


# Commerce Committee

**Monday, March 31, 2025**
**1:30 PM - 3:30 PM**
**Webster Hall (212 Knott)**

## Meeting Packet

**Daniel Perez**
**Speaker**

**James Buchanan**
**Chair**

# The Florida House of Representatives

## Commerce Committee

**Daniel Perez**
**Speaker**

**James Buchanan**
**Chair**

### Meeting Agenda

Monday, March 31, 2025
1:30 pm – 3:30 pm
Webster Hall (212 Knott)

I. Call to Order

II. Roll Call

III. Welcome and Opening Remarks

**IV. Consideration of the following bill(s):**

- CS/CS/HB 139 Pawnbroker Transaction Forms by Criminal Justice Subcommittee, Industries & Professional Activities Subcommittee, López, J., Plasencia
- HB 311 Repair of Motorized Wheelchairs by Eskamani
- CS/HB 497 Nonprofit Agricultural Organization Medical Benefit Plans by Insurance & Banking Subcommittee, Grow
- CS/HB 715 Roofing Services by Industries & Professional Activities Subcommittee, Porras
- CS/HB 729 Veterinary Professional Associates by Industries & Professional Activities Subcommittee, Melo
- CS/HB 1157 Verification of Reemployment Assistance Benefit Eligibility by Housing, Agriculture & Tourism Subcommittee, Abbott
- CS/HB 1549 Financial Institutions by Insurance & Banking Subcommittee, Maggard
- HM 4063 Framework for a Sovereign Wealth Fund by Anderson

V. Closing Remarks

VI. Adjournment

214 House Office Building, 402 South Monroe Street, Tallahassee, Fl 32399-1300
(850) 717-4870

# 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/CS/HB 139 | **COMPANION BILL:** CS/SB 678 (Truenow) |
| **TITLE:** Pawn Broker Transaction Forms | **LINKED BILLS:** None |
| **SPONSOR(S):** López, J. | **RELATED BILLS:** None |

**Committee References**

| Industries & Professional Activities | ➤ | Criminal Justice | ➤ | Commerce |
|---|---|---|---|---|
| 15 Y, 0 N, As CS | | 17 Y, 0 N, As CS | | |

## SUMMARY

**Effect of the Bill:**

The bill provides that a pawnbroker transaction form used to record pawns and purchases may be in digital or print format instead of only print.

**Fiscal or Economic Impact:**

The bill may have a positive fiscal impact on pawnbrokers by providing them the option to use digital pawnbroker transaction forms.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill provides that the pawnbroker transaction form, which is approved by the Department of Agriculture and Consumer Services and is used to record pawns and purchases by pawnbrokers, may be in digital or print format instead of only print format. (Section 1)

Digital pawnbroker transaction forms must have a minimum font size of 12 points, and information required to be on the front or back of the printed form must be on the first or second page of the digital form. (Section 1)

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

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

Department of Agriculture and Consumer Services

The mission of the Department of Agriculture and Consumer Services ("DACS") is to support and promote Florida's agriculture, protect the environment, safeguard consumers, and ensure the safety and wholesomeness of food.[1]

The Division of Consumer Services within DACS is responsible for protecting the public from unfair and unsafe business practices and regulating various businesses such as motor vehicle repair shops, charitable organizations, pawnbrokers, health studios, sellers of travel, intrastate movers, professional surveyors and mappers, sweepstakes/game promotions and telemarketers.[2]

[1] DACS, *About Us*, (last visited Mar. 19, 2025).
[2] DACS, *Division of Consumer Services*, (last visited Mar. 19, 2025).

## Pawnbrokers

A pawnbroker is any person who advances funds to a person who pledges goods as collateral for the funds. The person pledging the goods ("pledger") may reclaim the goods after repaying the funds, interest, and pawn service charge by the maturity date of the pawn, which must be 30 days after the date of the pawn. If the pledger fails to repay the required funds, then the pledged goods are forfeited to the pawnbroker 30 days after the maturity date.[3]

Chapter 539, Florida Statutes, the Florida Pawnbroking Act, regulates pawnbrokers in the state of Florida. In order to be a pawnbroker, a person must be licensed by DACS.[4]

## Pawnbroker Transaction Form

A pawnbroker must complete a printed pawnbroker transaction form whenever they enter into a pawn or make a purchase from a seller. DACS approves the design and format of the transaction form, which must be 8.5 inches by 11 inches, written in English, indicate whether the transaction is a pawn or sale, and include the following on the **front** of the form:[5]

- Name and address of the pawnshop.
- A complete and accurate description of the pledged goods or purchased goods, including the following information, if applicable:
    - Brand name.
    - Model number.
    - Manufacturer's serial number.
    - Size.
    - Color, as apparent to the untrained eye.
    - Precious metal type, weight, and content, if known.
    - Gemstone description, including the number of stones.
    - The type of action, caliber or gauge, number of barrels, barrel length, and finish if the transaction includes firearms.
    - Any other unique identifying marks, numbers, names, or letters.
- Name, address, home telephone number, place of employment, date of birth, physical description, signature, and right thumbprint of the pledgor or seller.
- Date and time of the transaction.
- Type of identification accepted from the pledgor or seller, including the issuing agency and the identification number.
- A statement that the pledgor or seller of the goods represents they are the rightful owner of the goods and they are not stolen and have no liens or encumbrances against them.

If the transaction is a pawn, the **front** of the pawnbroker transaction form must also include:[6]

- The amount of money advanced, designated as the amount financed;
- The maturity date of the pawn, which must be 30 days after the date of the pawn;
- The default date of the pawn and the amount due on the default date;
- The total pawn service charge owed on the maturity date, designated as the finance charge;
- The total payment to reclaim the goods, including the amount financed and the finance charge;
- The annual percentage rate; and
- A statement on the **front or back** that:
    - The pawned goods will be forfeited to the pawnbroker if they are not redeemed within 30 days after the maturity date of the pawn.
    - The pledgor is not obligated to redeem the pawned goods.
    - If the pawnbroker transaction form is lost, destroyed, or stolen, the pledgor must immediately advise the issuing pawnbroker in person or in writing by certified or registered mail.

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[3] S. 539.001, F.S.; National Pawnbrokers Association, *Pawn 101: The Basics*, (last visited Mar. 19, 2025).
[4] Ss. 539.001(3) and (4), F.S.
[5] S. 539.001(8), F.S.
[6] *Id.*

- The pawn may be extended upon mutual agreement of the parties.

If the transaction is a purchase by the pawnbroker, the **front** of the pawnbroker transaction form must include the amount of money paid for the goods or the monetary value assigned to the goods.[7]

*Recordkeeping for Pawnbroker Transaction Forms*

A pawnbroker must provide a pledgor or seller with a copy of a pawnbroker transaction form at the time of the pawn or sale. A pawnbroker must maintain a copy of the pawnbroker transaction form for at least one year from the date of the pawn or sale.[8]

Before the end of each business day, a pawnbroker must deliver the original pawnbroker transaction forms to the appropriate official for the local law enforcement agency[9] for all of the transactions during the previous business day unless other arrangements have been agreed upon by the pawnbroker and the appropriate local law enforcement agency.[10]

In lieu of physically delivering the original pawnbroker transaction forms, a local law enforcement agency may supply software to a pawnbroker so the pawnbroker may electronically transfer the transaction forms to the law enforcement agency. If a pawnbroker does not have a computer to use such software, the law enforcement agency may provide a computer to the pawnbroker. The law enforcement agency retains ownership of the computer, unless otherwise agreed upon. The pawnbroker must maintain the computer in good working order, ordinary wear and tear excepted.[11]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 15 Y, 0 N, As CS | 3/6/2025 | Anstead | Brackett |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Provided a minimum font size for digital pawnbroker transaction forms.<br>• Required information on the front or back of the printed pawnbroker transaction form to be on the first or second page of the digital form. | | | |
| Criminal Justice Subcommittee | 17 Y, 0 N, As CS | 3/19/2025 | Hall | Butcher |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Clarified that a pawnbroker may use either the printed or digital format of the pawnbroker transaction form. | | | |
| Commerce Committee | | | Hamon | Brackett |

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

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[7] *Id.*
[8] S. 539.001(9), F.S.
[9] The appropriate law enforcement official is the sheriff of the county in which a pawnshop is located or, in case of a pawnshop located within a municipality, the police chief of the municipality in which the pawnshop is located. Any sheriff or police chief may designate any law enforcement officer working within the county or municipality as the appropriate law enforcement official. S. 539.001(1)(b), F.S.
[10] *Id.*
[11] *Id.*

A bill to be entitled

An act relating to pawnbroker transaction forms; amending s. 539.001, F.S.; authorizing pawnbroker transaction forms to be in digital or printed formats; providing an effective date.

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

**Section 1. Paragraphs (a) and (b) of subsection (8) and paragraphs (a) and (b) of subsection (9) of section 539.001, Florida Statutes, are amended to read:**

539.001 The Florida Pawnbroking Act.—

(8) PAWNBROKER TRANSACTION FORM.—

(a) At the time the pawnbroker enters into any pawn or purchase transaction, the pawnbroker shall complete a pawnbroker transaction form for such transaction, including an indication of whether the transaction is a pawn or a purchase, and the pledgor or seller shall sign such completed form. The agency must approve the design and format of the pawnbroker transaction form, which must be 8 1/2 inches x 11 inches in size for printed forms and be in a font size of at least 12 points for digital forms and elicit the information required under this section in a digital or printed format. The pawnbroker may use either format of the pawnbroker transaction form. In completing the pawnbroker transaction form, the pawnbroker shall record the

following information, which must be typed or written indelibly and legibly in English.

