafter until 2028. Beginning in 2029, OPPAGA shall review and evaluate the office every 3 years and shall submit a report based on its findings. Each report must recommend policy and statutory modifications for consideration by the Legislature. OPPAGA shall submit each report to the President of the Senate and the Speaker of the House of Representatives pursuant to the schedule.

(b) OPPAGA shall review strategies implemented by other states on rural community preservation, enhancement, and revitalization and report on their effectiveness and potential for implementation in this state. OPPAGA shall include its findings in its report to the President of the Senate and the Speaker of the House of Representatives by December 15, 2027, and every 3 years thereafter.

(c)1. OPPAGA shall review each state-funded or state-administered grant and loan program available to local governments to:

a. Identify any specified local government financial match requirements and whether any portion of a match may be waived or is required to be waived, pursuant to law, and programs where a financial match waiver may be appropriate for rural local government applicants, if not contemplated by law.

b. Identify grant and loan application evaluation criteria, including scoring procedures, for programs that may be perceived to be overly burdensome for rural local government applicants, and whether special accommodations or preferences for rural local governments may be appropriate.

2. OPPAGA shall produce a report based on its review and submit the report to the President of the Senate and the Speaker of the House of Representatives by December 15, 2026. This paragraph expires June 30, 2027.

Section 12. Section 288.014, Florida Statutes, is created to read:

288.014 Renaissance Grants Program.—

(1) The Legislature finds that it has traditionally provided programs to assist rural communities with economic development and enhance their ability to attract businesses and that, by providing that extra component of economic viability, rural communities are able to attract new businesses and grow existing ones. However, the Legislature finds that a subset of rural communities has decreased in population over the past decade, contributing to a decline in local business activity and economic development. The Legislature further finds that the state must transform its assistance to these specific rural communities to help them achieve a necessary precursor of economic viability. The Legislature further finds that the approach intended by the creation of renaissance grants is to

focus on reversing the economic deterioration in rural communities by retaining and attracting residents by giving them a reason to stay, which is the impetus of natural economic growth, business opportunities, and increased quality of life.

(2) The Office of Rural Prosperity within the department shall administer the Renaissance Grants Program to provide block grants to eligible counties. By October 1, 2025, the Office of Economic and Demographic Research shall certify to the Office of Rural Prosperity which counties are growth-impeded. For the purposes of this section, "growth-impeded" means a county that, as of the most recent population estimate, has had a declining population over the last 10 years. After an initial certification, the Office of Economic and Demographic Research shall annually certify whether the county remains growth-impeded, until the county has 3 consecutive years of population growth. Upon such certification of population growth, the county is eligible to participate in the program for 1 additional year in order for the county to prepare for the end of block grant funding.

(3)(a) Each participating county shall enter into an agreement with the Office of Rural Prosperity to receive the block grant. Each county has broad authority to design its specific plan to achieve population growth within the broad parameters identified in this section. The Office of Rural Prosperity may not determine the manner in which the county

implements the block grant. However, regional rural community liaison center staff shall provide assistance in developing the county's plan, upon request.

(b) Each participating county shall report annually to the Office of Rural Prosperity on activities undertaken, intergovernmental agreements entered into, and other information as required by the office.

(c) Each participating county shall receive $1 million from the funds appropriated to the program. Counties participating in the program shall make all attempts to limit expenses for administrative costs, consistent with the need for prudent management and accountability in the use of public funds. Each county may contribute other funds for block grant purposes, including local, state, or federal grant funds, or seek out in-kind or financial contributions from private or public sources to assist in fulfilling the activities undertaken.

(4)(a) A participating county shall hire and retain a renaissance coordinator and may use block grant funds for this purpose. The renaissance coordinator is responsible for:

1. Ensuring that block grant funds are used as provided in this section;

2. Coordinating with other local governments, school boards, Florida College System institutions, or other entities; and

3. Reporting as necessary to the state, including information necessary pursuant to subsection (7).

(b) The Office of Rural Prosperity regional rural community liaison center staff shall provide assistance, upon request, and training to the renaissance coordinator to ensure successful implementation of the block grant.

(5) A participating county shall design a plan to make targeted investments in the community to achieve population growth and increase the economic vitality of the community. The plan must include the following key features for use of the state support:

(a) Technology centers with extended hours located within schools or on school premises, administered by the local school board, for such schools which provide extended hours and support for access by students.

(b) Facilities that colocate adult day care with child care facilities. The site-sharing facilities must be managed to also provide opportunities for direct interaction between generations and increase the health and well-being of both younger and older participants, reduce social isolation, and create cost and time efficiencies for working family members. The regional rural community liaison center staff of the Office of Rural Prosperity shall assist the county, upon request, with bringing to the Rural Economic Development Initiative or directly to the appropriate state agency recommendations

necessary to streamline any required state permits, licenses, regulations, or other requirements.

(c) Technology labs managed in agreement with the nearest Florida College System institution or a career center as established under s. 1001.44. Repurposing vacant industrial sites or existing office space must be given priority in the selection of lab locations. Each local technology lab must be staffed and open for extended hours with the capacity to provide:

1. Access to trainers and equipment necessary for users to earn various certificates or online degrees in technology;

2. Hands-on assistance with applying for appropriate remote work opportunities; and

3. Studio space with equipment for graduates and other qualifying residents to perform remote work that is based on the use of technology. Collaboration with community partners, including the local workforce development board as described in s. 445.007, to provide training opportunities, in-kind support such as transportation to and from the lab, financing of equipment for in-home use, or basic maintenance of such equipment is required.

(6) In addition to the hiring of a renaissance coordinator, a participating county shall develop intergovernmental agreements for shared responsibilities with its municipalities, school board, and Florida College System

institution or career center and enter into necessary contracts with providers and community partners in order to implement the plan.

(7)(a) Every 2 years, the Auditor General shall conduct an operational audit as defined in s. 11.45 of each county's grant activities, beginning in 2026.

(b) On December 31, 2026, and every year thereafter, the Office of Economic and Demographic Research shall submit an annual report of renaissance block grant recipients by county to the President of the Senate and the Speaker of the House of Representatives. The report must provide key economic indicators that measure progress in altering longer-term trends in the county. The Office of Rural Prosperity shall provide the Office of Economic and Demographic Research with information as requested to complete the report.

(8) Notwithstanding s. 216.301, funds appropriated for the purposes of this section are not subject to reversion.

(9) This section expires June 30, 2040.

Section 13. Section 288.0175, Florida Statutes, is created to read:

288.0175 Public Infrastructure Smart Technology Grant Program.—

(1) The Public Infrastructure Smart Technology Grant Program is established within the Office of Rural Prosperity within the department to fund and support the development of

public infrastructure smart technology projects in communities located in rural areas of opportunity, subject to legislative appropriation.

(2) As used in this section, the term:

(a) "Public infrastructure smart technology" means systems and applications that use connectivity, data analytics, and automation to improve public infrastructure by increasing efficiency, enhancing public services, and promoting sustainable development.

(b) "Rural area of opportunity" has the same meaning as in s. 288.0656.

(c) "Smart technology lead organization" means a not-for-profit corporation organized under s. 501(c)(3) of the Internal Revenue Code which has been in existence for at least 3 years and specializes in smart region planning.

(3)(a) The Office of Rural Prosperity shall contract with one or more smart technology lead organizations to administer the grant program for the purpose of deploying public infrastructure smart technology in rural communities. In accordance with the terms required by the office, the smart technology lead organization shall provide grants to counties and municipalities located within a rural area of opportunity for public infrastructure smart technology projects.

(b) The office's contract with a smart technology lead organization must specify the contract deliverables, including

financial reports and other reports due the office, timeframes for achieving contractual obligations, and any other requirements the office determines are necessary. The contract must require the smart technology lead organization to do the following:

1. Collaborate with counties and municipalities located in rural areas of opportunity to identify opportunities for local governments to institute cost-effective smart technology solutions for improving public services and infrastructure.

2. Provide technical assistance to counties and municipalities located in rural areas of opportunity in developing plans for public infrastructure smart technology projects.

3. Assist counties and municipalities located in rural areas of opportunity in connecting with other communities, companies, and other entities to leverage the impact of each public infrastructure smart technology project.

(4) The office shall include in its annual report required by s. 288.013(6) a description of the projects funded under this section.

Section 14. Subsections (1), (2), and (4) of section 288.018, Florida Statutes, are amended to read:

288.018 Regional Rural Development Grants Program.—

(1)(a) For the purposes of this section, the term "regional economic development organization" means an economic

development organization located in or contracted to serve a rural area of opportunity, as defined in s. 288.0656 ~~s. 288.0656(2)(d)~~.

(b) Subject to appropriation, the Office of Rural Prosperity ~~department~~ shall establish a grant program to provide funding to regional economic development organizations for the purpose of building the professional capacity of those organizations. Building the professional capacity of a regional economic development organization includes hiring professional staff to develop, deliver, and provide needed economic development professional services, including technical assistance, education and leadership development, marketing, and project recruitment. Grants may also be used by a regional economic development organization to provide technical assistance to local governments, local economic development organizations, and existing and prospective businesses.

(c) A regional economic development organization may apply annually to the office ~~department~~ for a grant. The office ~~department~~ is authorized to approve, on an annual basis, grants to such regional economic development organizations. The office may award a maximum amount of $50,000 in a year to ~~maximum amount~~ an organization ~~may receive in any year will be $50,000~~, or $250,000 each to ~~for~~ any three regional economic development organizations that serve an entire region of a rural area of opportunity designated pursuant to s. 288.0656(7) if they are

recognized by the office ~~department~~ as serving such a region.

(2) In approving the participants, the office ~~department~~ shall require the following:

(a) Documentation of official commitments of support from each of the units of local government represented by the regional organization.

(b) Demonstration that the organization is in existence and actively involved in economic development activities serving the region.

(c) Demonstration of the manner in which the organization is or will coordinate its efforts with those of other local and state organizations.

(4) Except as otherwise provided in the General Appropriations Act, the department may expend up to $750,000 each fiscal year from funds appropriated ~~to the Rural Community Development Revolving Loan Fund~~ for the purposes outlined in this section.

Section 15. Section 288.019, Florida Statutes, is amended to read:

288.019 Rural considerations in grant review and evaluation processes; financial match waiver or reduction.—

(1) Notwithstanding any other law, and to the fullest extent possible, each agency and organization ~~the member agencies and organizations~~ of the Rural Economic Development Initiative (REDI) as defined in s. 288.0656 ~~s. 288.0656(6)(a)~~

shall review:

(a) All grant and loan application evaluation criteria and scoring procedures to ensure the fullest access for rural communities ~~counties~~ as defined in s. 288.0656 ~~s. 288.0656(2)~~ to resources available throughout the state; and

(b) The financial match requirements for projects in rural communities.

(2)~~(1)~~ Each REDI agency and organization shall consider the impact on and ability of rural communities to meet and be competitive under such criteria, scoring, and requirements. Upon review, each REDI agency and organization shall ~~review all evaluation and scoring procedures and~~ develop a proposal for modifications to those procedures which minimize the financial and resource impact to a rural community, including waiver or reduction of any required financial match requirements ~~impact of a project within a rural area~~.

(a)~~(2)~~ Evaluation criteria and scoring procedures must provide for an appropriate ranking, when ranking is a component of the program, based on the proportionate impact that projects have on a rural area when compared with similar project impacts on an urban area. Additionally,

~~(3)~~ evaluation criteria and scoring procedures must recognize the disparity of available fiscal resources for an equal level of financial support from an urban county or municipality and a rural county or municipality.

~~(a)~~ The evaluation criteria should weight contribution in proportion to the amount of funding available at the local level.

(b) Match requirements must be waived or reduced for rural communities. When appropriate, an in-kind match must ~~should~~ be allowed and applied as a financial match when a rural community ~~county~~ is experiencing economic ~~financial~~ distress as defined in s. 288.0656 ~~through elevated unemployment at a rate in excess of the state's average by 5 percentage points or because of the loss of its ad valorem base~~. Donations of land, though usually not recognized as an in-kind match, may be treated as such. As appropriate, each agency and organization that applies for or receives federal funding must request federal approval to waive or reduce the financial match requirements, if any, for projects in rural communities.

(3)~~(4) For existing programs,~~ The proposal ~~modified evaluation criteria and scoring procedure~~ must be submitted ~~delivered~~ to the Office of Rural Prosperity ~~department~~ for distribution to the REDI agencies and organizations. The REDI agencies and organizations shall review and make comments and recommendations that~~. Future rules, programs, evaluation criteria, and scoring processes must be brought before a REDI meeting for review, discussion, and recommendation to~~ allow rural communities ~~counties~~ fuller access to the state's resources.

(4) Each REDI agency and organization shall ensure that related administrative rules or policies are modified, as necessary, to reflect the finalized proposal and that information about the authorized wavier or reduction is included in the online rural resource directory of the Office of Rural Prosperity required in s. 288.013(4)(d).

(5) The rural liaison from the related regional district shall assist the rural community to make requests of waiver or reduction of match.

Section 16. Subsection (3) is added to section 288.021, Florida Statutes, to read:

288.021 Economic development liaison.—

(3) When practicable, the staff member appointed as the economic development liaison shall also serve as the agency representative for the Rural Economic Development Initiative pursuant to s. 288.0656.