(b) The front of a printed ~~the~~ pawnbroker transaction form and the first page of a digital form must include:

1. The name and address of the pawnshop.

2. A complete and accurate description of the pledged goods or purchased goods, including the following information, if applicable:

a. Brand name.

b. Model number.

c. Manufacturer's serial number.

d. Size.

e. Color, as apparent to the untrained eye.

f. Precious metal type, weight, and content, if known.

g. Gemstone description, including the number of stones.

h. In the case of firearms, the type of action, caliber or gauge, number of barrels, barrel length, and finish.

i. Any other unique identifying marks, numbers, names, or letters.

Notwithstanding sub-subparagraphs a.-i., in the case of multiple items of a similar nature delivered together in one transaction which do not bear serial or model numbers and which do not include precious metal or gemstones, such as musical or video recordings, books, and hand tools, the description of the items

is adequate if it contains the quantity of items and a description of the type of items delivered.

3. The name, address, home telephone number, place of employment, date of birth, physical description, and right thumbprint of the pledgor or seller.

4. The date and time of the transaction.

5. The type of identification accepted from the pledgor or seller, including the issuing agency and the identification number.

6. In the case of a pawn:

a. The amount of money advanced, which must be designated as the amount financed;

b. The maturity date of the pawn, which must be 30 days after the date of the pawn;

c. The default date of the pawn and the amount due on the default date;

d. The total pawn service charge payable on the maturity date, which must be designated as the finance charge;

e. The amount financed plus the finance charge that must be paid to redeem the pledged goods on the maturity date, which must be designated as the total of payments;

f. The annual percentage rate, computed according to the regulations adopted by the Federal Reserve Board under the federal Truth in Lending Act; and

g. The front or back of a printed ~~the~~ pawnbroker

transaction form and the first or second page of a digital pawnbroker transaction form must include a statement that:

(I) Any personal property pledged to a pawnbroker within this state which is not redeemed within 30 days following the maturity date of the pawn, if the 30th day is not a business day, then the following business day, is automatically forfeited to the pawnbroker, and absolute right, title, and interest in and to the property vests in and is deemed conveyed to the pawnbroker by operation of law, and no further notice is necessary;

(II) The pledgor is not obligated to redeem the pledged goods; and

(III) If the pawnbroker transaction form is lost, destroyed, or stolen, the pledgor must immediately advise the issuing pawnbroker in writing by certified or registered mail, return receipt requested, or in person evidenced by a signed receipt.

(IV) A pawn may be extended upon mutual agreement of the parties.

7. In the case of a purchase, the amount of money paid for the goods or the monetary value assigned to the goods in connection with the transaction.

8. A statement that the pledgor or seller of the item represents and warrants that it is not stolen, that it has no liens or encumbrances against it, and that the pledgor or seller

is the rightful owner of the goods and has the right to enter into the transaction. Any person who knowingly gives false verification of ownership or gives a false or altered identification and who receives money from a pawnbroker for goods sold or pledged commits:

a. If the value of the money received is less than $300, a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

b. If the value of the money received is $300 or more, a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(9) RECORDKEEPING; REPORTING; HOLD PERIOD.—

(a) A pawnbroker must maintain a copy of each completed pawnbroker transaction form on the pawnshop premises for at least 1 year after the date of the transaction. On or before the end of each business day, the pawnbroker must deliver to the appropriate law enforcement official the original printed pawnbroker transaction forms or printed copies of the digital pawnbroker transaction forms for each of the transactions occurring during the previous business day, unless other arrangements have been agreed upon between the pawnbroker and the appropriate law enforcement official. If an ~~the~~ original printed transaction form is lost or destroyed by the appropriate law enforcement official, a copy may be used by the pawnbroker as evidence in court. When an electronic image of a pledgor or

seller identification is accepted for a transaction, the pawnbroker must maintain the electronic image in order to meet the same recordkeeping requirements as for the original printed transaction form. If a criminal investigation occurs, the pawnbroker shall, upon request, provide a clear and legible copy of the image to the appropriate law enforcement official.

(b) If the appropriate law enforcement agency supplies the appropriate software and the pawnbroker presently has the computer ability, pawn transactions shall be electronically transferred. If a pawnbroker does not presently have the computer ability, the appropriate law enforcement agency may provide the pawnbroker with a computer and all necessary equipment for the purpose of electronically transferring pawn transactions. The appropriate law enforcement agency shall retain ownership of the computer, unless otherwise agreed upon. The pawnbroker shall maintain the computer in good working order, ordinary wear and tear excepted. In the event the pawnbroker transfers pawn transactions electronically, the pawnbroker is not required to also deliver to the appropriate law enforcement official the original or copies of the pawnbroker transaction forms. The appropriate law enforcement official may, for the purposes of a criminal investigation, request that the pawnbroker produce an original of a printed transaction form that has been electronically transferred. The pawnbroker shall deliver this form to the appropriate law

enforcement official within 24 hours of the request.

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



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

**HB 311**

# 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 311 | **COMPANION BILL:** SB 412 (Smith) |
| **TITLE:** Repair of Motorized Wheelchairs | **LINKED BILLS:** None |
| **SPONSOR(S):** Eskamani | **RELATED BILLS:** None |

**Committee References**

Industries & Professional Activities
16 Y, 0 N
➤
Commerce

## SUMMARY

**Effect of the Bill:**

The bill creates the Motorized Right to Repair Act that requires original equipment manufacturers of motorized wheelchairs sold or used in this state to provide documents, tools, and parts necessary to repair motorized wheelchairs to third party repair providers and owners of motorized wheelchairs.

**Fiscal or Economic Impact:**

Indeterminate. The bill may have in indeterminate fiscal impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill creates the Motorized Right to Repair Act (Act) that requires original equipment manufacturers of motorized wheelchairs sold or used in this state to provide documents, tools, and parts necessary to repair motorized wheelchairs to third party repair providers and owners of motorized wheelchairs. The Act applies to motorized wheelchairs sold or in use on or after July 1, 2025. (Sections 2, 4, and 7)

Original equipment manufacturers must make documents and tools available at fair and reasonable terms, which means at either no cost or at the actual cost of preparing and sending the document or tool. Parts must also be provided at fair and reasonable terms that are equivalent to the most favorable costs and terms under which an original equipment manufacturer provides the part to an authorized repair provider. (Section 3)

For any equipment that contains an electronic security lock or security-related function, the original equipment manufacturer must:

- Make certain items and information available to owners and independent repair providers.
- Provide, on fair and reasonable terms, any special documentation, tools, and parts needed to access and reset the lock or function when disabled in the course of diagnosis, maintenance, or repair of the motorized wheelchair. The documentation, tools, and parts may be made available through appropriate secure release systems. (Section 4)

The Act does not require an original equipment manufacturer to disclose a trade secret to an owner or independent service provider and does not alter the terms of an arrangement between the original equipment manufacturer and an authorized repair provider. (Section 6)

A violation of the Motorized Right to Repair Act is punishable under the Florida Deceptive and Unfair Trade Practices Act. However, an original equipment manufacturer is not liable for any damage or injury caused to a motorized wheelchair by an independent repair provider or owner during the course of repair, diagnosis, or maintenance. (Sections 5 and 6)

The bill provides an effective date of July 1, 2025. (Section 8)

**FISCAL OR ECONOMIC IMPACT:**

PRIVATE SECTOR:

Indeterminate. To the extent that manufacturers will be required to make repair information and tools available to customers, expenditures for manufacturers may increase, and repair costs for wheelchair owners may decrease.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

**Wheelchair Repairs**

Millions of Americans rely on wheelchairs due to impaired mobility.[1] As of 2014, about 21% of adults in the U.S. have difficulty or are unable to walk a quarter mile.[2] The use of mobility devices like wheelchairs provides independence to users who may otherwise have difficulty with physical functioning.[3]

Wheelchair repairs impact over 50% of wheelchair users and often result in individuals stranded at home or missing a medical appointment.[4] One survey of wheelchair users found that a result of wheelchair breakdown, out-of-pocket repair costs ranged from $50-$620.[5]

To address the costs and delays associated with repairs, right to repair laws allow consumers to repair their own products instead of using the original equipment manufacturer for service. In general, right to repair laws include the tools, parts, software or instructions original equipment manufacturers must provide to independent repairers and owners.[6]

The Florida Deceptive and Unfair Trade Practices Act

The Florida Deceptive and Unfair Trade Practices Act (FDUTPA) is a consumer and business protection measure that prohibits unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in trade or commerce.[7] The FDUTPA is based on federal law.[8]

For example, Florida has determined that the following acts or practices are unfair or deceptive:

- Imposing unconscionable prices for the rental or lease of any dwelling unit or self-storage facility during a period of declared state of emergency;[9]
- Failing to abide by storage requirements for personal information and notice requirements for data breaches of such information;[10] and

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[1] Danielle M. Taylor, U.S. DEPT. OF COM., *Americans With Disabilities: 2014*, available at https://www.census.gov/content/dam/Census/library/publications/2018/demo/p70-152.pdf (last visited March 13, 2025) (citing more than 5.5 million wheelchair users).
[2] *Id.* at 7.
[3] Lynn Worobey, et al., *Increases in Wheelchair Breakdowns, Repairs, and Adverse Consequences for People with Traumatic Spinal Cord Injury*, 91:6 AM. J. OF PHYSICAL MED. AND REHAB. 463 (2012), available at https://pmc.ncbi.nlm.nih.gov/articles/PMC4886332/ (last visited March 13, 2025).
[4] *Id.*
[5] Lisa I. Iezzoni, HARV. HEALTH PUBL'G, *Millions rely on wheelchairs for mobility, but repair delays are hurting users*, available at https://www.health.harvard.edu/blog/millions-rely-on-wheelchairs-for-mobility-but-repair-delays-are-hurting-users-202207212785 (last visited March 13, 2025).
[6] Right to Repair 2023 Legislation, *National Conference of State Legislatures,* November 1, 2023, https://www.ncsl.org/technology-and-communication/right-to-repair-2023-legislation (last visited March 13, 2025).
[7] Chapter 73-124, L.O.F., and s. 501.202, F.S., F.S.
[8] D. Matthew Allen, et. al., *The Federal Character of Florida's Deceptive and Unfair Trade Practices Act*, 65 U. MIAMI L. REV. 1083 (Summer 2011).
[9] S. 501.160, F.S.
[10] S. 501.171, F.S.

- Failing to abide by requirements for weight-loss programs.[11]

The state attorney or the Department of Legal Affairs (DLA) may bring FDUTPA actions, if it serves the public interest, on behalf of consumers or governmental entities.[12] The Office of the State Attorney (SAO) may enforce FDUTPA violations occurring in its jurisdiction. DLA has enforcement authority if the violation is multi-jurisdictional, the state attorney defers in writing, or the state attorney fails to act within 90 days after a written complaint is filed.[13] Consumers may also file suit through private actions.[14]

DLA and the SAO have powers to investigate FDUTPA claims, which include:[15]
- Administering oaths and affirmations;
- Subpoenaing witnesses or matter; and
- Collecting evidence.

DLA and the SAO, as enforcing authorities, may seek the following remedies:
- Declaratory judgments;
- Injunctive relief;
- Actual damages on behalf of consumers and businesses;
- Cease and desist orders; and
- Civil penalties of up to $10,000 per willful violation.[16]

**Other States**
Currently, it appears that seven states have passed right to repair laws. These states include California, Colorado, Maine, Massachusetts, Minnesota, New York, and Oregon. These laws focus on the digital equipment industry, motor vehicles, and the agricultural and construction industry.[17] The Colorado law addresses original equipment manufacturers of agricultural equipment or a powered wheelchair.[18] New York has introduced a bill that would require manufacturers to make available certain documentation, parts, embedded software, firmware, or tools necessary for repairing wheelchair equipment.[19]

[11] S. 501.0579, F.S.
[12] S. 501.207, F.S.(1)(c) and (2), F.S.; *see* s. 501.203(2), F.S. (defining "enforcing authority" and referring to the office of the state attorney if a violation occurs in or affects the judicial circuit under the office's jurisdiction; or the Department of Legal Affairs if the violation occurs in more than one circuit; or if the office of the state attorney defers to the department in writing; or fails to act within a specified period.); *see also* David J. Federbush, *FDUTPA for Civil Antitrust: Additional Conduct*, *Party*, *and Geographic Coverage; State Actions for Consumer Restitution*, 76 FLORIDA BAR JOURNAL 52, Dec. 2002 (analyzing the merits of FDUPTA and the potential for deterrence of anticompetitive conduct in Florida), http://www.floridabar.org/divcom/jn/jnjournal01.nsf/c0d731e03de9828d852574580042ae7a/99aa165b7d8ac8a485256c8300791ec1!OpenDocument&Highlight=0,business,Division* (last visited on March 13, 2025).
[13] S. 501.203(2), F.S.
[14] S. 501.211, F.S.
[15] S. 501.206(1), F.S.
[16] S. 501.207, F.S.(1), 501.208, F.S., and 501.2075, F.S. Civil Penalties are deposited into the General Revenue fund. Enforcing authorities may also request attorney fees and costs of investigation or litigation. Section 501.2105, F.S.
[17] Statista, *How Many States Have Right to Repair Laws?,* https://www.statista.com/chart/32855/us-states-with-at-least-one-bill-regulating-right-to-repair-own-products/ (last visited Mar. 17, 2025).
[18] Colorado General Assembly, *Consumer Right to Repair Digital Electronic Equipment*, https://leg.colorado.gov/bills/hb24-1121 (last visited Mar. 17, 2025).
[19] New York Senate Bill S4500.

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 16 Y, 0 N | 3/19/2025 | Anstead | Thompson |
| Commerce Committee | | | Hamon | Thompson |

A bill to be entitled

An act relating to repair of motorized wheelchairs; providing a directive to the Division of Law Revision; creating s. 559.971, F.S.; providing a short title; creating s. 559.972, F.S.; providing definitions; creating s. 559.973, F.S.; requiring an original equipment manufacturer to make available any documentation, parts, and tools, required for the diagnosis, maintenance, or repair of a motorized wheelchair and parts for the motorized wheelchair; requiring an original equipment manufacturer of a motorized wheelchair with an electronic security lock to make available any special documentation, parts, and tools, needed to access and reset the lock when disabled in the course of diagnosis, maintenance, or repair of the motorized wheelchair; creating s. 559.974, F.S.; providing that violation of the act is an unlawful practice under the Florida Deceptive and Unfair Trade Practices Act; creating s. 559.975, F.S.; providing that an original equipment manufacturer is not required to divulge trade secrets; providing that nothing in the act alters the terms of an arrangement between an authorized repair provider and an original equipment manufacturer; providing an exception; limiting the liability of an original equipment

manufacturer or authorized repair provider in certain circumstances; creating s. 559.976, F.S.; providing applicability; providing an effective date.

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

**Section 1.** Part XIV of chapter 559, Florida Statutes, consisting of ss. 559.971-559.976, is created and entitled "Repair of Motorized Wheelchairs."

**Section 2. Section 559.971, Florida Statutes, is created to read:**

559.971 Short title.-This part may be cited as the "Motorized Wheelchair Right to Repair Act."

**Section 3. Section 559.972, Florida Statutes, is created to read:**

559.972 Definitions.-As used in this part, the term:

(1) "Authorized repair provider" means an individual or a business that has an arrangement with the original equipment manufacturer under which the original equipment manufacturer grants to the individual or business a license to use a trade name, service mark, or other proprietary identifier for the purposes of offering the services of diagnosis, maintenance, or repair of a motorized wheelchair under the name of the original equipment manufacturer, or other arrangement with the original equipment manufacturer to offer such services on behalf of the

original equipment manufacturer. An original equipment manufacturer that offers the services of diagnosis, maintenance, or repair of its own motorized wheelchair, and that does not have an arrangement with an unaffiliated individual or business, must be considered an authorized repair provider with respect to motorized wheelchairs.

(2) "Documentation" means any manual, diagram, reporting output, service code description, schematic diagram, security codes, passwords, or other guidance or information used in effecting the services of diagnosis, maintenance, or repair of a motorized wheelchair.

(3) "Fair and reasonable terms" means making available parts, tools, or documentation as follows:

(a) Documentation made available by the original equipment manufacturer at no charge, except that, when a physical copy is requested, a charge may be included for the reasonable actual costs of preparing and sending the copy.

(b) Tools made available by the original equipment manufacturer at no charge and without requiring authorization or Internet access for use or operation of the tools; without imposing impediments to access or use the tools to diagnose, maintain, or repair and enable full functionality of digital electronic equipment; and not in a manner that impairs the efficient and cost-effective performance of any such diagnosis, maintenance, or repair, except that, when the tool is requested

in physical form, a charge may be included for the reasonable, actual costs of preparing and sending the tool.

(c) Parts made available by the original equipment manufacturer, either directly or through an authorized repair provider, to independent repair providers and owners at costs and terms that are equivalent to the most favorable costs and terms under which an original equipment manufacturer offers the parts to an authorized repair provider and that:

1. Accounts for any discount, rebate, convenient and timely means of delivery, means of enabling fully restored and updated functionality, rights of use, or other incentive and preference the original manufacturer offers to an authorized repair provider; or any additional cost or impediment the original equipment manufacturer imposes on an owner or independent repair provider.

2. Is not conditioned upon or does not impose a substantial obligation or restriction that is not reasonably necessary for enabling the owner or independent repair provider to engage in the diagnosis, maintenance, or repair of equipment made by or on behalf of the original equipment manufacturer.

3. Is not conditioned upon an arrangement with the original equipment manufacturer.

(4) "Independent repair provider" means an individual or business operating in this state which is unaffiliated with an original equipment manufacturer that is engaged in the services

of diagnosis, maintenance, or repair of motorized wheelchairs.

(5) "Original equipment manufacturer" means a business engaged in selling, leasing, or supplying new motorized wheelchairs manufactured by, or on behalf of, the business to any individual or business.

(6) "Owner" means an individual or business that owns or leases a motorized wheelchair purchased or used in this state.

(7) "Part" means any replacement part, either new or used, made available by an original equipment manufacturer for purposes of effecting the services of maintenance or repair of a motorized wheelchair manufactured by or on behalf of, sold, or otherwise supplied by the original equipment manufacturer.

(8) "Tools" means any software, hardware, or other apparatus used for the diagnosis, maintenance, or repair of a motorized wheelchair, including software or other mechanisms that program a new part, calibrate functionality, or perform any other function required to return the wheelchair to fully functional condition, including any updates.

(9) "Trade secret" has the same meaning as in s. 688.002.

**Section 4. Section 559.973, Florida Statutes, is created to read:**

559.973 Requirements.-

(1) For motorized wheelchairs and parts for motorized wheelchairs that are sold or used in this state, an original equipment manufacturer must make available to any independent

repair provider and owner by, on behalf of, or sold by such original equipment manufacturer, on fair and reasonable terms, any documentation, parts, and tools, required for the diagnosis, maintenance, or repair of such a motorized wheelchair and parts for the motorized wheelchair, inclusive of any updates to information. The documentation parts and tools must be made available either directly by the original equipment manufacturer or via an authorized repair provider.