Section 17. Section 288.065, Florida Statutes, is amended to read:

288.065 Rural Community Development Revolving Loan Fund.—

(1) The Rural Community Development Revolving Loan Fund Program is established within the Office of Rural Prosperity ~~department~~ to facilitate the use of existing federal, state, and local financial resources by providing local governments with financial assistance to further promote the economic viability of rural communities. These funds may be used to finance

initiatives directed toward maintaining or developing the economic base of rural communities, especially initiatives addressing employment opportunities for residents of these communities.

(2)(a) The program shall provide for long-term loans, loan guarantees, and loan loss reserves to units of local governments, or economic development organizations substantially underwritten by a unit of local government.~~,~~

(b) For purposes of this section, the term "unit of local government" means:

1. A county ~~within counties~~ with a population ~~populations~~ of 75,000 or less. ~~fewer, or within any~~

2. A county with a population of 125,000 or less ~~fewer~~ which is contiguous to a county with a population of 75,000 or less. ~~fewer~~

3. A municipality within a county described in subparagraph 1. or subparagraph 2.

4. A county or municipality within a rural area of opportunity.

For purposes of this paragraph, population is determined in accordance with the most recent official estimates pursuant to s. 186.901 and must include those residing in incorporated and unincorporated areas of a county~~, based on the most recent official population estimate as determined under s. 186.901,~~

~~including those residing in incorporated areas and those residing in unincorporated areas of the county, or to units of local government, or economic development organizations substantially underwritten by a unit of local government, within a rural area of opportunity~~.

(c)~~(b)~~ Requests for loans must ~~shall~~ be made by application to the office ~~department~~. Loans must ~~shall~~ be made pursuant to agreements specifying the terms and conditions agreed to between the applicant and the office ~~department~~. The loans are ~~shall be~~ the legal obligations of the applicant.

(d)~~(c)~~ All repayments of principal and interest shall be returned to the loan fund and made available for loans to other applicants. However, in a rural area of opportunity designated under s. 288.0656 ~~by the Governor~~, and upon approval by the office ~~department~~, repayments of principal and interest may be retained by the applicant if such repayments are dedicated and matched to fund regionally based economic development organizations representing the rural area of opportunity.

(3) The office ~~department~~ shall manage the fund, establishing loan practices that must include, but are not limited to, procedures for establishing loan interest rates, uses of funding, application procedures, and application review procedures. The office has ~~department shall have~~ final approval authority for any loan under this section.

(4) Notwithstanding ~~the provisions of~~ s. 216.301, funds

appropriated for this loan fund may ~~purpose shall~~ not be subject to reversion.

(5) The office shall include in its annual report required under s. 288.013 detailed information about the fund, including loans made during the previous fiscal year, loans active, loans terminated or repaid, and the amount of funds not obligated as of 14 days before the date the report is due.

Section 18. Subsections (1), (2), and (3) of section 288.0655, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

288.0655 Rural Infrastructure Fund.—

(1) There is created within the Office of Rural Prosperity ~~department~~ the Rural Infrastructure Fund to facilitate the planning, preparing, and financing of infrastructure projects in rural communities which will encourage job creation, capital investment, and the strengthening and diversification of rural economies by promoting tourism, trade, and economic development.

(2)(a) Funds appropriated by the Legislature shall be distributed by the office ~~department~~ through grant programs that maximize the use of federal, local, and private resources, including, but not limited to, those available under the Small Cities Community Development Block Grant Program.

(b) To facilitate access of rural communities and rural areas of opportunity as defined by the Rural Economic Development Initiative to infrastructure funding programs of the

Federal Government, such as those offered by the United States Department of Agriculture and the United States Department of Commerce, and state programs, including those offered by Rural Economic Development Initiative agencies, and to facilitate local government or private infrastructure funding efforts, the office ~~department~~ may award grants for up to 75 percent of the total infrastructure project cost, or up to 100 percent of the total infrastructure project cost for a project located in a rural community as defined in s. 288.0656(2) which is also located in a fiscally constrained county as defined in s. 218.67(1) or a rural area of opportunity as defined in s. 288.0656(2). Eligible uses of funds may include improving any inadequate infrastructure that has resulted in regulatory action that prohibits economic or community growth and reducing the costs to community users of proposed infrastructure improvements that exceed such costs in comparable communities. Eligible uses of funds include improvements to public infrastructure for industrial or commercial sites and upgrades to or development of public tourism infrastructure. Authorized infrastructure may include the following public or public-private partnership facilities: storm water systems; telecommunications facilities; roads or other remedies to transportation impediments; nature-based tourism facilities; or other physical requirements necessary to facilitate tourism, trade, and economic development activities in the community. Authorized infrastructure may also

include publicly or privately owned self-powered nature-based tourism facilities, publicly owned telecommunications facilities, and additions to the distribution facilities of the existing natural gas utility as defined in s. 366.04(3)(c), the existing electric utility as defined in s. 366.02, or the existing water or wastewater utility as defined in s. 367.021(12), or any other existing water or wastewater facility, which owns a gas or electric distribution system or a water or wastewater system in this state when:

1. A contribution-in-aid of construction is required to serve public or public-private partnership facilities under the tariffs of any natural gas, electric, water, or wastewater utility as defined herein; and

2. Such utilities as defined herein are willing and able to provide such service.

(c) The office ~~department~~ may award grants of up to $300,000 for infrastructure feasibility studies, design and engineering activities, or other infrastructure planning and preparation or site readiness activities. Site readiness expenses may include clearing title, surveys, permitting, environmental studies, and regulatory compliance costs. Grants awarded under this paragraph may be used in conjunction with grants awarded under paragraph (b). In evaluating applications under this paragraph, the office ~~department~~ shall consider the extent to which the application seeks to minimize administrative

and consultant expenses.

(d) The office ~~department~~ shall participate in a memorandum of agreement with the United States Department of Agriculture under which state funds available through the Rural Infrastructure Fund may be advanced, in excess of the prescribed state share, for a project that has received from the United States Department of Agriculture a preliminary determination of eligibility for federal financial support. State funds in excess of the prescribed state share which are advanced pursuant to this paragraph and the memorandum of agreement shall be reimbursed when funds are awarded under an application for federal funding.

(e) To enable local governments to access the resources available pursuant to s. 403.973(17), the office ~~department~~ may award grants for surveys, feasibility studies, and other activities related to the identification and preclearance review of land which is suitable for preclearance review. Authorized grants under this paragraph may not exceed $75,000 each, except in the case of a project in a rural area of opportunity, in which case the grant may not exceed $300,000. Any funds awarded under this paragraph must be matched at a level of 50 percent with local funds, except that any funds awarded for a project in a rural area of opportunity do not require a match of local funds. ~~If an application for funding is for a catalyst site, as defined in s. 288.0656, the requirement for local match may be~~

~~waived pursuant to the process in s. 288.06561.~~ In evaluating applications under this paragraph, the office ~~department~~ shall consider the extent to which the application seeks to minimize administrative and consultant expenses.

(3) The office ~~department~~, in consultation with the Department of Transportation ~~Florida Tourism Industry Marketing Corporation~~, the Department of Environmental Protection, and the Florida Fish and Wildlife Conservation Commission, as appropriate, shall review and certify applications pursuant to s. 288.061. The review must include an evaluation of the economic benefit and long-term viability. The office has ~~department shall have~~ final approval for any grant under this section.

(6) The office shall include in its annual report required under s. 288.013 detailed information about the fund, including grants made for the year, grants active, grants terminated or complete, and the amount of funds not obligated as of 14 days before the date the report is due.

Section 19. Subsection (1), paragraphs (a), (b), and (e) of subsection (2), subsections (3) and (6), paragraph (c) of subsection (7), and subsection (8) of section 288.0656, Florida Statutes, are amended to read:

288.0656 Rural Economic Development Initiative.—

(1)(a) Recognizing that rural communities and regions continue to face extraordinary challenges in their efforts to

significantly improve their economies, specifically in terms of personal income, job creation, average wages, and strong tax bases, it is the intent of the Legislature to encourage and facilitate the location and expansion of major economic development projects of significant scale in such rural communities. The Legislature finds that rural communities are the essential conduits for the economy's distribution, manufacturing, and food supply.

(b) The Rural Economic Development Initiative, known as "REDI," is created within the Office of Rural Prosperity ~~department~~, and all ~~the participation of~~ state and regional agencies listed in paragraph (6)(a) shall participate in this initiative ~~is authorized~~.

(2) As used in this section, the term:

~~(a) "Catalyst project" means a business locating or expanding in a rural area of opportunity to serve as an economic generator of regional significance for the growth of a regional target industry cluster. The project must provide capital investment on a scale significant enough to affect the entire region and result in the development of high-wage and high-skill jobs.~~

~~(b) "Catalyst site" means a parcel or parcels of land within a rural area of opportunity that has been prioritized as a geographic site for economic development through partnerships with state, regional, and local organizations. The site must be~~

~~reviewed by REDI and approved by the department for the purposes of locating a catalyst project.~~

(c)~~(e)~~ "Rural community" means:

1. A county with a population of 75,000 or less ~~fewer~~.

2. A county with a population of 125,000 or less ~~fewer~~ which is contiguous to a county with a population of 75,000 or less ~~fewer~~.

3. A municipality within a county described in subparagraph 1. or subparagraph 2.

4. An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or less ~~fewer~~ and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least three or more of the economic distress factors identified in paragraph (a) ~~paragraph (c)~~ and verified by the department.

For purposes of this paragraph, population shall be determined in accordance with the most recent official estimate pursuant to s. 186.901.

(3) REDI shall be responsible for coordinating and focusing the efforts and resources of state and regional agencies on the problems which affect the fiscal, economic, and community viability of Florida's ~~economically distressed~~ rural communities, working with local governments, community-based

organizations, and private organizations that have an interest in the growth and development of these communities to find ways to balance environmental and growth management issues with local needs.

(6)(a) By August 1 of each year, the head of each of the following agencies and organizations shall designate a deputy secretary or higher-level staff person from within the agency or organization to serve as the REDI representative for the agency or organization:

1. The Department of Transportation.
2. The Department of Environmental Protection.
3. The Department of Agriculture and Consumer Services.
4. The Department of State.
5. The Department of Health.
6. The Department of Children and Families.
7. The Department of Corrections.
8. The Department of Education.
9. The Department of Juvenile Justice.
10. The Fish and Wildlife Conservation Commission.
11. Each water management district.
12. CareerSource Florida, Inc.
13. VISIT Florida.
14. The Florida Regional Planning Council Association.
15. The Agency for Health Care Administration.
16. The Institute of Food and Agricultural Sciences

(IFAS).

(b) An alternate for each designee must ~~shall~~ also be chosen, who must also be a deputy secretary or higher-level staff person, and the names of the designees and alternates must ~~shall~~ be reported ~~sent~~ to the director of the Office of Rural Prosperity. At least one rural liaison from each regional rural community liaison center must participate in the REDI meetings ~~Secretary of Commerce~~.

(c) REDI shall meet at least each month, but may meet more often as necessary. Each REDI representative, or his or her designee, shall be physically present or available by means of electronic communication for each meeting.

(d) ~~(b)~~ Each REDI representative must have comprehensive knowledge of his or her agency's functions, both regulatory and service in nature, and of the state's economic goals, policies, and programs. This person shall be the primary point of contact for his or her agency with REDI on issues and projects relating to ~~economically distressed~~ rural communities and with regard to expediting project review, shall ensure a prompt effective response to problems arising with regard to rural issues, and shall work closely with the other REDI representatives in the identification of opportunities for preferential awards of program funds, contractual or other agreement provisions which meet the requirements of s. 215.971, and allowances and waiver of program requirements when necessary to encourage and

facilitate ~~long-term private~~ capital investment and job creation.

(e) ~~(c)~~ The REDI representatives shall work with REDI in the review and evaluation of statutes and rules for adverse impact on rural communities and the development of alternative proposals to mitigate that impact.

(f) ~~(d)~~ Each REDI representative shall be responsible for ensuring that each district office or facility of his or her agency is informed quarterly about the Rural Economic Development Initiative and for providing assistance throughout the agency in the implementation of REDI activities.

(7)

~~(c) Each rural area of opportunity may designate catalyst projects, provided that each catalyst project is specifically recommended by REDI and confirmed as a catalyst project by the department. All state agencies and departments shall use all available tools and resources to the extent permissible by law to promote the creation and development of each catalyst project and the development of catalyst sites.~~

(8) REDI shall submit a report to the Office of Rural Prosperity ~~department~~ on all REDI activities for the previous fiscal year as a supplement to the office's ~~department's~~ annual report required under s. 288.013 ~~s. 20.60~~. This supplementary report must include:

(a) A status report on every project ~~all projects~~

currently being coordinated through REDI, the number of preferential awards and allowances made pursuant to this section in detail by award, allowance, or match type, the dollar amount of such awards, and the names of the recipients.

(b) A description of all waivers of program requirements granted, including a list by program of each waiver that was granted. If waivers were requested but were not granted, a list of ungranted waivers, including reasons why the waivers were not granted, must be included.

(c) Detailed information as to the economic impact of the projects coordinated by REDI.

(d) Recommendations based on the review and evaluation of statutes and rules having an adverse impact on rural communities and proposals to mitigate such adverse impacts.

(e) Legislative recommendations for statutory waivers or reductions of specified economic development program requirements, including financial match waivers or reductions, for applicants within rural areas of opportunity.

(f) Outcomes of proposals submitted pursuant to s. 288.019.

Section 20. Section 288.06561, Florida Statutes, is repealed.