(2) For equipment that contains an electronic security lock or other security-related function, the original equipment manufacturer must make available to an owner and independent repair provider, on fair and reasonable terms, any special documentation, tools, and parts needed to access and reset the lock or function when disabled in the course of diagnosis, maintenance, or repair of the motorized wheelchair. The documentation, tools, and parts may be made available through appropriate secure release systems.

**Section 5. Section 559.974, Florida Statutes, is created to read:**

559.974 Enforcement.-A violation of this part is punishable under the Florida Deceptive and Unfair Trade Practices Act.

**Section 6. Section 559.975, Florida Statutes, is created to read:**

559.975 Limitations.-

(1) This part does not require an original equipment manufacturer to divulge a trade secret to an owner or independent service provider.

(2) This part does not alter the terms of an arrangement between an authorized repair provider and an original equipment manufacturer, including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original equipment manufacturer and pursuant to such arrangement. However, any provision in the terms that waives, avoids, restricts, or limits the original equipment manufacturer's obligations to comply with this part is void.

(3) An original equipment manufacturer or authorized repair provider is not liable for any damage or injury caused to a motorized wheelchair by an independent repair provider or owner that occurs during the course of repair, diagnosis, or maintenance.

**Section 7. Section 559.976, Florida Statutes, is created to read:**

559.976 Applicability.-This part applies with respect to motorized wheelchairs sold or in use on or after July 1, 2025.

**Section 8.** This act shall take effect July 1, 2025.

# 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 497 | **COMPANION BILL:** CS/CS/SB 480 (DiCeglie) |
| **TITLE:** Nonprofit Agricultural Organization Medical Benefit Plans | **LINKED BILLS:** None |
| **SPONSOR(S):** Grow | **RELATED BILLS:** |

**Committee References**

| Insurance & Banking | ➤ | Health Care Facilities & Systems | ➤ | Commerce |
|---|---|---|---|---|
| 16 Y, 0 N, As CS | | 18 Y, 0 N | | |

## SUMMARY

**Effect of the Bill:**

The bill establishes a framework allowing nonprofit agricultural organizations to offer medical benefit plans to their members. To qualify, an organization must:

- Be based in Florida;
- Be tax-exempt under s. 501(c)(3) of the Internal Revenue Code;
- Be focused on supporting rural communities and farmers;
- Collect annual dues;
- Have existed since before 1945; and
- Have members across most of the state.

The bill specifies that these medical benefit plans are not considered insurance under the Florida Insurance Code and requires organizations offering such plans to include a disclaimer on all applications and marketing materials.

The bill prohibits the sale or marketing of these plans through licensed insurance agents and mandates an annual financial audit conducted by an independent certified public accountant, which must be publicly accessible.

**Fiscal or Economic Impact:**

The bill may have a negative fiscal impact on state government revenues. It has no fiscal impact on state government expenses or local government revenues or expenses. It may have a positive economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill establishes a framework allowing nonprofit agricultural organizations to offer medical benefit plans to their members. To qualify, an organization must:

- Be based in Florida;
- Be tax-exempt under s. 501(c)(3) of the Internal Revenue Code;
- Be focused on supporting rural communities and farmers;
- Collect annual dues;
- Have existed since before 1945; and
- Have members across most of the state. (Section 1)

The bill specifies that these medical benefit plans are not considered insurance under the Florida Insurance Code and requires organizations offering such plans to include a disclaimer on all applications and marketing materials. (Section 1).

The bill prohibits the sale or marketing of these plans through licensed insurance agents and mandates an annual financial audit conducted by an independent certified public accountant, which must be publicly accessible. (Section 1).

The bill takes effect on July 1, 2025. (Section 2).

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

Insurance premium tax revenues may be reduced to the extent that purchasers of health coverage shift their business from health insurance to the exempt health coverage proposed by the bill.

PRIVATE SECTOR:

Members of eligible nonprofit agricultural organizations may realize savings on health coverage to the extent that health coverage products offered by such organizations are priced lower that insurance products that they may already purchase.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

**Health Insurance**

Health insurance is the insurance of human beings against bodily injury or disablement by accident or sickness, including the expenses associated with such injury, disablement, or sickness.[1] Individuals purchase health insurance coverage with the purpose of managing anticipated expenses related to health or protecting themselves from unexpected medical bills or large health care costs. Managed care is the most common delivery system for medical care today by health insurers.[2] Managed care systems combine the delivery and financing of health care services by limiting the choice of doctors and hospitals.[3] In return for this limited choice, however, medical care is less costly due to the managed care network's ability to control health care services. Some common forms of managed care are preferred provider organizations[4] (PPO) and health maintenance organizations[5] (HMO).

**Office of Insurance Regulation**

The Office of Insurance Regulation (OIR) regulates specified insurance products, insurers and other risk bearing entities in Florida.[6] The Financial Services Commission (FSC), composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, serves as the OIR agency head for purposes of rulemaking. Further, the FSC appoints the OIR Commissioner.

As part of its regulatory oversight, the OIR may suspend or revoke an insurer's certificate of authority under certain conditions.[7] The OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each insurer that holds a certificate of authority to transact insurance business in Florida.[8] As part of the examination process, all persons being examined must make available to the OIR the accounts, records, documents, files, information, assets, and matters in their possession or control that relate to the subject of the examination.[9]

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[1] S. 624.603, F.S.
[2] Florida Department of Financial Services, *Health Insurance and Health Maintenance Organizations, A Guide for Consumers,* available at: https://www.myfloridacfo.com/docs-sf/consumer-services-libraries/ (last visited Feb. 26, 2025).
[3] *Id.*
[4] S. 627.6471, F.S.
[5] Part I of ch. 641, F.S.
[6] S. 20.121(3)(a), F.S.
[7] S. 624.418, F.S.
[8] s. 624.316(1)(a), F.S.
[9] S. 624.318(2), F.S.

The OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Insurance Code (FIC).[10]

**Health Maintenance Organizations**

Health Maintenance Organizations (HMOs) in Florida operate within a regulatory framework overseen by OIR. To offer health insurance plans in Florida, HMOs must obtain a license from the OIR.[11] Managed care plans are the primary offerings of HMOs in Florida. These plans provide comprehensive healthcare services to members for a fixed monthly premium.[12] Members typically select a primary care physician from within the HMO's network, who serves as the main point of contact for all healthcare needs and referrals to specialists.[13]

HMOs maintain networks of healthcare providers, including primary care physicians, specialists, hospitals, and other healthcare facilities.[14] Members are generally required to receive care from within the HMO's network, with exceptions for emergencies or authorized out-of-network care.[15]

Florida law provides various consumer protections for individuals enrolled in HMO plans, including guaranteed access to emergency services, coverage for essential health benefits mandated by the Affordable Care Act, and the right to appeal coverage decisions made by the HMO.[16]

**Association Health Plans**

An association health plan (AHP) is a group purchasing arrangement in which members of a trade group or professional association jointly obtain health insurance for employees. These arrangements differ from traditional group insurance by their unique structure, since they involve the purchase of insurance products across multiple employers.

On June 21, 2018, the Employee Benefits Security Administration within the federal Department of Labor (DOL) issued a final rule amending the parameters for AHPs,[17] consistent with the directives of a 2017 Presidential Executive Order.[18] The revised regulations were intended to give an employer greater flexibility to participate in an AHP. The new federal rule, among other things, permitted establishing an AHP for the explicit purpose of providing health coverage, so long as the association has another legitimate purpose for members and allowed the self-employed and sole proprietors to participate in an AHP.[19] Overall, the federal rule was designed to offer an expanded pathway for the establishment of an AHP.

In July 2018, eleven states[20] and the District of Columbia sued the DOL, alleging the final rule, and particularly the rule's provisions on bona fide association and working owner provisions, conflicted with the text and purpose of Employee Retirement Income Security Act (ERISA) and Patient Portability and Affordable Care Act (PPACA), and exceeded DOL's statutory authority.[21] On March 28, 2019, the U.S. District Court for the District of Columbia agreed with the states, finding that the DOL unreasonably expanded ERISA's definition of "employers" as an end run around the requirements of PPACA.[22] The court struck down the portions of the DOL's AHP rule that expanded the ability of small businesses and owners to buy health insurance on the large group market that was not subject to PPACA requirements that apply to the small group market.[23]

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[10] *See* S. 624.3161, F.S. The Code is comprised of chs. 624-632, 634-636, 641, 642, 648, and 651, F.S. S. 624.01, F.S.
[11] S. 641.21(1), F.S.
[12] Medicare, What's an HMO? https://www.medicare.gov/health-drug-plans/health-plans/. (last visited Feb. 26, 2025).
[13] *Id*.
[14] S. 641.19(12), F.S.
[15] Medicare, *What's an HMO?*, https://www.medicare.gov/health-drug-plans/health-plans/. (last visited Feb. 26, 2025).
[16] Consumer Services, *Health Insurance & HMO Overview*, https://www.myfloridacfo.com/division/consumers/understanding-insurance/health-insurance-and-hmo-overview (last visited Feb. 26, 2025).
[17] Definition of "Employer" Under Section 3(5) of ERISA-Association Health Plans, 83 FR 28912. June 21, 2018.
[18] Promoting Healthcare Choice and Competition Across the United States, 82 FR 48385. October 21, 2017.
[19] Milliman, Inc., *"Association health plans after the final rule"*, August 22, 2018, available at http://www.milliman.com/insight/2018/Association-health-plans-after-the-final-rule/ (last viewed on Feb. 26, 2025).
[20] California, Delaware, Kentucky, Maryland, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Virginia, and Washington.
[21] State of New York, et al. v. U.S. Department of Labor, et al., No. 1:18-cv-01747 (D.D.C. Mar. 28, 2019).
[22] *Id*.
[23] *Id*.