Section 21. Subsections (2), (3), and (4) of section 288.0657, Florida Statutes, are amended to read:

288.0657 Florida rural economic development strategy

grants.—

(2) The Office of Rural Prosperity shall provide ~~department may accept and administer moneys appropriated to the department for providing~~ grants to assist rural communities to develop and implement strategic economic development plans. Grants may be provided to assist with costs associated with marketing a site to business and site selectors for an economic development project that is part of an economic development plan, either as part of funding to develop and implement a plan or related to an already adopted plan.

(3) A rural community, an economic development organization in a rural area, or a regional organization representing at least one rural community or such economic development organizations may apply for such grants. The rural liaison for the rural community shall assist those applying for such grants.

(4) The office ~~department~~ shall establish criteria for reviewing grant applications. These criteria must ~~shall~~ include, but are not limited to, the degree of participation and commitment by the local community and the application's consistency with local comprehensive plans or the application's proposal to ensure such consistency. Grants for marketing may include funding for advertising campaign materials and costs associated with meetings, trade missions, and professional development affiliated with site preparation and marketing. The

office ~~department~~ shall review each application for a grant. ~~The department may approve grants only to the extent that funds are appropriated for such grants by the Legislature.~~

Section 22. Paragraph (f) of subsection (2) and paragraphs (a), (b), and (c) of subsection (4) of section 288.9961, Florida Statutes, are amended, and subsections (6) and (7) are added to that section, to read:

288.9961 Promotion of broadband adoption; Florida Office of Broadband.—

(2) DEFINITIONS.—As used in this section, the term:

(f) "Underserved" means a geographic area of this state in which there is no provider of broadband Internet service that offers a connection to the Internet with a capacity for transmission at a consistent speed of at least 100 megabits per second downstream and at least 20 ~~10~~ megabits per second upstream.

(4) FLORIDA OFFICE OF BROADBAND.—The Florida Office of Broadband is created within the Division of Community Development in the department for the purpose of developing, marketing, and promoting broadband Internet services in this state. The office, in the performance of its duties, shall do all of the following:

(a) Create a strategic plan that has goals and strategies for increasing and improving the availability of, access to, and use of broadband Internet service in this state. In development

of the plan, the department shall incorporate applicable federal broadband activities, including any efforts or initiatives of the Federal Communications Commission, to improve broadband Internet service in this state. The plan must identify available federal funding sources for the expansion or improvement of broadband. The strategic plan must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by June 30, 2022. The strategic plan must be updated biennially thereafter. The plan must include a process to review and verify public input regarding transmission speeds and availability of broadband Internet service throughout this state. The office shall consult with each regional rural community liaison center within the Office of Rural Prosperity on the development and update of the plan.

(b) Build and facilitate local technology planning teams or partnerships with members representing cross-sections of the community, which may include, but are not limited to, representatives from the following organizations and industries: libraries, K-12 education, colleges and universities, local health care providers, private businesses, community organizations, economic development organizations, local governments, tourism, parks and recreation, and agriculture. The local technology planning teams or partnerships shall work with rural communities to help the communities understand their current broadband availability, locate unserved and underserved

businesses and residents, identify assets relevant to broadband deployment, build partnerships with broadband service providers, and identify opportunities to leverage assets and reduce barriers to the deployment of broadband Internet services in the community. The teams or partnerships must be proactive in rural communities as defined in s. 288.0656 ~~fiscally constrained counties~~ in identifying and providing assistance, in coordination with the regional rural community liaison centers within the Office of Rural Prosperity, with applying for federal grants for broadband Internet service.

(c) Provide technical and planning assistance to rural communities in coordination with the regional rural community liaison centers within the Office of Rural Prosperity.

(6) The office shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a quarterly report detailing the implementation of broadband activities in rural, unserved, and underserved communities. Such information must be listed by county and include the amount of state and federal funds allocated and expended in the county by program; the progress toward deploying broadband in the county; any technical assistance provided; the activities of the local technology planning teams and partnerships; and the fulfillment of any other duties of the office required by this part.

(7) By December 31 each year, the office shall submit to the Governor, the President of the Senate, and the Speaker of

the House of Representatives an annual report on the office's operations and accomplishments for that calendar year and the status of broadband Internet service access and use in this state. The report must also incorporate the quarterly reports on rural, unserved, and underserved communities required by subsection (6).

Section 23. Section 290.06561, Florida Statutes, is repealed.

Section 24. Paragraph (a) of subsection (5) of section 319.32, Florida Statutes, is amended to read:

319.32 Fees; service charges; disposition.—

(5)(a) Forty-seven dollars of each fee collected, except for fees charged on a certificate of title for a motor vehicle for hire registered under s. 320.08(6), for each applicable original certificate of title and each applicable duplicate copy of a certificate of title shall be deposited as follows: ~~into the State Transportation Trust Fund. Deposits to the State Transportation Trust Fund pursuant to this paragraph may not exceed $200 million in any fiscal year, and from any collections in excess of that amount during the fiscal year,~~

1. The first $30 million collected shall be deposited into the Highway Safety Operating Trust Fund; ~~,~~ and

2. Any remaining collections shall be paid into the State Transportation Trust ~~General Revenue~~ Fund.

Section 25. Subsection (37) is added to section 334.044,

Florida Statutes, to read:

334.044 Powers and duties of the department.—The department shall have the following general powers and duties:

(37) To provide technical assistance and support from the appropriate district of the department to counties that are not located in a metropolitan planning organization created pursuant to s. 339.175.

Section 26. Section 339.0801, Florida Statutes, is amended to read:

339.0801 Allocation of increased revenues derived from amendments to s. 319.32(5)(a) ~~by ch. 2012-128~~.—

(1) The first $200 million of funds that result from increased revenues to the State Transportation Trust Fund derived from the amendments to s. 319.32(5)(a) made by s. 11, chapter 2012-128, Laws of Florida, ~~this act~~ must be used annually, first as set forth in paragraph (a) ~~subsection (1)~~ and then as set forth in paragraphs (b), (c), and (d) ~~subsections (2)-(4)~~, notwithstanding any other provision of law:

(a)1.~~(1)(a)~~ Beginning in the 2013-2014 fiscal year and annually for 30 years thereafter, $10 million shall be for the purpose of funding any seaport project identified in the adopted work program of the Department of Transportation, to be known as the Seaport Investment Program.

2.~~(b)~~ The revenues may be assigned, pledged, or set aside as a trust for the payment of principal or interest on revenue

bonds, or other forms of indebtedness issued by an individual port or appropriate local government having jurisdiction thereof, or collectively by interlocal agreement among any of the ports, or used to purchase credit support to permit such borrowings. Alternatively, revenue bonds shall be issued by the Division of Bond Finance at the request of the Department of Transportation under the State Bond Act and shall be secured by such revenues as are provided in this subsection.

3.~~(c)~~ Revenue bonds or other indebtedness issued hereunder are not a general obligation of the state and are secured solely by a first lien on the revenues distributed under this subsection.

4.~~(d)~~ The state covenants with holders of the revenue bonds or other instruments of indebtedness issued pursuant to this subsection that it will not repeal this subsection; nor take any other action, including but not limited to amending this subsection, that will materially and adversely affect the rights of such holders so long as revenue bonds or other indebtedness authorized by this subsection are outstanding.

5.~~(e)~~ The proceeds of any revenue bonds or other indebtedness, after payment of costs of issuance and establishment of any required reserves, shall be invested in projects approved by the Department of Transportation and included in the department's adopted work program, by amendment if necessary. As required under s. 11(f), Art. VII of the State

Constitution, the Legislature approves projects included in the department's adopted work program, including any projects added to the work program by amendment under s. 339.135(7).

6.~~(f)~~ Any revenues that are not used for the payment of bonds as authorized by this subsection may be used for purposes authorized under the Florida Seaport Transportation and Economic Development Program. This revenue source is in addition to any amounts provided for and appropriated in accordance with ss. 311.07 and 320.20(3) and (4).

(b)~~(2)~~ Beginning in the 2013-2014 fiscal year and annually thereafter, $10 million shall be transferred to the Transportation Disadvantaged Trust Fund, to be used as specified in s. 427.0159.

(c)~~(3)~~ Beginning in the 2013-2014 fiscal year and annually thereafter, $10 million shall be allocated to the Small County Outreach Program to be used as specified in s. 339.2818. These funds are in addition to the funds provided for the program pursuant to s. 201.15(4)(a)2.

(d)~~(4)~~ After the distributions required pursuant to paragraphs (a), (b), and (c) ~~subsections (1)-(3)~~, the remaining funds shall be used annually for transportation projects within this state for existing or planned strategic transportation projects which connect major markets within this state or between this state and other states, which focus on job creation, and which increase this state's viability in the

national and global markets.

(2) The remaining funds that result from increased revenue to the State Transportation Trust Fund derived pursuant to s. 319.32(5)(a) must be used annually, notwithstanding any other law, beginning in the 2025-2026 fiscal year and annually thereafter, for the Small County Road Assistance Program as prescribed in s. 339.2816.

(3)~~(5)~~ Pursuant to s. 339.135(7), the department shall amend the work program to add the projects provided for in this section.

Section 27. Subsection (3) and paragraph (a) of subsection (4) of section 339.2816, Florida Statutes, are amended, and paragraph (c) of subsection (4) of that section is reenacted, to read:

339.2816 Small County Road Assistance Program.—

(3) Beginning with fiscal year ~~1999-2000 until fiscal year 2009-2010, and beginning again with fiscal year~~ 2012-2013, ~~up to~~ $25 million annually from the State Transportation Trust Fund must ~~may~~ be used for the purposes of funding the Small County Road Assistance Program as described in this section. In addition, beginning with fiscal year 2025-2026, the department must use the additional revenues allocated by s. 339.0801 for the Small County Road Assistance Program.

(4)(a) Small counties shall be eligible to compete for funds that have been designated for the Small County Road

Assistance Program for resurfacing or reconstruction projects on county roads that were part of the county road system on June 10, 1995. Capacity improvements on county roads are ~~shall~~ not ~~be~~ eligible for funding under the program unless a safety issue exists or the department finds it necessary to widen existing lanes as part of a resurfacing or reconstruction project.

(c) The following criteria must be used to prioritize road projects for funding under the program:

1. The primary criterion is the physical condition of the road as measured by the department.

2. As secondary criteria the department may consider:

a. Whether a road is used as an evacuation route.

b. Whether a road has high levels of agricultural travel.

c. Whether a road is considered a major arterial route.

d. Whether a road is considered a feeder road.

e. Whether a road is located in a fiscally constrained county, as defined in s. 218.67(1).

f. Other criteria related to the impact of a project on the public road system or on the state or local economy as determined by the department.

Section 28. Subsections (1), (2), (3), (6), (7), and (8) of section 339.2818, Florida Statutes, are amended to read:

339.2818 Small County Outreach Program.—

(1) There is created within the department ~~of Transportation~~ the Small County Outreach Program. The purpose of

this program is to assist small county governments in repairing or rehabilitating county bridges, paving unpaved roads, addressing road-related drainage improvements, resurfacing or reconstructing county roads, or constructing capacity or safety improvements to county roads.

(2) For the purposes of this section, the term "small county" means any county that has a population of 200,000 or less as determined by the most recent official population census determination ~~estimate~~ pursuant to s. 186.901.

~~(3) Funds allocated under this program, pursuant to s. 4, ch. 2000-257, Laws of Florida, are in addition to any funds provided pursuant to s. 339.2816, for the Small County Road Assistance Program.~~

(5) ~~(6)~~ Funds paid into the State Transportation Trust Fund pursuant to ss. 201.15, 320.072, and 339.0801 ~~s. 201.15~~ for the purposes of the Small County Outreach Program are hereby annually appropriated for expenditure to support the Small County Outreach Program.

(6) ~~(7)~~ Subject to a specific appropriation in addition to funds annually appropriated for projects under this section, a municipality within a rural area of opportunity or a rural area of opportunity community designated under s. 288.0656(7)(a) may compete for the additional project funding using the criteria listed in subsection (3) ~~(4)~~ at up to 100 percent of project costs, excluding capacity improvement projects.

~~(8) Subject to a specific appropriation in addition to funds appropriated for projects under this section, a local government either wholly or partially within the Everglades Agricultural Area as defined in s. 373.4592(15), the Peace River Basin, or the Suwannee River Basin may compete for additional funding using the criteria listed in paragraph (4)(c) at up to 100 percent of project costs on state or county roads used primarily as farm-to-market connections between rural agricultural areas and market distribution centers, excluding capacity improvement projects.~~

Section 29. Section 339.68 is amended to read:

(Substantial rewording of section.

See s. 339.68, F.S., for present text.)

339.68 Florida Arterial Road Modernization Program.—

(1) The Legislature finds that increasing demands continue to be placed on rural arterial roads in this state by a fast-growing economy, continued population growth, and increased tourism. Investment in the rural arterial roads of this state is needed to maintain the safety, mobility, reliability, and resiliency of the transportation system in order to support the movement of people, goods, and commodities; to enhance economic prosperity and competitiveness; and to enrich the quality of life of the rural communities and the environment of this state.

(2) The Florida Arterial Road Modernization Program is created within the department to make capacity and safety

improvements to two-lane arterial roads located in rural communities. For purposes of this section, the term "rural community" has the same meaning as provided in s. 288.0656.

(3) Beginning in the 2025-2026 fiscal year, the department shall allocate from the State Transportation Trust Fund a minimum of $50 million in each fiscal year for purposes of funding the program. This funding is in addition to any other funding provided to the program by any other law.

(4) The department shall use the following criteria to prioritize projects for funding under the program:

(a) Whether the road has documented safety concerns or requires additional safety and design improvements. This may be evidenced by the number of fatalities or crashes per vehicle mile traveled.

(b) Whether the road has or is projected to have a significant amount of truck tractor traffic as determined by the department. For purposes of this paragraph, the term "truck tractor" has the same meaning as in s. 320.01(11).

(c) Whether the road is used to transport agricultural products and commodities from the farm to the market or other sale or distribution point.

(d) Whether the road is used to transport goods to or from warehouses, distribution centers, or intermodal logistics centers as defined in s. 311.101(2).

(e) Whether the road is used as an evacuation route.

(f) Whether the physical condition of the road meets department standards.

(g) Whether the road currently has, or is projected to have within the next 5 years, a level of service of D, E, or F.

(h) Any other criteria related to the impact of a project on the public road system or on the state or local economy as determined by the department.

(5) By January 1, 2027, and every 2 years thereafter, the department shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report regarding the use and condition of arterial roads located in rural communities, which report must include the following:

(a) A map of roads located in rural communities which are designated as arterial roads.

(b) A needs assessment that must include, but is not limited to, consideration of infrastructure improvements to improve capacity on arterial roads in rural communities.

(c) A synopsis of the department's project prioritization process.

(d) An estimate of the local and state economic impact of improving capacity on arterial roads in rural communities.

(e) A listing of the arterial roads and the associated improvements to be included in the program and a schedule or timeline for the inclusion of such projects in the work program.

Section 30. (1) The Department of Transportation shall

allocate the additional funds provided by this act to implement the Small County Road Assistance Program as created by s. 339.2816, Florida Statutes, and amend the current tentative work program for the 2025-2026 through 2031-2032 fiscal years to include additional projects. In addition, before adoption of the work program, the department shall submit a budget amendment pursuant to s. 339.135(7), Florida Statutes, requesting budget authority necessary to implement the additional projects.

(2) The department shall allocate sufficient funds to implement the Florida Arterial Road Modernization Program, develop a plan to expend the revenues as specified in s. 339.68, Florida Statutes, and, before its adoption, amend the current tentative work program for the 2025-2026 through 2031-2032 fiscal years to include the program's projects. In addition, before adoption of the work program, the department shall submit a budget amendment pursuant to s. 339.135(7), Florida Statutes, requesting budget authority necessary to implement the program as specified in s. 339.68, Florida Statutes.

(3) Notwithstanding any other law, the increase in revenue to the State Transportation Trust Fund derived from the amendments to ss. 201.15 and 319.32, Florida Statutes, made by this act and deposited into the trust fund pursuant to ss. 201.15 and 339.0801, Florida Statutes, shall be used by the department to fund the programs as specified in this section.

Section 31. Section 381.403, Florida Statutes, is created

to read:

381.403 Rural Access to Primary and Preventive Care Grant Program.—The Legislature recognizes that access to primary and preventive health care is critical for the well-being of the residents of this state. The Legislature also recognizes that many rural areas of this state have significantly fewer available physicians and autonomous advanced practice registered nurses who serve those areas. To increase the availability of health care in such underserved rural areas, there is created the Rural Access to Primary and Preventive Care Grant Program within the Department of Health to use grants to incentivize physicians and autonomous advanced practice registered nurses to open or expand practices in those areas.

(1) As used in this section, the term:

(a) "Autonomous advanced practice registered nurse" means an advanced practice registered nurse who is registered under s. 464.0123 to engage in autonomous practice.

(b) "Majority ownership" means ownership of more than 50 percent of the interests in a private practice.

(c) "Physician" means a physician licensed under chapter 458 or chapter 459.

(d) "Preventive care" means routine health care services designed to prevent illness. The term includes, but is not limited to, general physical examinations provided on an annual basis, screenings for acute or chronic illnesses, and patient

counseling to promote overall wellness and avoid the need for emergency services.

(e) "Primary care" means health care services focused primarily on preventive care, wellness care, and treatment for common illnesses. The term may include the health care provider serving as a patient's entry point into the overall health care system and coordinating a patient's care among specialists or acute care settings. The term does not include elective services provided solely for cosmetic purposes.

(f) "Program" means the Rural Access to Primary and Preventive Care Grant Program.

(g) "Qualifying rural area" means a rural community as defined in s. 288.0657 in this state which is also designated as a health professional shortage area by the Health Resources and Services Administration of the United States Department of Health and Human Services.

(2) The department shall award grants under the program to physicians and autonomous advanced practice registered nurses who intend to open a new private practice in a qualifying rural area or who intend to open a new location within a qualifying rural area if the current private practice is located in a different county. To qualify for a grant, an applicant must meet all of the following criteria:

(a) The practice must:

1. Have majority ownership by physicians or autonomous

advanced practice registered nurses. Majority ownership may include up to five physicians or autonomous advanced practice registered nurses in partnership.

2. Be physically located in a qualifying rural area and serve at that location patients who live in that qualifying rural area or in other nearby qualifying rural areas. While the practice may use telehealth to supplement the services provided at the location, the majority of services provided by the practice must be provided at the physical location.

3. Accept Medicaid patients.

4. Provide services in one or more of the following specialties:

a. If the practice has majority ownership by one or more autonomous advanced practice registered nurses, provide services solely in primary or preventive care.

b. If the practice has majority ownership by one or more physicians, provide services in primary care, obstetrics, gynecology, general and family practice, geriatrics, internal medicine, pediatrics, or psychiatry.

(b) The owners of the practice must commit to providing the following information to the department on an annual basis, and upon request by the department:

1. Deidentified patient encounter data.

2. A detailed report on the use of grant funds until such funds are expended.

(3) By March 1, 2026, the department shall create an application process for eligible physicians and autonomous advanced practice registered nurses to apply for grants under the program. The application must require a detailed budget of anticipated use of grant funds and how the new or existing practice will meet the requirements of subsection (2). The department shall establish a ranking system to determine which applicants will be awarded grants if there are more applicants for the program than can be awarded grants with available appropriated funds.

(4) Subject to specific appropriation, the department may award grants of up to $250,000 to eligible applicants. Only one grant may be awarded per practice. Grant funds awarded for establishing a new private practice or a new practice location may be used for any of the following expenses:

(a) Facility construction, acquisition, renovation, or lease.

(b) Purchasing medical equipment.

(c) Purchasing or implementing information technology equipment or services.

(d) Purchasing or implementing telehealth technology.

(e) Training on the use of medical equipment, information technology, or telehealth technology implemented under paragraph (b), paragraph (c), or paragraph (d), respectively.

(5) Grant funds may not be used for any of the following:

(a) Salaries.

(b) Utilities.

(c) Internet or telecommunications services other than those necessary for implementing telehealth technology under paragraph (4)(d).

(d) Insurance.

(e) Incidental maintenance and repairs.

(f) Disposable medical supplies.

(g) Medicines or vaccines.

(h) Licensing or certification fees, including costs for continuing education other than training under paragraph (4)(e).

(6) The department shall enter into a contract with each grant recipient which details the requirements for the expenditure of grant funds for that recipient. The contract must include, at a minimum, all of the following:

(a) The purpose of the contract.

(b) Specific performance standards and responsibilities for the recipient under the contract, including penalties for not meeting such performance standards and responsibilities.

(c) A detailed project or contract budget, if applicable.

(d) Reporting requirements for grant recipients to provide information to the department under paragraph (2)(b) as well as any additional information the department deems necessary for the administration of the program.

(7) The department may adopt rules to implement the

program.

(8) Beginning July 1, 2026, and each year thereafter in which there are outstanding contracts with grant recipients under subsection (6), the department shall provide a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which includes, but need not be limited to, all of the following:

(a) Each grant awarded, including the proposed uses for each grant.

(b) The progress on each outstanding contract.

(c) The number of patients residing in rural areas who were served by grant awardees.

(d) The number of Medicaid recipients who were served by grant awardees.

(e) The number and types of services provided during patient encounters in locations opened under the program.

(f) The number of health care practitioners, delineated by licensure type, providing services in locations opened under the program.

(9) This section is repealed July 1, 2035, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 32. Section 381.9856, Florida Statutes, is created to read:

381.9856 Stroke, Cardiac, and Obstetric Response and Education Grant Program.—

(1) PROGRAM CREATION.—The Stroke, Cardiac, and Obstetric Response and Education (SCORE) Grant Program is created within the Department of Health.

(2) PURPOSE.—The purpose of the program is to improve patient outcomes and the coordination of emergency medical care in rural communities by increasing access to high-quality stroke, cardiac, and obstetric care through the application of technology and innovative training, such as blended learning training programs. Blended learning training programs ensure that participants gain both the theoretical foundations of diagnosis and management as well as real-world clinical experience through scenario-based learning, ultimately enhancing decisionmaking and patient outcomes.

(3) DEFINITIONS.—As used in this section, the term:

(a) "Blended learning training program" means a structured educational model that uses blended learning methodologies, including simulation-based training, virtual reality, and distance learning technologies, in conjunction with hands-on instruction, such as simulation-based practice, and in-person skills sessions to provide comprehensive education.

(b) "High-risk care provider" means a licensed health care facility or licensed ambulance service that regularly provides emergency or ongoing care to patients experiencing a stroke, heart attack, or pregnancy-related emergency.

(c) "Rural community" has the same meaning as provided in

s. 288.0657.

(4) GRANT PROGRAM REQUIREMENTS.—

(a) The department shall award grants to high-risk care providers serving rural communities to accomplish at least one of the following initiatives:

1. Implement a blended learning training program for health care providers in stroke care protocols and best practices.

2. Purchase simulation equipment and technology for training.

3. Establish telehealth capabilities between prehospital providers, such as paramedics or emergency medical technicians, and in-hospital providers, such as neurologists, to expedite emergency stroke care, emergency cardiac care, or emergency obstetric care.

4. Develop quality improvement programs in one or more of the following specialty areas: emergency stroke care, emergency cardiac care, or emergency obstetric care.

(b) Priority must be given to proposals that:

1. Demonstrate collaboration between prehospital and in-hospital providers; or

2. Show potential for significant improvement in patient outcomes in rural communities.

(5) FUNDING LIMITS; REPORTING.—

(a) Individual grants may not exceed $100,000 per year.

(b) Grant recipients must submit quarterly reports to the department documenting program activities, expenditures, and outcomes.

(6) ADMINISTRATION.—The department shall monitor program implementation and outcomes. The department shall submit an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 1 of each year, detailing program implementation and outcomes.

(7) RULEMAKING.—The department may adopt rules to implement this section.

(8) IMPLEMENTATION.—This section may be implemented only to the extent specifically funded by legislative appropriation.

(9) REPEAL.—This section is repealed July 1, 2030, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 33. Subsection (2) of section 395.6061, Florida Statutes, is amended to read:

395.6061 Rural hospital capital improvement.—There is established a rural hospital capital improvement grant program.

(2)(a) Each rural hospital as defined in s. 395.602 shall receive a minimum of $100,000 annually, subject to legislative appropriation, upon application to the Department of Health, for projects to acquire, repair, improve, or upgrade systems, facilities, or equipment. Such projects may include, but are not limited to, the following:

1. Establishing mobile care units to provide primary care services, behavioral health services, or obstetric and gynecological services in rural health professional shortage areas.

2. Establishing telehealth kiosks to provide urgent care and primary care services remotely in rural health professional shortage areas.

(b) As used in this subsection, the term:

1. "Preventive care" means routine health care services designed to prevent illness. The term includes, but is not limited to, general physical examinations provided on an annual basis, screenings for acute or chronic illnesses, and patient counseling to promote overall wellness and avoid the need for emergency services.

2. "Primary care" means health care services focused primarily on preventive care, wellness care, and treatment for common illnesses. The term may include the health care provider serving as a patient's entry point into the overall health care system and coordinating a patient's care among specialists or acute care settings. The term does not include elective services provided solely for cosmetic purposes.

3. "Rural health professional shortage area" means a rural community as defined in s. 288.0657 which is also designated as a health professional shortage area by the Health Resources and Services Administration of the United States Department of

Health and Human Services.

Section 34. Subsection (3) of section 420.9073, Florida Statutes, is amended to read:

420.9073 Local housing distributions.—

(3) Calculation of guaranteed amounts:

(a) The guaranteed amount under subsection (1) shall be calculated for each state fiscal year by multiplying $1 million ~~$350,000~~ by a fraction, the numerator of which is the amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15(4)(c) and the denominator of which is the total amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15.

(b) The guaranteed amount under subsection (2) shall be calculated for each state fiscal year by multiplying $1 million ~~$350,000~~ by a fraction, the numerator of which is the amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15(4)(d) and the denominator of which is the total amount of funds distributed to the Local Government Housing Trust Fund pursuant to s. 201.15.

Section 35. Paragraph (n) of subsection (5) of section 420.9075, Florida Statutes, is amended, paragraph (o) is added to that subsection, and paragraph (b) of subsection (13) of that section is reenacted, to read:

420.9075 Local housing assistance plans; partnerships.—

(5) The following criteria apply to awards made to

eligible sponsors or eligible persons for the purpose of providing eligible housing:

(n) Funds from the local housing distribution not used to meet the criteria established in paragraph (a), ~~or~~ paragraph (c), or paragraph (o), or not used for the administration of a local housing assistance plan must be used for housing production and finance activities, including, but not limited to, financing preconstruction activities or the purchase of existing units, providing rental housing, and providing home ownership training to prospective home buyers and owners of homes assisted through the local housing assistance plan.

1. Notwithstanding the provisions of paragraphs (a) and (c), program income as defined in s. 420.9071(26) may also be used to fund activities described in this paragraph.