*State Regulation of AHPs*
The regulatory oversight of health insurance is generally reserved to the states, except when explicitly preempted by federal law. In Florida, OIR is responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuing certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the FIC.[24]

All health insurance policies issued in Florida, with the exception of certain self-insured policies,[25] must meet certain requirements that are detailed throughout the FIC. Ch. 627, F.S., sets parameters and requirements for health insurance policies and ch. 641, F.S., provides requirements for health plans issued by HMOs. At a minimum, insurance policies must specify premium rates, services covered, and effective dates. Insurers must document the time when a policy takes effect and the period during which the policy remains in effect.[26]

*Florida Life and Health Insurance Guaranty Association*
A guaranty association is typically a nonprofit corporation established by law to safeguard policyholders against financial losses and delays in claim payment and settlement resulting from the insolvency of an insurance company. In the event of an insolvency of a member, the guaranty association takes over the servicing of claims on eligible policies. Authorized insurers in Florida are typically required to participate in the applicable guaranty association for the relevant line of insurance as a condition of eligibility to transact insurance in the state.

Section 631.715, F.S., establishes the Florida Life and Health Insurance Guaranty Association (FLHIGA). Every insurer licensed to sell direct life insurance policies, health insurance policies, annuity contracts, and supplemental contracts in the state must participate in FLHIGA as a requirement for conducting business in Florida.[27] FLHIGA functions as a nonprofit corporation, governed by a Board of Directors consisting of nine to eleven members appointed by member insurers.[28]

**Health Coverage or Services Exempt from Florida's Insurance Code**
Florida law exempts nonprofit religious organizations,[29] commonly known as health care sharing ministries (HCSMs), from the regulatory requirements and consumer protections of the Florida Insurance Code if they meet the following criteria:

- Qualify as a tax-exempt organization under s. 501 of the Internal Revenue Code of 1986, as amended.[30]
- Limit participation to individuals who share a common set of ethical or religious beliefs.[31]
- Act as a facilitator among participants to assist those with financial, physical, or medical needs according to criteria established by the organization.[32]
- Provide for participants' financial or medical needs through voluntary contributions from other participants or direct payments between participants.[33]
- Establish contribution amounts for participants without assuming risk or making a promise to pay among participants or by the organization itself.[34]
- Provide monthly accounting reports to participants detailing the total amount of qualified needs shared in the previous month.[35]

[24] s. 20.121(3)(a)(1), F.S. The OIR's commissioner is the agency head for purposes of final agency action, and its rulemaking body is the Financial Services Commission (the Governor and the Cabinet).
[25] 29 U.S.C. 18 § 1001 et seq. ERISA regulates certain self-insured plans, which represent approximately 50 percent of the insureds in Florida. These plans cannot be regulated by state law.
[26] S. 627.413(1)(d), F.S.
[27] s. 631.716(1), F.S.
[28] *Id.*
[29] S. 624.1265, F.S., refers to health care sharing ministries as "nonprofit religious organizations." A health care sharing ministry is an organization that facilitates the sharing of health care expenses among individuals with similar and sincerely held beliefs. These organizations resemble insurance in that members generally pay monthly membership fees and submit claims when they incur medical bills.
[30] S. 624.1265(1)(a), F.S.
[31] S. 624.1265(1)(b), F.S.
[32] S. 624.1265(1)(c), F.S.
[33] S. 624.1265(1)(d), F.S.
[34] S. 624.1265(1)(e), F.S.
[35] S. 624.1265(1)(f), F.S.

- Conduct an annual financial audit performed by an independent certified public accountant, in accordance with generally accepted accounting principles, and make it publicly available upon request or by posting it on the organization's website.[36]
- Do not market or sell health plans through insurance agents licensed by the Department of Financial Services under ch. 626, F.S.[37]

Nonprofit religious organizations must include a written disclaimer in all applications and guideline materials. The disclaimer must state:

> *Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor its plan of operation is an insurance policy. Membership is not offered through an insurance company, and the organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant is compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.*[38]

Under the Insurance Code, these requirements do not prevent:
- A participant from limiting the financial or medical needs eligible for payment.[39]
- The nonprofit religious organization from canceling a participant's membership if they fail to meet membership conditions for more than 60 days.[40]

*Health Care Sharing Ministries Nationwide*
Approximately 30 states have explicitly exempted HCSMs from insurance regulation.[41] Members of an typically contribute a monthly payment to cover the medical expenses of other members. HCSMs either match paying members with those in need or pool contributions and distribute payments directly.[42]

Some individuals choose HCSMs due to their lower upfront costs compared to PPACA-compliant plans.[43] However, HCSMs are not insurance and cannot guarantee payment of claims. While they may distribute funds to members with medical needs, they are not legally required to do so and do not have to comply with state or federal insurance regulations or consumer protections.[44]

**Farm Bureau Health Plan**
In a number of states, Farm Bureau Plans (FBPs) have been provided an exemption from regulation by the state's insurance regulatory authority to provide health coverage that is not regulated as an insurance product. The FBPs operate as healthcare options provided by a state's Farm Bureau to its members, typically catering to individuals and families within rural communities, including farmers and agricultural workers. To access FBPs, individuals must join their state's Farm Bureau organization. Membership often entails paying dues to support the Farm Bureau's advocacy and community initiatives. FBPs operate under a unique exemption from state insurance regulations, distinguishing them from traditional health insurance offerings. This exemption allows FBPs to be considered separately from standard health insurance products.

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[36] S. 624.1265(1)(g), F.S.
[37] S. 624.1265(1)(h), F.S.
[38] S. 624.1265(2)(b)(3), F.S.
[39] S. 624.1265(2)(a), F.S.,
[40] S. 624.1265(2)(b), F.S.
[41] National Association of Insurance Commissioners, What you should know about health care sharing ministries, discount plans, and risk sharing plans, (Dec. 13, 2023), https://content.naic.org/article/what-you-should-know-about-health-care-sharing-ministries-discount-plans-and-risk-sharing-plans (last visited March. 5, 2025).
[42] *Id.*
[43] *Id.*
[44] *Id.*

Unlike typical health insurance, FBPs, which predate PPACA, utilize medical underwriting and are not subject to state or federal insurance mandates. Consequently, they can decline applicants based on medical history or impose waiting periods for pre-existing conditions without having to comply with essential health benefit requirements or maximum out-of-pocket limits mandated for PPACA-compliant plans. While FBPs aren't classified as insurance, they still provide comprehensive benefits. In every state with FBPs, they typically offer options for comprehensive coverage at reasonable monthly costs, including free or low-cost preventative care, prescription drug coverage, telehealth services, dental and vision care options, and health savings accounts for qualified High Deductible Health Plans, with most plans having no annual or lifetime limits. Unlike individual market plans, participants can enroll in FBPs at any time.[45]

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2024 | 851 | Anderson | DiCegile | The bill died in the Select Committee on Health Innovation. |

**OTHER RESOURCES:**

Health Insurance and Health Maintenance Organizations Consumer Guide
Health Insurance & HMO Overview
Association Health Plans After the Final Rule
Farm Bureau Health Coverage Plans

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[45] The states are Tennessee, Iowa, Kansas, Indiana, and Texas. The Foundation for Government Accountability, *Farm Bureau Health Coverage Plans*, https://thefga.org/wp-content/uploads/2021/01/Farm-Bureau-Plans-FAQ.pdf (last visited Feb. 26, 2025).

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 16 Y, 0 N, As CS | 3/5/2025 | Lloyd | Herrera |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Replaces all existing provisions with a new framework for nonprofit agricultural organizations to offer medical benefit plans rather than general health coverage.<br>• Establishes a new statute (s. 624.4032, F.S.) to regulate nonprofit agricultural organization medical benefit plans modeled after the Church Benefit Plan Statute.<br>• Modifies the organization's definition, now requiring 501(c)(3) tax-exempt status instead of 501(c)(5).<br>• Requires a disclaimer on applications and marketing materials, informing consumers that the plan is not insurance, not subject to state insurance regulations or consumer protections.<br>• Prohibits marketing through licensed insurance agents to differentiate these plans from regulated insurance products.<br>• Mandates annual financial audits by an independent CPA, ensuring transparency and public access to financial information which must be provided on request. | | | |
| Health Care Facilities & Systems Subcommittee | 18 Y, 0 N | 3/11/2025 | Calamas | Calamas |
| Commerce Committee | | | Hamon | Herrera |

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

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A bill to be entitled

An act relating to nonprofit agricultural organization medical benefit plans; creating s. 624.4032, F.S.; providing purpose; defining the term "nonprofit agricultural organization"; providing authority, duties, and prohibited acts of nonprofit agricultural organizations offering medical benefit plans to their members; providing an effective date.

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

**Section 1. Section 624.4032, Florida Statutes, is created to read:**

624.4032 Nonprofit agricultural organization medical benefit plans.—

(1) The purpose of this section is to authorize nonprofit agricultural organizations to offer medical benefit plans to their members.

(2) As used in this section, the term "nonprofit agricultural organization" means an organization that meets all of the following criteria:

(a) Is domiciled in this state.

(b) Is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.

(c) Was created primarily to promote programs for the

development of rural communities and the economic stability and sustainability of farmers in this state.

(d) Exists to serve its members beyond only offering medical benefit plans.

(e) Collects annual dues from its members.

(f) Was in existence before 1945.

(g) Is composed of members who, collectively, are residents of the majority of counties in this state.

(3) A nonprofit agricultural organization:

(a) May offer medical benefit plans to members of the nonprofit agricultural organization. Such plans are not insurance for purposes of the Florida Insurance Code.

(b) Must provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan, regardless of whether the applications and marketing materials are distributed by or on behalf of the nonprofit agricultural organization. The disclaimer must read in substance: "Notice: This medical benefit plan is not a health insurance policy or health maintenance contract and is not subject to the regulatory requirements and consumer protections that apply to health insurance policies or health maintenance contracts under the Florida Insurance Code. The nonprofit agricultural organization offering this medical benefit plan is not an authorized insurer or authorized health maintenance organization in Florida, and the nonprofit agricultural

organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code." The disclaimer must be in contrasting color and at least 12-point type.

(c) May not market or sell medical benefit plans through agents licensed by the department.

(d) Must conduct an annual financial audit that is performed by an independent certified public accountant in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the nonprofit agricultural organization's website.

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

# 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 715 | **COMPANION BILL:** SB 1076 (McClain) |
| **TITLE:** Roofing Services | **LINKED BILLS:** None |
| **SPONSOR(S):** Porras | **RELATED BILLS:** None |

**Committee References**

Industries & Professional Activities
16 Y, 0 N, As CS

➤

Commerce

## SUMMARY

**Effect of the Bill:**

The bill expands the scope of work for licensed roofing contractors. The bill narrows the time-period that a residential property may cancel a roofing contract entered into because of a state of emergency.

**Fiscal or Economic Impact:**

The bill may have a positive economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill **expands the scope of work** for licensed roofing contractors to include evaluation and enhancement of roof-to-wall connections for structures with wood roof decking as described in Section 706 of the Florida Building Code – Existing Building. Any enhancement must be:

- Done in conjunction with a roof covering replacement or repair; and
- Installed and inspected in accordance with the:
  - Office of Insurance Regulation ("OIR") uniform mitigation verification inspection form;
  - Florida Building Code; or
  - project specific engineering that exceeds the requirements of the Florida Building Code or OIR inspection form. (Section 1)

The bill limits the time period that a residential property owner may cancel a contract, which was entered into because of an event causing a state of emergency, to replace or repair a roof without penalty or obligation. The bill also removes the requirement that the contract must be entered into because of the event causing the state of emergency. Currently a residential property owner may cancel such a contract without penalty or obligation within the earlier of 10 days after entering the contract or by the official start date. (Section 9)

The bill provides that in addition to the current law requirements, a residential property owner may only cancel the contract without penalty or obligation if they cancel **within 180 days** of an event causing a state of emergency. The owner does not have to enter into the contract because of the event causing the state of emergency, but their property **must be located in the geographic area of the state of emergency**. (Section 9)

The bill reduces the font size of the notice in a roofing contract that states a residential property may cancel a roofing contract entered into because of an event causing a state of emergency without penalty or obligation within a certain time-period. The bill **reduces the font size from 18 points to 14 points**. (Section 9)

The bill provides an effective date of upon becoming law. (Section 10)

**FISCAL OR ECONOMIC IMPACT:**

PRIVATE SECTOR:

The bill may have a positive economic impact on the private sector by increasing the number of licensed contractors who can evaluate and enhance certain roof-to-wall connections, which may lead to a reduction of costs for such services.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

Roofing Contractors

Chapter 489, F.S., regulates the profession of contracting in the state. Generally speaking, a licensed contractor is the person who, for compensation, undertakes to, submits a bid to, or does himself or herself or by others construct, repair, alter, remodel, add to, demolish, subtract from, or improve any building or structure, and whose job scope is substantially similar to the job scopes described in s. 489.105, F.S.[1]

A roofing contractor's scope of work specifically includes services that are unlimited in the roofing trade and who has the experience, knowledge, and skill to install, maintain, repair, alter, extend, or design, and use materials and items used in the installation, maintenance, extension, and alteration of all kinds of roofing, waterproofing, and coating, except when coating is not represented to protect, repair, waterproof, stop leaks, or extend the life of the roof.

A roofing contractor's scope of work also includes skylights, required roof-deck attachments, repair or replacement of wood roof sheathing or fascia as needed during roof repair or replacement, and any related work.

A roofing contractor's scope of work does not include evaluating or enhancing roof-to-wall connections.

Florida Building Code

The Florida Building Codes Act ("Building Code"), provides a mechanism for the uniform adoption, updating, interpretation, and enforcement of a single state building code that must be applied, administered, and enforced uniformly and consistently across the state. The Building Code is adopted by the Building Commission and enforced by local governments.[2]

The Building Code sets minimum standards for the design, construction, erection, alteration, modification, repair, and demolition of structures in the state. Section 706 of the Building Code (Existing Building) provides methods for recovering or replacing an existing roof covering.[3]

A roof covering is the most visual part of the roofing system and makes up the majority of waterproofing and protection. The most popular roof covering is shingles; however, there are other types including, but not limited to, metal roofing and wood shakes.[4]

Roof decking or "sheathing" is the layer of material that sits underneath the shingles and serves as the foundation of the roof. Roof decking can be made of different types of materials such as wood or metal. [5]

Uniform Mitigation Verification Inspection Form

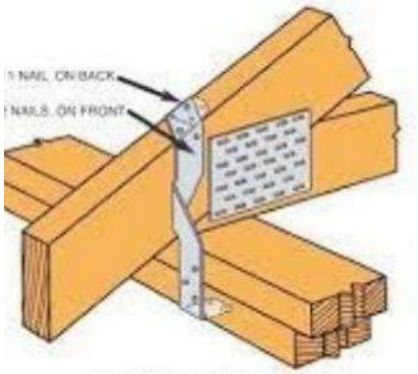
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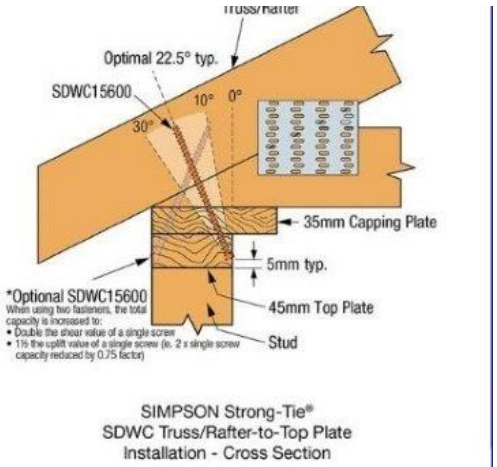
[1] S. 489.105(3), F.S.
[2] Ss. 125.56, 553.72, 553.73, and 553.74, F.S.
[3] S. 553.72, F.S.; Section 706 of the Florida Building Code (Existing Building).
[4] RoofCorp of Metro Denver, Inc., *What is Roof Covering*, https://roofingexperts.com/roof-covering/ (last visited March 8, 2025).
[5] Hook Agency, *Roof Decking (When It Should Be Replaced, Types & More)*, Indy Roof & Restoration https://indyroofandrestoration.com/roof-decking/ (last visited March 8, 2025).

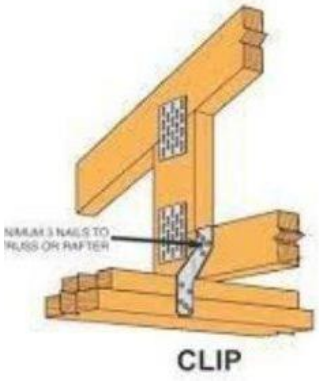
A uniform mitigation form is a form developed by OIR that insurers provide to residential property insurance policyholders that notifies them of any discounts, credits, or deductibles that are available for certain fixtures or construction techniques that reduce the amount of loss in a windstorm.[6]

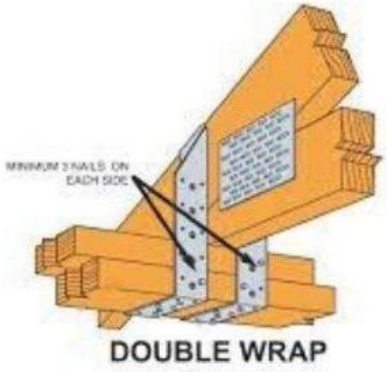
Roof-to-wall connections

The roof-to-wall connection is the structural linkage between a building's roof and its walls. They are a critical aspect of wind mitigation and sometimes referred to as "hurricane straps."[7] Below are examples of different types of hurricane straps.[8]




Canceling Roofing Contracts

Current law allows a residential property owner to cancel a contract to replace or repair a roof without penalty or obligation within 10 days after the execution of the contract or by the official start date, whichever comes first, as

[6] S. 627.711, F.S.

[7] Megan Hall, Roof-to-wall Connectors: What are they and how they affect your Wind Mitigation Verification Form, True Home Inspections, April 11, 2023 https://www.truehomeinspects.com/blog/2023/3/15/kmwu3p5vzbf1eym9ezrd42farrb7r8#:~:text=They%20are%20designed%20to%20transfer%20the%20uplift%20forces,roof%20pitch%20and%20the%20spacing%20of%20the%20trusses. (last visited March 8, 2025); Howard Meeks, Types of Roof Wall connections, Ocoee Home Inspections, https://ocoeehomeinspections.com/types-of-roof-to-wall-connections/ (last visited March 8, 2024).