2. When preconstruction due-diligence activities conducted as part of a preservation strategy show that preservation of the units is not feasible and will not result in the production of an eligible unit, such costs shall be deemed a program expense rather than an administrative expense if such program expenses do not exceed 3 percent of the annual local housing distribution.

3. If both an award under the local housing assistance plan and federal low-income housing tax credits are used to assist a project and there is a conflict between the criteria prescribed in this subsection and the requirements of s. 42 of

the Internal Revenue Code of 1986, as amended, the county or eligible municipality may resolve the conflict by giving precedence to the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, in lieu of following the criteria prescribed in this subsection with the exception of paragraphs (a) and (g) of this subsection.

4. Each county and each eligible municipality may award funds as a grant for construction, rehabilitation, or repair as part of disaster recovery or emergency repairs or to remedy accessibility or health and safety deficiencies. Any other grants must be approved as part of the local housing assistance plan.

(o) Notwithstanding paragraphs (a) and (c), up to 25 percent of the funds made available in each county and eligible municipality from the local housing distribution may be used to preserve multifamily affordable rental housing funded through United States Department of Agriculture loans. These funds may be used to rehabilitate housing, extend affordability periods, or acquire or transfer properties in partnership with private organizations. This paragraph expires on June 30, 2031.

(13)

(b) If, as a result of its review of the annual report, the corporation determines that a county or eligible municipality has failed to implement a local housing incentive strategy, or, if applicable, a local housing incentive plan, it

shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected county or eligible municipality.

1. The notice must specify a date of termination of the funding if the affected county or eligible municipality does not implement the plan or strategy and provide for a local response. A county or eligible municipality shall respond to the corporation within 30 days after receipt of the notice of termination.

2. The corporation shall consider the local response that extenuating circumstances precluded implementation and grant an extension to the timeframe for implementation. Such an extension shall be made in the form of an extension agreement that provides a timeframe for implementation. The chief elected official of a county or eligible municipality or his or her designee shall have the authority to enter into the agreement on behalf of the local government.

3. If the county or the eligible municipality has not implemented the incentive strategy or entered into an extension agreement by the termination date specified in the notice, the local housing distribution share terminates, and any uncommitted local housing distribution funds held by the affected county or eligible municipality in its local housing assistance trust fund shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer.

4.a. If the affected local government fails to meet the timeframes specified in the agreement, the corporation shall terminate funds. The corporation shall send a notice of termination of the local government's share of the local housing distribution by certified mail to the affected local government. The notice shall specify the termination date, and any uncommitted funds held by the affected local government shall be transferred to the Local Government Housing Trust Fund to the credit of the corporation to administer.

b. If the corporation terminates funds to a county, but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement maintains compliance with program requirements, the corporation shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in ss. 420.9072 and 420.9073.

c. Any county or eligible municipality whose local distribution share has been terminated may subsequently elect to receive directly its local distribution share by adopting the ordinance, resolution, and local housing assistance plan in the manner and according to the procedures provided in ss. 420.907-420.9079.

Section 36. Subsections (1), (2), and (5) of section 1001.451, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

1001.451 Regional consortium service organizations.—In order to provide a full range of programs to larger numbers of students, minimize duplication of services, and encourage the development of new programs and services:

(1) School districts with 20,000 or fewer unweighted full-time equivalent students, developmental research (laboratory) schools established pursuant to s. 1002.32, and the Florida School for the Deaf and the Blind may enter into cooperative agreements to form a regional consortium service organization. Each regional consortium service organization shall provide any of~~, at a minimum, three of~~ the following services determined necessary and appropriate by the board of directors:

(a) Exceptional student education;

(b) Safe schools support ~~teacher education centers; environmental education~~;

(c) State and federal grant procurement and coordination;

(d) Data services ~~processing~~; ~~health~~

(e) Insurance services;

(f) Risk management ~~insurance~~;

(g) Professional learning;

(h) College, career, and workforce development;

(i) Business and operational services ~~staff development~~;

(j) Purchasing; or

(k) Planning and accountability.

(2)(a) Each regional consortium service organization that

consists of four or more school districts is eligible to receive, through the Department of Education, subject to the funds provided in the General Appropriations Act, an allocation ~~incentive grant~~ of $150,000 ~~$50,000~~ per school district and eligible member to be used for the delivery of services within ~~the~~ participating school districts. The determination of services and use of such funds must ~~shall~~ be established by the board of directors of the regional consortium service organization. The funds must ~~shall~~ be distributed to each regional consortium service organization no later than 30 days following the release of the funds to the department. Each regional consortium service organization shall submit an annual report to the department regarding the use of funds for consortia services. Unexpended amounts in any fund in a consortium's current year operating budget must be carried forward and included as the balance forward for that fund in the approved operating budget for the following year. Each regional consortium service organization shall provide quarterly financial reports to member districts.

(b) Member districts shall designate a district that will serve as a fiscal agent for contractual and reporting purposes. Such fiscal agent district is entitled to reasonable compensation for accounting and other services performed. The regional consortium service organization shall retain all funds received from grants or contracted services to cover indirect or

administrative costs associated with the provision of such services. The regional consortium service organization board of directors shall determine the products and services to be provided by the consortium; however, in all contractual matters, the school board of the fiscal agent district shall act on proposed actions of the regional consortium service organization.

(c) The regional consortium service organization board of directors shall recommend establishment of positions and individuals for appointment to the fiscal agent district. Personnel must be employed under the personnel policies of the fiscal agent district and are deemed to be public employees of the fiscal agent district. The regional consortium service organization board of directors may recommend a salary schedule and job descriptions specific to its personnel.

(d) The regional consortium service organization may purchase or lease property and facilities essential for its operations and is responsible for their maintenance and associated overhead costs.

(e) If a regional consortium service organization is dissolved, any revenue from the sale of assets must be distributed among the member districts as determined by the board of directors ~~Application for incentive grants shall be made to the Commissioner of Education by July 30 of each year for distribution to qualifying regional consortium service~~

~~organizations by January 1 of the fiscal year~~.

(5) The board of directors of a regional consortium service organization may use various means to generate revenue in support of its activities, including, but not limited to, contracting for services to nonmember districts. The board of directors may acquire, enjoy, use, and dispose of patents, copyrights, and trademarks and any licenses and associated ~~other~~ rights or interests ~~thereunder or therein~~. Ownership of all such patents, copyrights, trademarks, licenses, and associated rights or interests ~~thereunder or therein shall~~ vest in the state, with the board of directors having full right of use and full right to retain associated ~~the~~ revenues ~~derived therefrom~~. Any funds realized from contracted services, patents, copyrights, trademarks, or licenses are ~~shall be~~ considered internal funds as provided in s. 1011.07. A fund balance must be established for maintaining or expanding services, facilities maintenance, terminal pay, and other liabilities ~~Such funds shall be used to support the organization's marketing and research and development activities in order to improve and increase services to its member districts~~.

(6) A regional consortium service organization is authorized to administer the Regional Consortia Service Organization Supplemental Services Program under s. 1001.4511.

Section 37. Section 1001.4511, Florida Statutes, is created to read:

1001.4511 Regional Consortia Service Organization Supplemental Services Program.—

(1) There is created the Regional Consortia Service Organization Supplemental Services Program to increase the ability of regional consortium service organizations under s. 1001.451 to provide programs and services to consortia members through cooperative agreements. Program funds may be used to supplement member needs related to transportation; district finance personnel services; property insurance; cybersecurity support; school safety; college, career, and workforce development; academic support; and behavior support within exceptional student education services.

(2) Each regional consortium service organization shall annually report to the President of the Senate and the Speaker of the House of Representatives the distribution of funds, including members awarded and services provided.

(3) Notwithstanding s. 216.301 and pursuant to s. 216.351, funds allocated for this purpose which are not disbursed by June 30 of the fiscal year in which the funds are allocated may be carried forward for up to 5 years after the effective date of the original appropriation.

Section 38. Section 1009.635, Florida Statutes, is created to read:

1009.635 Rural Incentive for Professional Educators.—

(1) ESTABLISHMENT.—The Rural Incentive for Professional

Educators (RIPE) Program is established within the Department of Education to support the recruitment and retention of qualified instructional personnel in rural communities. The program shall provide financial assistance for the repayment of student loans for eligible participants who establish permanent residency and employment in rural areas of opportunity.

(2) ELIGIBILITY.—An individual is eligible to participate in the RIPE Program if he or she does all of the following:

(a) Establishes permanent residency on or after July 1, 2025, in a rural area of opportunity as designated pursuant to s. 288.0656. The address on an individual's state-issued identification card or driver license is evidence of residence.

(b) Secures full-time employment as a teacher or administrator in a private school as defined in s. 1002.01, or as instructional or administrative personnel as those terms are defined in s. 1012.01(2) and (3), respectively, in the public school district located within the same rural area of opportunity as he or she resides.

(c) Holds an associate degree, bachelor's degree, postgraduate degree, or certificate from an accredited institution earned before establishing residency.

(d) Has an active student loan balance incurred for the completion of the qualifying degree or certificate.

(3) LOAN REPAYMENT.—Eligible participants may receive up to $15,000 in total student loan repayment assistance over 5

years, disbursed in annual payments not to exceed $3,000 per year. Payments shall be made directly to the lender servicing the participant's student loan.

(4) AWARD DISTRIBUTION.—Before disbursement of an award, the department shall verify that the participant:

(a) Has maintained continuous employment with the school district in an instructional or administrative position;

(b) Has received a rating of effective or highly effective pursuant to s. 1012.34; and

(c) Has not been placed on probation, had his or her certificate suspended or revoked, or been placed on the disqualification list, pursuant to s. 1012.796.

(5) ADMINISTRATION.—The program shall be administered by the Office of Student Financial Assistance within the Department of Education, which shall:

(a) Develop application procedures requiring documentation, including proof of residency, verification of employment, official academic transcripts, and details of outstanding student loans.

(b) Monitor compliance with program requirements.

(6) RULEMAKING.—The State Board of Education shall adopt rules no later than January 31, 2026, to administer this section.

Section 39. Subsection (3) of section 1013.62, Florida Statutes, is amended to read:

1013.62 Charter schools capital outlay funding.—

(3) If the school board levies the discretionary millage authorized in s. 1011.71(2), the department must ~~shall~~ use the following calculation methodology to determine the amount of revenue that a school district must distribute to each eligible charter school:

(a) Reduce the total discretionary millage revenue by the school district's annual debt service obligation incurred as of March 1, 2017, which has not been subsequently retired, and:

1. Beginning in the 2025-2026 fiscal year, for any district with an active project or an outstanding participation requirement balance, any amount of participation requirement pursuant to s. 1013.64(2)(a)8. that is being satisfied by revenues raised by the discretionary millage; or

2. For construction projects for which Special Facilities Construction Account funding is sought beginning in the 2025-2026 fiscal year, the value of 1 mill from the revenue generated pursuant to s. 1013.64(2)(a)8.b.

(b) Divide the school district's adjusted discretionary millage revenue by the district's total capital outlay full-time equivalent membership and the total number of full-time equivalent students of each eligible charter school to determine a capital outlay allocation per full-time equivalent student.

(c) Multiply the capital outlay allocation per full-time equivalent student by the total number of full-time equivalent

students of each eligible charter school to determine the capital outlay allocation for each charter school.

(d) If applicable, reduce the capital outlay allocation identified in paragraph (c) by the total amount of state funds allocated to each eligible charter school in subsection (2) to determine the maximum calculated capital outlay allocation. The amount of funds a school district must distribute to charter schools shall be as follows:

1. For fiscal year 2023-2024, the amount is 20 percent of the amount calculated under this paragraph.

2. For fiscal year 2024-2025, the amount is 40 percent of the amount calculated under this paragraph.

3. For fiscal year 2025-2026, the amount is 60 percent of the amount calculated under this paragraph.

4. For fiscal year 2026-2027, the amount is 80 percent of the amount calculated under this paragraph.

5. For fiscal year 2027-2028, and each fiscal year thereafter, the amount is 100 percent of the amount calculated under this paragraph.

(e) School districts shall distribute capital outlay funds to eligible charter schools no later than February 1 of each year, as required by this subsection, based on the amount of funds received by the district school board. School districts shall distribute any remaining capital outlay funds, as required by this subsection, upon the receipt of such funds until the

total amount calculated pursuant to this subsection is distributed.

By October 1 of each year, each school district shall certify to the department the amount of debt service that ~~and participation requirement that complies with the requirement of paragraph (a) and~~ can be reduced from the total discretionary millage revenue. Each school district shall also certify the amount of the participation requirement that complies with paragraph (a), or certify the value of 1 mill from revenue generated pursuant to s. 1013.64(2)(a)8.b. that can be reduced from the total discretionary millage revenue, as applicable. The Auditor General shall verify compliance with the requirements of paragraph (a) and s. 1011.71(2)(e) during scheduled operational audits of school districts.