[8] *Id.*

long as the contract was entered into because of events that caused a declaration of a state of emergency by the Governor.[9]

A contractor that enters into a contract to replace or repair the roof of a residential property during a declared state of emergency must include specific language in the contract that notifies the residential property owner that they may cancel the contract without penalty or obligation[10]
The language must be in bold type of not less than 18 points.[11]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 16 Y, 0 N, As CS | 3/12/2025 | Anstead | Brackett |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Clarified that "wood decking as described in section 706 of the Florida Building Code" is referring to section 706 of the Existing Building provision of the Building Code.<br>• Extended the period that a resident may cancel a roofing contract without penalty to within 180 days of an event causing a state of emergency instead of 30 days.<br>• Clarified that the option to cancel a roofing contract entered into because of a state of emergency only applies to owner's whose property is in the geographic area covered by the state of the emergency. | | | |
| Commerce Committee | | | Hamon | Brackett |

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

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[9] S. 489.147(6), F.S. The "official start date" is the date on which work that includes the installation of materials that will be included in the final work on the roof commences, a final permit has been issued, or a temporary repair to the roof covering or roof has been made in compliance with the Florida Building Code.
[10] *Id.*
[11] *Id.*

A bill to be entitled

An act relating to roofing services; amending s. 489.105, F.S.; revising the definition of the term "roofing contractor"; reenacting ss. 489.107(4)(b), 489.113(2), 489.117(1)(a), (2)(a) and (b), and (4)(a), 489.118(1), 489.126(1), 489.131(10) and (11), and 877.02(2), F.S.; relating to the Construction Industry Licensing Board, qualifications for practice and restrictions, registration and specialty contractors, certification of registered contractors and grandfathering provisions, moneys received by contractors, applicability, and solicitation of legal services or retainers therefor and penalty, respectively, to incorporate the amendment made to s. 489.105, F.S., in references thereto; amending s. 489.147, F.S.; providing applicability; revising the official start date that a residential property owner may cancel a contract to replace or repair a roof without penalty or obligation; revising the language required to be in a contract, or attached thereto, to replace or repair a roof that is executed within a specified time of a declaration of a state of emergency; providing an effective date.

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

**Section 1. Paragraph (e) of subsection (3) of section 489.105, Florida Statutes, is amended to read:**

489.105 Definitions.—As used in this part:

(3) "Contractor" means the person who is qualified for, and is only responsible for, the project contracted for and means, except as exempted in this part, the person who, for compensation, undertakes to, submits a bid to, or does himself or herself or by others construct, repair, alter, remodel, add to, demolish, subtract from, or improve any building or structure, including related improvements to real estate, for others or for resale to others; and whose job scope is substantially similar to the job scope described in one of the paragraphs of this subsection. For the purposes of regulation under this part, the term "demolish" applies only to demolition of steel tanks more than 50 feet in height; towers more than 50 feet in height; other structures more than 50 feet in height; and all buildings or residences. Contractors are subdivided into two divisions, Division I, consisting of those contractors defined in paragraphs (a)-(c), and Division II, consisting of those contractors defined in paragraphs (d)-(q):

(e) "Roofing contractor" means a contractor whose services are unlimited in the roofing trade and who has the experience, knowledge, and skill to install, maintain, repair, alter, extend, or design, if not prohibited by law, and use materials

and items used in the installation, maintenance, extension, and alteration of all kinds of roofing, waterproofing, and coating, except when coating is not represented to protect, repair, waterproof, stop leaks, or extend the life of the roof. The scope of work of a roofing contractor also includes all of the following and any related work: skylights; ~~and any related work,~~ required roof-deck attachments;~~, and~~ any repair or replacement of wood roof sheathing or fascia as needed during roof repair or replacement; and the evaluation and enhancement of roof-to-wall connections for structures with wood roof decking as described in Section 706 of the Florida Building Code-Existing Building, provided that any enhancement, which was properly installed and inspected in accordance with the Office of Insurance Regulation uniform mitigation verification inspection form, the Florida Building Code, or project specific engineering that exceeds these requirements, is done in conjunction with a roof covering replacement or repair ~~and any related work~~.

**Section 2. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in a reference thereto, paragraph (b) of subsection (4) of section 489.107, Florida Statutes, is reenacted to read:**

489.107 Construction Industry Licensing Board.—

(4) The board shall be divided into two divisions, Division I and Division II.

(b) Division II is comprised of the roofing contractor,

sheet metal contractor, air-conditioning contractor, mechanical contractor, pool contractor, plumbing contractor, and underground utility and excavation contractor members of the board; one of the members appointed pursuant to paragraph (2)(j); and one of the members appointed pursuant to paragraph (2)(k). Division II has jurisdiction over the regulation of contractors defined in s. 489.105(3)(d)-(p).

**Section 3. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in a reference thereto, subsection (2) of section 489.113, Florida Statutes, is reenacted to read:**

489.113 Qualifications for practice; restrictions.—

(2) A person must be certified or registered in order to engage in the business of contracting in this state. However, for purposes of complying with the provisions of this chapter, a subcontractor who is not certified or registered may perform construction work under the supervision of a person who is certified or registered, provided that the work is within the scope of the supervising contractor's license, the supervising contractor is responsible for the work, and the subcontractor being supervised is not engaged in construction work that would require a license as a contractor under any of the categories listed in s. 489.105(3)(d)-(o). This subsection does not affect the application of any local construction licensing ordinances. To enforce this subsection:

(a) The department shall issue a cease and desist order to prohibit any person from engaging in the business of contracting who does not hold the required certification or registration for the work being performed under this part. For the purpose of enforcing a cease and desist order, the department may file a proceeding in the name of the state seeking issuance of an injunction or a writ of mandamus against any person who violates any provision of such order.

(b) A county, municipality, or local licensing board created by special act may issue a cease and desist order to prohibit any person from engaging in the business of contracting who does not hold the required certification or registration for the work being performed under this part.

**Section 4. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in references thereto, paragraph (a) of subsection (1), paragraphs (a) and (b) of subsection (2), and paragraph (a) of subsection (4) of section 489.117, Florida Statutes, are reenacted to read:**

489.117 Registration; specialty contractors.—

(1)(a) A person engaged in the business of a contractor as defined in s. 489.105(3)(a)-(o) must be registered before engaging in business as a contractor in this state, unless he or she is certified. Except as provided in paragraph (2)(b), to be initially registered, the applicant must submit the required fee and file evidence of successful compliance with the local

examination and licensing requirements, if any, in the area for which registration is desired. An examination is not required for registration.

(2)(a) Except as provided in paragraph (b), the board may not issue a new registration after July 1, 1993, based on any certificate of competency or license for a category of contractor defined in s. 489.105(3)(a)-(o) which is issued by a municipal or county government that does not exercise disciplinary control and oversight over such locally licensed contractors, including forwarding a recommended order in each action to the board as provided in s. 489.131(7). For purposes of this subsection and s. 489.131(10), the board shall determine the adequacy of such disciplinary control by reviewing the local government's ability to process and investigate complaints and to take disciplinary action against locally licensed contractors.

(b) The board shall issue a registration to an eligible applicant to engage in the business of a contractor in a specified local jurisdiction, provided each of the following conditions are satisfied:

1. The applicant held, in any local jurisdiction in this state during 2021, 2022, or 2023, a certificate of registration issued by the state or a local license issued by a local jurisdiction to perform work in a category of contractor defined in s. 489.105(3)(a)-(o).

2. The applicant submits all of the following to the board:

a. Evidence of the certificate of registration or local license held by the applicant as required by subparagraph 1.

b. Evidence that the specified local jurisdiction does not have a license type available for the category of work for which the applicant was issued a certificate of registration or local license during 2021, 2022, or 2023, such as a notification on the website of the local jurisdiction or an e-mail or letter from the office of the local building official or local building department stating that such license type is not available in that local jurisdiction.

c. Evidence that the applicant has submitted the required fee.

d. Evidence of compliance with the insurance and financial responsibility requirements of s. 489.115(5).

An examination is not required for an applicant seeking a registration under this paragraph.

(4)(a)1. A person whose job scope does not substantially correspond to either the job scope of one of the contractor categories defined in s. 489.105(3)(a)-(o), or the job scope of one of the certified specialty contractor categories established by board rule, is not required to register with the board. A local government, as defined in s. 163.211, may not require a

person to obtain a license, issued by the local government or the state, for a job scope which does not substantially correspond to the job scope of one of the contractor categories defined in s. 489.105(3)(a)-(o) and (q) or authorized in s. 489.1455(1), or the job scope of one of the certified specialty contractor categories established pursuant to s. 489.113(6). A local government may not require a state or local license to obtain a permit for such job scopes. For purposes of this section, job scopes for which a local government may not require a license include, but are not limited to, painting; flooring; cabinetry; interior remodeling when the scope of the project does not include a task for which a state license is required; driveway or tennis court installation; handyman services; decorative stone, tile, marble, granite, or terrazzo installation; plastering; pressure washing; stuccoing; caulking; and canvas awning and ornamental iron installation.

2. A county that includes an area designated as an area of critical state concern under s. 380.05 may offer a license for any job scope which requires a contractor license under this part if the county imposed such a licensing requirement before January 1, 2021.

3. A local government may continue to offer a license for veneer, including aluminum or vinyl gutters, siding, soffit, or fascia; rooftop painting, coating, and cleaning above three stories in height; or fence installation and erection if the

local government imposed such a licensing requirement before January 1, 2021.

4. A local government may not require a license as a prerequisite to submit a bid for public works projects if the work to be performed does not require a license under general law.