Section 40. Paragraph (a) of subsection (2) of section 1013.64, Florida Statutes, is amended to read:

1013.64 Funds for comprehensive educational plant needs; construction cost maximums for school district capital projects.—Allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects shall be determined as follows:

(2)(a) The department shall establish, as a part of the Public Education Capital Outlay and Debt Service Trust Fund, a separate account, in an amount determined by the Legislature, to

be known as the "Special Facility Construction Account." The Special Facility Construction Account shall be used to provide necessary construction funds to school districts which have urgent construction needs but which lack sufficient resources at present, and cannot reasonably anticipate sufficient resources within the period of the next 3 years, for these purposes from currently authorized sources of capital outlay revenue. A school district requesting funding from the Special Facility Construction Account shall submit one specific construction project, not to exceed one complete educational plant, to the Special Facility Construction Committee. A district may not receive funding for more than one approved project in any 3-year period ~~or while any portion of the district's participation requirement is outstanding~~. The first year of the 3-year period shall be the first year a district receives an appropriation. The department shall encourage a construction program that reduces the average size of schools in the district. The request must meet the following criteria to be considered by the committee:

1. The project must be deemed a critical need and must be recommended for funding by the Special Facility Construction Committee. Before developing construction plans for the proposed facility, the district school board must request a preapplication review by the Special Facility Construction Committee or a project review subcommittee convened by the chair

of the committee to include two representatives of the department and two staff members from school districts not eligible to participate in the program. A school district may request a preapplication review at any time; however, if the district school board seeks inclusion in the department's next annual capital outlay legislative budget request, the preapplication review request must be made before February 1. Within 90 days after receiving the preapplication review request, the committee or subcommittee must meet in the school district to review the project proposal and existing facilities. To determine whether the proposed project is a critical need, the committee or subcommittee shall consider, at a minimum, the capacity of all existing facilities within the district as determined by the Florida Inventory of School Houses; the district's pattern of student growth; the district's existing and projected capital outlay full-time equivalent student enrollment as determined by the demographic, revenue, and education estimating conferences established in s. 216.136; the district's existing satisfactory student stations; the use of all existing district property and facilities; grade level configurations; and any other information that may affect the need for the proposed project.

2. The construction project must be recommended in the most recent survey or survey amendment cooperatively prepared by the district and the department, and approved by the department

under the rules of the State Board of Education. If a district employs a consultant in the preparation of a survey or survey amendment, the consultant may not be employed by or receive compensation from a third party that designs or constructs a project recommended by the survey.

3. The construction project must appear on the district's approved project priority list under the rules of the State Board of Education.

4. The district must have selected and had approved a site for the construction project in compliance with s. 1013.36 and the rules of the State Board of Education.

5. The district shall have developed a district school board adopted list of facilities that do not exceed the norm for net square feet occupancy requirements under the State Requirements for Educational Facilities, using all possible programmatic combinations for multiple use of space to obtain maximum daily use of all spaces within the facility under consideration.

6. Upon construction, the total cost per student station, including change orders, must not exceed the cost per student station as provided in subsection (6) unless approved by the Special Facility Construction Committee. At the discretion of the committee, costs that exceed the cost per student station for special facilities may include legal and administrative fees, the cost of site improvements or related offsite

improvements, the cost of complying with public shelter and hurricane hardening requirements, cost overruns created by a disaster as defined in s. 252.34(2), costs of security enhancements approved by the school safety specialist, and unforeseeable circumstances beyond the district's control.

7. There shall be an agreement signed by the district school board stating that it will advertise for bids within 30 days of receipt of its encumbrance authorization from the department.

8.a.(I) For construction projects for which Special Facilities Construction Account funding is sought before the 2019-2020 fiscal year, the district shall, at the time of the request and for a continuing period necessary to meet the district's participation requirement, levy the maximum millage against its nonexempt assessed property value as allowed in s. 1011.71(2) or shall raise an equivalent amount of revenue from the school capital outlay surtax authorized under s. 212.055(6).

(II) Beginning with construction projects for which Special Facilities Construction Account funding is sought in the 2019-2020 fiscal year, the district shall, for a minimum of 3 years before submitting the request and for a continuing period necessary to meet its participation requirement, levy the maximum millage against the district's nonexempt assessed property value as authorized under s. 1011.71(2) or shall raise an equivalent amount of revenue from the school capital outlay

surtax authorized under s. 212.055(6).

(III) Beginning with the 2025-2026 fiscal year, any district with an ~~a new or~~ active project or an outstanding participation requirement balance, funded under ~~the provisions of~~ this subsection, shall be required to budget no more than the value of 1 mill per year to the project until the district's participation requirement relating to the local discretionary capital improvement millage or the equivalent amount of revenue from the school capital outlay surtax is satisfied.

b. For construction projects for which Special Facilities Construction Account funding is sought beginning in the 2025-2026 fiscal year, the district shall, for a minimum of 3 years before submitting the request and for the initial year of the appropriation and the 2 years following the initial appropriation, levy the maximum millage against the district's nonexempt assessed property value as authorized under s. 1011.71(2) or shall raise an equivalent amount of revenue from the school capital outlay surtax authorized under s. 212.055(6). The district is not required to budget the funds toward the project, but must use the funds as authorized pursuant to s. 1011.71 or s. 212.055(6), as applicable.

9. If a contract has not been signed 90 days after the advertising of bids, the funding for the specific project must ~~shall~~ revert to the Special Facility New Construction Account to be reallocated to other projects on the list. However, an

additional 90 days may be granted by the commissioner.

10. The department shall certify the inability of the district to fund the survey-recommended project over a continuous 3-year period using projected capital outlay revenue derived from s. 9(d), Art. XII of the State Constitution, as amended, paragraph (3)(a) of this section, and s. 1011.71(2).

11.a. For projects funded before the 2025-2026 fiscal year, the district shall have on file with the department an adopted resolution acknowledging its commitment to satisfy its participation requirement, which is equivalent to all unencumbered and future revenue acquired from s. 9(d), Art. XII of the State Constitution, as amended, paragraph (3)(a) of this section, and s. 1011.71(2), in the year of the initial appropriation and for the 2 years immediately following the initial appropriation.

b. For projects funded during the 2025-2026 fiscal year, and thereafter, the district shall have on file with the department an adopted resolution acknowledging its commitment to comply with the requirements of this paragraph.

12. Phase I plans must be approved by the district school board as being in compliance with the building and life safety codes before June 1 of the year the application is made.

Section 41. For the 2025-2026 fiscal year, the sum of $1 million in recurring funds from the General Revenue Fund is appropriated to the Florida Small Business Development Center

Network under s. 288.001, Florida Statutes, to expand services in rural communities. The funds shall be allocated to the Office of Rural Prosperity budget entity within the Department of Commerce in the Special Categories-SBDCN Rural Services specific appropriation category.

Section 42. (1) For the 2025-2026 fiscal year, the sums of $1,827,591 in recurring funds and $652,327 in nonrecurring funds are appropriated from the General Revenue Fund to the Department of Commerce.

(2) The recurring general revenue funds shall be allocated to the Office of Rural Prosperity budget entity in the following specific appropriations categories: $1,585,823 in Salaries and Benefits, $175,961 in Expenses, $50,000 in Contracted Services, $10,000 in Operating Capital Outlay, and $5,807 in Transfer to the Department of Management Services/Statewide Human Resources Contract.

(3) The nonrecurring general revenue funds shall be allocated to the Office of Rural Prosperity budget entity in the following specific appropriations categories: $92,327 in Expenses and $560,000 in Acquisition of Motor Vehicles.

(4) The Department of Commerce is authorized to establish 17.00 full-time equivalent positions with associated salary rate of 1,060,000 in the Office of Rural Prosperity for the purpose of implementing this act. The following specific positions, classifications, and pay plans are authorized: 1.00 Director of

General Operation, Class Code 9327, Pay Grade 940; 15.00 Government Analyst II, Class Code 2225, Pay Grade 026; and 1.00 Administrative Assistant II, Class Code 0712, Pay Grade 018.

Section 43. For the 2025-2026 fiscal year, the recurring sum of $8 million from the General Revenue Fund is appropriated to the Office of Rural Prosperity within the Department of Commerce to implement the Renaissance Grants Program created by s. 288.014, Florida Statutes. No funds may be used by the state for administrative costs.

Section 44. For the 2025-2026 fiscal year, the recurring sum of $500,000 from the Grants and Donations Trust Fund is appropriated to the Office of Rural Prosperity within the Department of Commerce to implement the Public Infrastructure Smart Technology Grant Program created by s. 288.0175, Florida Statutes.

Section 45. For the 2025-2026 fiscal year, the sums of $4 million in nonrecurring funds and $1 million in recurring funds from the General Revenue Fund are appropriated to the Office of Rural Prosperity within the Department of Commerce to implement the Rural Community Development Revolving Loan Fund under s. 288.065, Florida Statutes, as amended by this act.

Section 46. For the 2025-2026 fiscal year, the sums of $40 million in nonrecurring funds and $5 million in recurring funds from the General Revenue Fund are appropriated to the Office of Rural Prosperity within the Department of Commerce to implement

the Rural Infrastructure Fund under s. 288.0655, Florida Statutes, as amended by this act.

Section 47. For the 2025-2026 fiscal year, the sum of $250,000 in recurring funds from the Grants and Donations Trust Fund is appropriated to the Office of Rural Prosperity within the Department of Commerce to implement s. 288.0657, Florida Statutes, as amended by this act.

Section 48. For the 2025-2026 fiscal year, the sum of $30 million in nonrecurring funds from the General Revenue Fund is appropriated to the Florida Housing Finance Corporation to be used to preserve affordable multifamily rental housing in rural communities funded through United States Department of Agriculture loans. The funds provided in this appropriation shall be used to issue competitive requests for application for the rehabilitation or acquisition of such properties to ensure continued affordability. By October 1, 2026, the Florida Housing Finance Corporation shall submit a report to the President of the Senate and the Speaker of the House of Representatives on projects funded pursuant to this section, which report must include the number of units preserved and the financing portfolio for each project.

Section 49. For the 2025-2026 fiscal year, the sum of $25 million in nonrecurring funds from the General Revenue Fund is appropriated to the Department of Health for the purpose of implementing the Rural Access to Primary and Preventive Care

Grant Program created under s. 381.403, Florida Statutes. Grant funds shall be awarded over a 5-year period. Notwithstanding s. 216.301, Florida Statutes, and pursuant to s. 216.351, Florida Statutes, the unexpended balance of funds appropriated pursuant to this section which is not disbursed by June 30 of the fiscal year in which funds are appropriated may be carried forward through the 2033-2034 fiscal year.

Section 50. For the 2025-2026 fiscal year, the sum of $5 million in nonrecurring funds from the General Revenue Fund is appropriated to the Department of Health for the purpose of implementing the Stroke, Cardiac, and Obstetric Response and Education Grant Program under s. 381.9856, Florida Statutes. Notwithstanding s. 216.301, Florida Statutes, and pursuant to s. 216.351, Florida Statutes, the unexpended balance of funds appropriated pursuant to this section which is not disbursed by June 30 of the fiscal year in which funds are appropriated may be carried forward through the 2029-2030 fiscal year.

Section 51. For the 2025-2026 fiscal year, the sum of $25 million in nonrecurring funds from the General Revenue Fund is appropriated in fixed capital outlay to the Department of Health for the purpose of implementing the rural hospital capital improvement grant program under s. 395.6061, Florida Statutes.

Section 52. For the 2025-2026 fiscal year, the sums of $1,499,261 in recurring funds from the General Revenue Fund and $1,933,112 in recurring funds from the Medical Care Trust Fund

are appropriated to the Agency for Health Care Administration to establish a Diagnosis-Related Grouping (DRG) reimbursement methodology for critical access hospitals, as defined in s. 408.07, Florida Statutes, for the purpose of providing inpatient reimbursement to such a hospital in amounts comparable to the reimbursement the hospital would receive for inpatient services from the federal Medicare program. The 2025-2026 fiscal year General Appropriations Act shall establish the DRG reimbursement methodology for critical access hospital inpatient services as directed in s. 409.905(5)(c), Florida Statutes.

Section 53. For the 2025-2026 fiscal year, the sums of $4,840,182 in recurring funds from the General Revenue Fund and $6,240,820 in recurring funds from the Medical Care Trust Fund are appropriated to the Agency for Health Care Administration to establish an Enhanced Ambulatory Patient Grouping (EAPG) reimbursement methodology for critical access hospitals, as defined in s. 408.07, Florida Statutes, for the purpose of providing outpatient reimbursement to such a hospital in amounts comparable to the reimbursement the hospital would receive for outpatient services from the federal Medicare program. The 2025-2026 fiscal year General Appropriations Act shall establish the EAPG reimbursement methodology for critical access hospital outpatient services as directed in s. 409.905(6)(b), Florida Statutes.

Section 54. For the 2025-2026 fiscal year, the sum of $3.6

million in recurring funds from the General Revenue Fund is appropriated to the Department of Education to implement s. 1001.451, Florida Statutes, as amended by this act.

Section 55. For the 2025-2026 fiscal year, the sum of $25 million in recurring funds is appropriated from the General Revenue Fund to the Department of Education to be distributed to regional consortium service organizations under s. 1001.451, Florida Statutes, in order to provide funds pursuant to s. 1001.4511, Florida Statutes. These funds shall be allocated as follows: $5,555,149 to the Heartland Educational Consortium; $11,912,923 to the North East Florida Educational Consortium; and $7,531,928 to the Panhandle Area Educational Consortium. The funds must be distributed to each regional consortium service organization no later than 30 days following the release of the funds to the department.

Section 56. For the 2025-2026 fiscal year, the sum of $7 million in recurring funds from the General Revenue Fund is appropriated to the Department of Education to implement the Rural Incentive for Professional Educators (RIPE) Program, s. 1009.635, Florida Statutes, as created by this act.

Section 57. Subsection (3) of section 163.3187, Florida Statutes, is amended to read:

163.3187 Process for adoption of small scale comprehensive plan amendment.—

(3) If the small scale development amendment involves a

site within a rural area of opportunity as defined under s. 288.0656 ~~s. 288.0656(2)(d)~~ for the duration of such designation, the acreage limit listed in subsection (1) shall be increased by 100 percent. The local government approving the small scale plan amendment shall certify to the state land planning agency that the plan amendment furthers the economic objectives set forth in the executive order issued under s. 288.0656(7), and the property subject to the plan amendment shall undergo public review to ensure that all concurrency requirements and federal, state, and local environmental permit requirements are met.

Section 58. Section 212.205, Florida Statutes, is amended to read:

212.205 Sales tax distribution reporting.—By March 15 of each year, each person who received a distribution pursuant to s. 212.20(6)(d)7.b. and c. ~~s. 212.20(6)(d)6.b. and c.~~ in the preceding calendar year shall report to the Office of Economic and Demographic Research the following information:

(1) An itemized accounting of all expenditures of the funds distributed in the preceding calendar year, including amounts spent on debt service.

(2) A statement indicating what portion of the distributed funds have been pledged for debt service.

(3) The original principal amount and current debt service schedule of any bonds or other borrowing for which the distributed funds have been pledged for debt service.

Section 59. Section 257.191, Florida Statutes, is amended to read:

257.191 Construction grants.—The Division of Library and Information Services may accept and administer library construction moneys appropriated to it and shall allocate such appropriation to municipal, county, and regional libraries in the form of library construction grants on a matching basis. The local matching portion shall be no less than the grant amount, on a dollar-for-dollar basis, up to the maximum grant amount, unless the matching requirement is waived pursuant to s. 288.019 ~~by s. 288.06561~~. Initiation of a library construction project 12 months or less prior to the grant award under this section does ~~shall~~ not affect the eligibility of an applicant to receive a library construction grant. The division shall adopt rules for the administration of library construction grants. For the purposes of this section, s. 257.21 does not apply.

Section 60. Subsection (2) of section 257.193, Florida Statutes, is amended to read:

257.193 Community Libraries in Caring Program.—

(2) The purpose of the Community Libraries in Caring Program is to assist libraries in rural communities, as defined in s. 288.0656(2) and subject to the provisions of s. 288.019 ~~s. 288.06561~~, to strengthen their collections and services, improve literacy in their communities, and improve the economic viability of their communities.

Section 61. Subsection (17) of section 265.283, Florida Statutes, is amended to read:

265.283 Definitions.—The following definitions shall apply to ss. 265.281-265.703:

(17) "Underserved arts community assistance program grants" means grants used by qualified organizations under the Rural Economic Development Initiative, pursuant to s. 288.0656 and subject to the provisions of s. 288.019 ~~ss. 288.0656 and 288.06561~~, for the purpose of economic and organizational development for underserved cultural organizations.

Section 62. Paragraphs (a) and (d) of subsection (3) of section 288.11621, Florida Statutes, are amended to read:

288.11621 Spring training baseball franchises.—

(3) USE OF FUNDS.—

(a) A certified applicant may use funds provided under s. 212.20(6)(d)7.b. ~~s. 212.20(6)(d)6.b.~~ only to:

1. Serve the public purpose of acquiring, constructing, reconstructing, or renovating a facility for a spring training franchise.

2. Pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect thereto, bonds issued for the acquisition, construction, reconstruction, or renovation of such facility, or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

3. Assist in the relocation of a spring training franchise from one unit of local government to another only if the governing board of the current host local government by a majority vote agrees to relocation.

(d)1. All certified applicants must place unexpended state funds received pursuant to s. 212.20(6)(d)7.b. ~~s. 212.20(6)(d)6.b.~~ in a trust fund or separate account for use only as authorized in this section.

2. A certified applicant may request that the Department of Revenue suspend further distributions of state funds made available under s. 212.20(6)(d)7.b. ~~s. 212.20(6)(d)6.b.~~ for 12 months after expiration of an existing agreement with a spring training franchise to provide the certified applicant with an opportunity to enter into a new agreement with a spring training franchise, at which time the distributions shall resume.

3. The expenditure of state funds distributed to an applicant certified before July 1, 2010, must begin within 48 months after the initial receipt of the state funds. In addition, the construction of, or capital improvements to, a spring training facility must be completed within 24 months after the project's commencement.

Section 63. Paragraph (c) of subsection (2) and paragraphs (a), (c), and (d) of subsection (3) of section 288.11631, Florida Statutes, are amended to read:

288.11631 Retention of Major League Baseball spring

training baseball franchises.—

(2) CERTIFICATION PROCESS.—

(c) Each applicant certified on or after July 1, 2013, shall enter into an agreement with the department which:

1. Specifies the amount of the state incentive funding to be distributed. The amount of state incentive funding per certified applicant may not exceed $20 million. However, if a certified applicant's facility is used by more than one spring training franchise, the maximum amount may not exceed $50 million, and the Department of Revenue shall make distributions to the applicant pursuant to s. 212.20(6)(d)7.c. ~~s. 212.20(6)(d)6.c.~~

2. States the criteria that the certified applicant must meet in order to remain certified. These criteria must include a provision stating that the spring training franchise must reimburse the state for any funds received if the franchise does not comply with the terms of the contract. If bonds were issued to construct or renovate a facility for a spring training franchise, the required reimbursement must be equal to the total amount of state distributions expected to be paid from the date the franchise violates the agreement with the applicant through the final maturity of the bonds.

3. States that the certified applicant is subject to decertification if the certified applicant fails to comply with this section or the agreement.

4. States that the department may recover state incentive funds if the certified applicant is decertified.

5. Specifies the information that the certified applicant must report to the department.

6. Includes any provision deemed prudent by the department.

(3) USE OF FUNDS.—

(a) A certified applicant may use funds provided under s. 212.20(6)(d)7.c. ~~s. 212.20(6)(d)6.c.~~ only to:

1. Serve the public purpose of constructing or renovating a facility for a spring training franchise.

2. Pay or pledge for the payment of debt service on, or to fund debt service reserve funds, arbitrage rebate obligations, or other amounts payable with respect thereto, bonds issued for the construction or renovation of such facility, or for the reimbursement of such costs or the refinancing of bonds issued for such purposes.

(c) The Department of Revenue may not distribute funds under s. 212.20(6)(d)7.c. ~~s. 212.20(6)(d)6.c.~~ until July 1, 2016. Further, the Department of Revenue may not distribute funds to an applicant certified on or after July 1, 2013, until it receives notice from the department that:

1. The certified applicant has encumbered funds under either subparagraph (a)1. or subparagraph (a)2.; and

2. If applicable, any existing agreement with a spring

training franchise for the use of a facility has expired.

(d)1. All certified applicants shall place unexpended state funds received pursuant to s. 212.20(6)(d)7.c. ~~s. 212.20(6)(d)6.c.~~ in a trust fund or separate account for use only as authorized in this section.

2. A certified applicant may request that the department notify the Department of Revenue to suspend further distributions of state funds made available under s. 212.20(6)(d)7.c. ~~s. 212.20(6)(d)6.c.~~ for 12 months after expiration of an existing agreement with a spring training franchise to provide the certified applicant with an opportunity to enter into a new agreement with a spring training franchise, at which time the distributions shall resume.

3. The expenditure of state funds distributed to an applicant certified after July 1, 2013, must begin within 48 months after the initial receipt of the state funds. In addition, the construction or renovation of a spring training facility must be completed within 24 months after the project's commencement.

Section 64. Subsection (1) of section 443.191, Florida Statutes, is amended to read:

443.191 Unemployment Compensation Trust Fund; establishment and control.—

(1) There is established, as a separate trust fund apart from all other public funds of this state, an Unemployment

Compensation Trust Fund, which shall be administered by the Department of Commerce exclusively for the purposes of this chapter. The fund must consist of:

(a) All contributions and reimbursements collected under this chapter;

(b) Interest earned on any moneys in the fund;

(c) Any property or securities acquired through the use of moneys belonging to the fund;

(d) All earnings of these properties or securities;

(e) All money credited to this state's account in the federal Unemployment Compensation Trust Fund under 42 U.S.C. s. 1103;

(f) All money collected for penalties imposed pursuant to s. 443.151(6)(a);

(g) Advances on the amount in the federal Unemployment Compensation Trust Fund credited to the state under 42 U.S.C. s. 1321, as requested by the Governor or the Governor's designee; and

(h) All money deposited in this account as a distribution pursuant to s. 212.20(6)(d)7.e. ~~s. 212.20(6)(d)6.e.~~

Except as otherwise provided in s. 443.1313(4), all moneys in the fund must be mingled and undivided.

Section 65. Section 571.26, Florida Statutes, is amended to read:

571.26 Florida Agricultural Promotional Campaign Trust Fund.—There is hereby created the Florida Agricultural Promotional Campaign Trust Fund within the Department of Agriculture and Consumer Services to receive all moneys related to the Florida Agricultural Promotional Campaign. Moneys deposited in the trust fund shall be appropriated for the sole purpose of implementing the Florida Agricultural Promotional Campaign, except for money deposited in the trust fund pursuant to s. 212.20(6)(d)7.h. ~~s. 212.20(6)(d)6.h.~~, which shall be held separately and used solely for the purposes identified in s. 571.265.

Section 66. Subsection (2) of section 571.265, Florida Statutes, is amended to read:

571.265 Promotion of Florida thoroughbred breeding and of thoroughbred racing at Florida thoroughbred tracks; distribution of funds.—

(2) Funds deposited into the Florida Agricultural Promotional Campaign Trust Fund pursuant to s. 212.20(6)(d)7.f. ~~s. 212.20(6)(d)6.f.~~ shall be used by the department to encourage the agricultural activity of breeding thoroughbred racehorses in this state and to enhance thoroughbred racing conducted at thoroughbred tracks in this state as provided in this section. If the funds made available under this section are not fully used in any one fiscal year, any unused amounts shall be carried forward in the trust fund into future fiscal years and made

available for distribution as provided in this section.

Section 67. For the purpose of incorporating the amendment made by this act to section 20.60, Florida Statutes, in a reference thereto, subsection (8) of section 288.9935, Florida Statutes, is reenacted to read:

288.9935 Microfinance Guarantee Program.—

(8) The department must, in the department's report required under s. 20.60(10), include an annual report on the program. The report must, at a minimum, provide:

(a) A comprehensive description of the program, including an evaluation of its application and guarantee activities, recommendations for change, and identification of any other state programs that overlap with the program;

(b) An assessment of the current availability of and access to credit for entrepreneurs and small businesses in this state;

(c) A summary of the financial and employment results of the entrepreneurs and small businesses receiving loan guarantees, including the number of full-time equivalent jobs created as a result of the guaranteed loans and the amount of wages paid to employees in the newly created jobs;

(d) Industry data about the borrowers, including the six-digit North American Industry Classification System (NAICS) code;

(e) The name and location of lenders that receive loan

guarantees;

(f) The number of loan guarantee applications received;

(g) The number, duration, location, and amount of guarantees made;

(h) The number and amount of guaranteed loans outstanding, if any;

(i) The number and amount of guaranteed loans with payments overdue, if any;

(j) The number and amount of guaranteed loans in default, if any;

(k) The repayment history of the guaranteed loans made; and

(l) An evaluation of the program's ability to meet the financial performance measures and objectives specified in subsection (3).

Section 68. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, paragraph (c) of subsection (5) of section 125.0104, Florida Statutes, is reenacted to read:

125.0104 Tourist development tax; procedure for levying; authorized uses; referendum; enforcement.—

(5) AUTHORIZED USES OF REVENUE.—

(c) A county located adjacent to the Gulf of Mexico or the Atlantic Ocean, except a county that receives revenue from taxes levied pursuant to s. 125.0108, which meets the following

criteria may use up to 10 percent of the tax revenue received pursuant to this section to reimburse expenses incurred in providing public safety services, including emergency medical services as defined in s. 401.107(3), and law enforcement services, which are needed to address impacts related to increased tourism and visitors to an area. However, if taxes collected pursuant to this section are used to reimburse emergency medical services or public safety services for tourism or special events, the governing board of a county or municipality may not use such taxes to supplant the normal operating expenses of an emergency medical services department, a fire department, a sheriff's office, or a police department. To receive reimbursement, the county must:

1.a. Generate a minimum of $10 million in annual proceeds from any tax, or any combination of taxes, authorized to be levied pursuant to this section;

b. Have at least three municipalities; and

c. Have an estimated population of less than 275,000, according to the most recent population estimate prepared pursuant to s. 186.901, excluding the inmate population; or

2. Be a fiscally constrained county as described in s. 218.67(1).

The board of county commissioners must by majority vote approve reimbursement made pursuant to this paragraph upon receipt of a

recommendation from the tourist development council.

Section 69. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (3) of section 193.624, Florida Statutes, is reenacted to read:

193.624 Assessment of renewable energy source devices.—

(3) This section applies to the installation of a renewable energy source device installed on or after January 1, 2013, to new and existing residential real property. This section applies to a renewable energy source device installed on or after January 1, 2018, to all other real property, except when installed as part of a project planned for a location in a fiscally constrained county, as defined in s. 218.67(1), and for which an application for a comprehensive plan amendment or planned unit development zoning has been filed with the county on or before December 31, 2017.

Section 70. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (2) of section 196.182, Florida Statutes, is reenacted to read:

196.182 Exemption of renewable energy source devices.—

(2) The exemption provided in this section does not apply to a renewable energy source device that is installed as part of a project planned for a location in a fiscally constrained county, as defined in s. 218.67(1), and for which an application

for a comprehensive plan amendment or planned unit development zoning has been filed with the county on or before December 31, 2017.

Section 71. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (1) of section 218.12, Florida Statutes, is reenacted to read:

218.12 Appropriations to offset reductions in ad valorem tax revenue in fiscally constrained counties.—

(1) Beginning in fiscal year 2008-2009, the Legislature shall appropriate moneys to offset the reductions in ad valorem tax revenue experienced by fiscally constrained counties, as defined in s. 218.67(1), which occur as a direct result of the implementation of revisions of Art. VII of the State Constitution approved in the special election held on January 29, 2008. The moneys appropriated for this purpose shall be distributed in January of each fiscal year among the fiscally constrained counties based on each county's proportion of the total reduction in ad valorem tax revenue resulting from the implementation of the revision.

Section 72. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (1) of section 218.125, Florida Statutes, is reenacted to read:

218.125 Offset for tax loss associated with certain

constitutional amendments affecting fiscally constrained counties.—

(1) Beginning in the 2010-2011 fiscal year, the Legislature shall appropriate moneys to offset the reductions in ad valorem tax revenue experienced by fiscally constrained counties, as defined in s. 218.67(1), which occur as a direct result of the implementation of revisions of ss. 3(f) and 4(b), Art. VII of the State Constitution which were approved in the general election held in November 2008. The moneys appropriated for this purpose shall be distributed in January of each fiscal year among the fiscally constrained counties based on each county's proportion of the total reduction in ad valorem tax revenue resulting from the implementation of the revisions.

Section 73. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (1) of section 218.135, Florida Statutes, is reenacted to read:

218.135 Offset for tax loss associated with reductions in value of certain citrus fruit packing and processing equipment.—

(1) For the 2018-2019 fiscal year, the Legislature shall appropriate moneys to offset the reductions in ad valorem tax revenue experienced by fiscally constrained counties, as defined in s. 218.67(1), which occur as a direct result of the implementation of s. 193.4516. The moneys appropriated for this purpose shall be distributed in January 2019 among the fiscally

constrained counties based on each county's proportion of the total reduction in ad valorem tax revenue resulting from the implementation of s. 193.4516.

Section 74. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (1) of section 218.136, Florida Statutes, is reenacted to read:

218.136 Offset for ad valorem revenue loss affecting fiscally constrained counties.—

(1) Beginning in fiscal year 2025-2026, the Legislature shall appropriate moneys to offset the reductions in ad valorem tax revenue experienced by fiscally constrained counties, as defined in s. 218.67(1), which occur as a direct result of the implementation of revisions of s. 6(a), Art. VII of the State Constitution approved in the November 2024 general election. The moneys appropriated for this purpose shall be distributed in January of each fiscal year among the fiscally constrained counties based on each county's proportion of the total reduction in ad valorem tax revenue resulting from the implementation of the revision of s. 6(a), Art. VII of the State Constitution.

Section 75. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, paragraph (cc) of subsection (2) of section 252.35, Florida Statutes, is reenacted to read:

252.35 Emergency management powers; Division of Emergency Management.—

(2) The division is responsible for carrying out the provisions of ss. 252.31-252.90. In performing its duties, the division shall:

(cc) Prioritize technical assistance and training to fiscally constrained counties as defined in s. 218.67(1) on aspects of safety measures, preparedness, prevention, response, recovery, and mitigation relating to natural disasters and emergencies.

Section 76. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, subsection (4) of section 288.102, Florida Statutes, is reenacted to read:

288.102 Supply Chain Innovation Grant Program.—

(4) A minimum of a one-to-one match of nonstate resources, including local, federal, or private funds, to the state contribution is required. An award may not be made for a project that is receiving or using state funding from another state source or statutory program, including tax credits. The one-to-one match requirement is waived for a public entity located in a fiscally constrained county as defined in s. 218.67(1).

Section 77. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, paragraph (g) of subsection (16) of section

403.064, Florida Statutes, is reenacted to read:

403.064 Reuse of reclaimed water.—

(16) By November 1, 2021, domestic wastewater utilities that dispose of effluent, reclaimed water, or reuse water by surface water discharge shall submit to the department for review and approval a plan for eliminating nonbeneficial surface water discharge by January 1, 2032, subject to the requirements of this section. The plan must include the average gallons per day of effluent, reclaimed water, or reuse water that will no longer be discharged into surface waters and the date of such elimination, the average gallons per day of surface water discharge which will continue in accordance with the alternatives provided for in subparagraphs (a)2. and 3., and the level of treatment that the effluent, reclaimed water, or reuse water will receive before being discharged into a surface water by each alternative.

(g) This subsection does not apply to any of the following:

1. A domestic wastewater treatment facility that is located in a fiscally constrained county as described in s. 218.67(1).

2. A domestic wastewater treatment facility that is located in a municipality that is entirely within a rural area of opportunity as designated pursuant to s. 288.0656.

3. A domestic wastewater treatment facility that is

located in a municipality that has less than $10 million in total revenue, as determined by the municipality's most recent annual financial report submitted to the Department of Financial Services in accordance with s. 218.32.

4. A domestic wastewater treatment facility that is operated by an operator of a mobile home park as defined in s. 723.003 and has a permitted capacity of less than 300,000 gallons per day.

Section 78. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in references thereto, subsections (2) and (3) of section 589.08, Florida Statutes, are reenacted to read:

589.08 Land acquisition restrictions.—

(2) The Florida Forest Service may receive, hold the custody of, and exercise the control of any lands, and set aside into a separate, distinct and inviolable fund, any proceeds derived from the sales of the products of such lands, the use thereof in any manner, or the sale of such lands save the 25 percent of the proceeds to be paid into the State School Fund as provided by law. The Florida Forest Service may use and apply such funds for the acquisition, use, custody, management, development, or improvement of any lands vested in or subject to the control of the Florida Forest Service. After full payment has been made for the purchase of a state forest to the Federal Government or other grantor, 15 percent of the gross receipts

from a state forest shall be paid to the fiscally constrained county or counties, as described in s. 218.67(1), in which it is located in proportion to the acreage located in each county for use by the county or counties for school purposes.

(3) The Florida Forest Service shall pay 15 percent of the gross receipts from the Goethe State Forest to each fiscally constrained county, as described in s. 218.67(1), in which a portion of the respective forest is located in proportion to the forest acreage located in such county. The funds must be equally divided between the board of county commissioners and the school board of each fiscally constrained county.

Section 79. For the purpose of incorporating the amendment made by this act to section 218.67, Florida Statutes, in a reference thereto, paragraph (f) of subsection (1) of section 1011.62, Florida Statutes, is reenacted to read:

1011.62 Funds for operation of schools.—If the annual allocation from the Florida Education Finance Program to each district for operation of schools is not determined in the annual appropriations act or the substantive bill implementing the annual appropriations act, it shall be determined as follows:

(1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR OPERATION.—The following procedure shall be followed in determining the annual allocation to each district for operation:

(f) *Small district factor.*—An additional value per full-time equivalent student membership is provided to each school district with a full-time equivalent student membership of fewer than 20,000 full-time equivalent students which is in a fiscally constrained county as described in s. 218.67(1). The amount of the additional value shall be specified in the General Appropriations Act.

Section 80. For the purpose of incorporating the amendment made by this act to sections 218.67 and 339.2818, Florida Statutes, in references thereto, paragraph (c) of subsection (6) of section 403.0741, Florida Statutes, is reenacted to read:

403.0741 Grease waste removal and disposal.—

(6) REGULATION BY LOCAL GOVERNMENTS.—

(c) Fiscally constrained counties as described in s. 218.67(1) and small counties as defined in s. 339.2818(2) may opt out of the requirements of this section.

Section 81. For the purpose of incorporating the amendment made by this act to section 288.0656, Florida Statutes, in a reference thereto, paragraph (e) of subsection (7) of section 163.3177, Florida Statutes, is reenacted to read:

163.3177 Required and optional elements of comprehensive plan; studies and surveys.—

(7)

(e) This subsection does not confer the status of rural area of opportunity, or any of the rights or benefits derived

from such status, on any land area not otherwise designated as such pursuant to s. 288.0656(7).

Section 82. For the purpose of incorporating the amendment made by this act to section 288.9961, Florida Statutes, in a reference thereto, paragraph (a) of subsection (7) of section 288.9962, Florida Statutes, is reenacted to read:

288.9962 Broadband Opportunity Program.—

(7)(a) In evaluating grant applications and awarding grants, the office must give priority to applications that:

1. Offer broadband Internet service to important community institutions, including, but not limited to, libraries, educational institutions, public safety facilities, and health care facilities;

2. Facilitate the use of telemedicine and electronic health records;

3. Serve economically distressed areas of this state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

4. Provide for scalability to transmission speeds of at least 100 megabits per second download and 10 megabits per second upload;

5. Include a component to actively promote the adoption of the newly available broadband Internet service in the community;

6. Provide evidence of strong support for the project from citizens, government, businesses, and institutions in the

community;

7. Provide access to broadband Internet service to the greatest number of unserved households and businesses;

8. Leverage greater amounts of funding for a project from private sources; or

9. Demonstrate consistency with the strategic plan adopted under s. 288.9961.

Section 83. For the purpose of incorporating the amendment made by this act to section 319.32, Florida Statutes, in a reference thereto, subsection (1) of section 215.211, Florida Statutes, is reenacted to read:

215.211 Service charge; elimination or reduction for specified proceeds.—

(1) Notwithstanding the provisions of s. 215.20(1) and former s. 215.20(3), the service charge provided in s. 215.20(1) and former s. 215.20(3), which is deducted from the proceeds of the taxes distributed under ss. 206.606(1), 207.026, 212.0501(6), and 319.32(5), shall be eliminated beginning July 1, 2000.

Section 84. For the purpose of incorporating the amendment made by this act to section 339.68, Florida Statutes, in references thereto, subsections (5) and (6) of section 339.66, Florida Statutes, are reenacted to read:

339.66 Upgrade of arterial highways with controlled access facilities.—

(5) Any existing applicable requirements relating to department projects shall apply to projects undertaken by the department pursuant to this section. The department shall take into consideration the guidance and recommendations of any previous studies or reports relevant to the projects authorized by this section and ss. 339.67 and 339.68, including, but not limited to, the task force reports prepared pursuant to chapter 2019-43, Laws of Florida.

(6) Any existing applicable requirements relating to turnpike projects apply to projects undertaken by the Turnpike Enterprise pursuant to this section. The Turnpike Enterprise shall take into consideration the guidance and recommendations of any previous studies or reports relevant to the projects authorized by this section and ss. 339.67 and 339.68, including, but not limited to, the task force reports prepared pursuant to chapter 2019-43, Laws of Florida, and with respect to any extension of the Florida Turnpike from its northerly terminus in Wildwood.

Section 85. For the purpose of incorporating the amendment made by this act to section 420.9073, Florida Statutes, in references thereto, subsections (4) and (6) of section 420.9072, Florida Statutes, are reenacted to read:

420.9072 State Housing Initiatives Partnership Program.—The State Housing Initiatives Partnership Program is created for the purpose of providing funds to counties and eligible

municipalities as an incentive for the creation of local housing partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.

(4) Moneys in the Local Government Housing Trust Fund shall be distributed by the corporation to each approved county and eligible municipality within the county as provided in s. 420.9073. Distributions shall be allocated to the participating county and to each eligible municipality within the county according to an interlocal agreement between the county governing authority and the governing body of the eligible municipality or, if there is no interlocal agreement, according to population. The portion for each eligible municipality is computed by multiplying the total moneys earmarked for a county by a fraction, the numerator of which is the population of the eligible municipality and the denominator of which is the total population of the county. The remaining revenues shall be distributed to the governing body of the county.

(6) The moneys that otherwise would be distributed pursuant to s. 420.9073 to a local government that does not meet the program's requirements for receipts of such distributions shall remain in the Local Government Housing Trust Fund to be administered by the corporation.

Section 86. For the purpose of incorporating the amendment

made by this act to section 420.9073, Florida Statutes, in a reference thereto, paragraph (b) of subsection (7) of section 420.9076, Florida Statutes, is reenacted to read:

420.9076 Adoption of affordable housing incentive strategies; committees.—

(7) The governing board of the county or the eligible municipality shall notify the corporation by certified mail of its adoption of an amendment of its local housing assistance plan to incorporate local housing incentive strategies. The notice must include a copy of the approved amended plan.

(b) If a county fails to timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies but an eligible municipality receiving a local housing distribution pursuant to an interlocal agreement within the county does timely adopt an amended local housing assistance plan to incorporate local housing incentive strategies, the corporation, after issuance of a notice of termination, shall thereafter distribute directly to the participating eligible municipality its share calculated in the manner provided in s. 420.9073.

Section 87. For the purpose of incorporating the amendment made by this act to section 420.9073, Florida Statutes, in a reference thereto, subsection (2) of section 420.9079, Florida Statutes, is reenacted to read:

420.9079 Local Government Housing Trust Fund.—

(2) The corporation shall administer the fund exclusively for the purpose of implementing the programs described in ss. 420.907-420.9076 and this section. With the exception of monitoring the activities of counties and eligible municipalities to determine local compliance with program requirements, the corporation shall not receive appropriations from the fund for administrative or personnel costs. For the purpose of implementing the compliance monitoring provisions of s. 420.9075(9), the corporation may request a maximum of one-quarter of 1 percent of the annual appropriation per state fiscal year. When such funding is appropriated, the corporation shall deduct the amount appropriated prior to calculating the local housing distribution pursuant to ss. 420.9072 and 420.9073.

Section 88. This act shall take effect July 1, 2025.