**Section 5. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in a reference thereto, subsection (1) of section 489.118, Florida Statutes, is reenacted to read:**

489.118 Certification of registered contractors; grandfathering provisions.—The board shall, upon receipt of a completed application and appropriate fee, issue a certificate in the appropriate category to any contractor registered under this part who makes application to the board and can show that he or she meets each of the following requirements:

(1) Currently holds a valid registered local license in one of the contractor categories defined in s. 489.105(3)(a)-(p).

**Section 6. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in a reference thereto, subsection (1) of section 489.126, Florida Statutes, is reenacted to read:**

489.126 Moneys received by contractors.—

(1) For purposes of this section, the term "contractor"

includes all definitions as set forth in s. 489.105(3), and any person performing or contracting or promising to perform work described therein, without regard to the licensure of the person.

**Section 7. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in references thereto, subsections (10) and (11) of section 489.131, Florida Statutes, are reenacted to read:**

489.131 Applicability.—

(10) No municipal or county government may issue any certificate of competency or license for any contractor defined in s. 489.105(3)(a)-(o) after July 1, 1993, unless such local government exercises disciplinary control and oversight over such locally licensed contractors, including forwarding a recommended order in each action to the board as provided in subsection (7). Each local board that licenses and disciplines contractors must have at least two consumer representatives on that board. If the board has seven or more members, at least three of those members must be consumer representatives. The consumer representative may be any resident of the local jurisdiction who is not, and has never been, a member or practitioner of a profession regulated by the board or a member of any closely related profession.

(11) Any municipal or county government which enters or has in place a reciprocal agreement which accepts a certificate

of competency or license issued by another municipal or county government in lieu of its own certificate of competency or license allowing contractors defined in s. 489.105(3)(a)-(o), shall file a certified copy of such agreement with the board not later than 60 days after July 1, 1993, or 30 days after the effective date of such agreement.

**Section 8. For the purpose of incorporating the amendment made by this act to section 489.105, Florida Statutes, in a reference thereto, subsection (2) of section 877.02, Florida Statutes, is reenacted to read:**

877.02 Solicitation of legal services or retainers therefor; penalty.—

(2) It shall be unlawful for any person in the employ of or in any capacity attached to any hospital, sanitarium, police department, wrecker service or garage, prison or court, for a person authorized to furnish bail bonds, investigators, photographers, insurance or public adjusters, or for a general or other contractor as defined in s. 489.105 or other business providing sinkhole remediation services, to communicate directly or indirectly with any attorney or person acting on said attorney's behalf for the purpose of aiding, assisting, or abetting such attorney in the solicitation of legal business or the procurement through solicitation of a retainer, written or oral, or any agreement authorizing the attorney to perform or render legal services.

**Section 9. Paragraphs (a) and (b) of subsection (6) of section 489.147, Florida Statutes, are amended to read:**

489.147 Prohibited property insurance practices; contract requirements.—

(6)(a) A residential property owner may cancel a contract to replace or repair a roof without penalty or obligation within 10 days after the execution of the contract or by the official start date, whichever comes first, if the contract was entered into within 180 days of ~~based on~~ events that are the subject of a declaration of a state of emergency by the Governor and the residential property is located within the geographic area for which the declaration of the state of emergency applies. For the purposes of this subsection, the official start date is the date on which work that includes the installation of materials that will be included in the final work on the roof commences, a ~~final~~ permit has been issued, or a temporary repair to the roof covering or roof has been made in compliance with the Florida Building Code.

(b) A contractor executing a contract during a declaration of a state of emergency to replace or repair a roof of a residential property must include or add as an attachment to the contract the following language, in bold type of not less than 14 points ~~18 points~~, immediately before the space reserved for the signature of the residential property owner:

"You, the residential property owner, may cancel this contract without penalty or obligation within 10 days after the execution of the contract or by the official start date, whichever comes first, because this contract was entered into within 180 days of events resulting in the declaration of ~~during~~ a state of emergency by the Governor. The official start date is the date on which work that includes the installation of materials that will be included in the final work on the roof commences, a ~~final~~ permit has been issued, or a temporary repair to the roof covering or roof system has been made in compliance with the Florida Building Code."

**Section 10.** This act shall take effect upon becoming a law.

**COMMERCE COMMITTEE**

**CS/HB 715 by Rep. Porras**
**Roofing Services**

**AMENDMENT SUMMARY**
**March 31, 2025**

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**Amendment 1 by Rep. Porras (between lines 311 and 312):**

- Requires contractors to provide notice in contracts for the replacement or repair a residential roofs that property owners should contact their insurance provider to confirm coverage and reimbursement of the proposed work before signing the contract.

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|---|---|---|
| ADOPTED | ____ | (Y/N) |
| ADOPTED AS AMENDED | ____ | (Y/N) |
| ADOPTED W/O OBJECTION | ____ | (Y/N) |
| FAILED TO ADOPT | ____ | (Y/N) |
| WITHDRAWN | ____ | (Y/N) |
| OTHER | | |

Committee/Subcommittee hearing bill: Commerce Committee

Representative Porras offered the following:

**Amendment (with directory and title amendments)**

Between lines 311 and 312, insert:

(7) A contractor executing a contract to replace or repair a roof of a residential property must include in the contract, or add as an attachment to the contract, the following language in bold type of not less than 14 points on the page reserved for the signature of the residential property owner:

"If the proposed work is related to an insurance claim, you, the residential property owner, should contact your insurance company to verify coverage for the proposed roofing work, including any claims, deductibles, and policy terms, before signing this

contract. By signing this contract, you acknowledge that you have been advised to contact your insurance provider regarding coverage and reimbursement of the proposed work."

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**D I R E C T O R Y A M E N D M E N T**

Remove line 277 and insert:

section 489.147, Florida Statutes, are amended, and subsection (7) is added to that section, to read:

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**T I T L E A M E N D M E N T**

Remove line 23 and insert:

emergency; requiring a contractor executing a contract to replace or repair a roof of a residential property to include in the contract, or attach thereto, specified language; providing an effective date.

# 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 729 | **COMPANION BILL:** CS/SB 652 (Bradley) |
| **TITLE:** Veterinary Professional Associates | **LINKED BILLS:** None |
| **SPONSOR(S):** Melo | **RELATED BILLS:** None |

**Committee References**

Industries & Professional Activities
15 Y, 0 N, As CS

➤

Commerce

## SUMMARY

**Effect of the Bill:**

The bill creates a new category of veterinary professional known as a "veterinary professional associate." The bill defines the qualifications necessary for individuals to use this title. The bill requires the completion of certain veterinary clinical skills training and rotations. The bill allows such individuals to perform certain duties while under the supervision of a veterinarian and practice veterinary medicine on a limited basis. The bill makes supervising veterinarians liable for veterinary professional associates acting under their supervision.

The effective date of the bill is July 1, 2025.

**Fiscal or Economic Impact:**

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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill creates a new category of veterinary professional called a "veterinary professional associate," and allows such individuals to work under the supervision of a licensed veterinarian and practice veterinary medicine on a limited basis, as follows:

- Names the act, the "Veterinary Workforce Innovation Act." (Section 1)
- Provides the following legislative findings: (Section 2)
  - "The practice of educated, trained, and experienced veterinary professional associates will increase consumers' access to high-quality veterinary medical services, at a reasonable cost to consumers, while also increasing the efficiency of the practice of veterinary medicine in this state."
- Defines the following terms: (Section 2)
  - "Approved program" means a master's program in veterinary clinical care, or the equivalent, from a school of veterinary medicine in the United States or in its territories or possessions.
  - "Veterinary professional associate" means a person who has earned a master's degree from an approved program and is authorized to perform veterinary medical services delegated by a supervising veterinarian.
- Allows the title "veterinary professional associate" to be used only by an individual who has successfully completed an approved program and passed a national competency examination. (Section 2)
- Allows, unless otherwise prohibited by federal or state law, a veterinary professional associate to perform duties or actions of veterinary medicine, in which he or she possesses the competence, necessary training, current knowledge, and experience to perform the assigned duties. (Section 2)
- Allows a veterinary professional associate to perform only the duties assigned to him or her while under the responsible supervision of a licensed veterinarian, except when immediate supervision is required. (Section 2)

- Requires all candidates for the veterinary professional associate designation to complete a minimum of the following:
    - 100 hours of in-person clinical skills training, focusing on fundamental hands-on procedures, patient handling, diagnostic techniques, and treatment protocols under direct supervision. Additionally; and
    - 200 hours of clinical rotations in approved veterinary settings, which must provide practical experience in real-world veterinary care environments, allowing candidates to develop proficiency in case management, client communication, and interdisciplinary collaboration.
    - Compliance with these requirements must be verified through documented assessments conducted by licensed veterinary professionals. (Section 2)
- Prohibits veterinary professional associates from: (Section 2)
    - Unless otherwise authorized by state or federal law, prescribing medicinal drugs, prescription drugs, or controlled substances.
    - Performing surgery that enters the body cavity, except for veterinary sterilizations which must be performed under the immediate supervision of a licensed veterinarian.
- Makes licensed veterinarians who assign duties or actions to a veterinary professional associate liable for any act or omission of the veterinary professional associate acting under the licensed veterinarian's supervision. (Section 2)

The effective date of the bill is July 1, 2025. (Section 3)

**FISCAL OR ECONOMIC IMPACT:**

PRIVATE SECTOR:

Indeterminate. The bill may have in indeterminate positive economic impact on the private sector. The bill will allow a new class of midlevel practitioners in veterinary medicine. This may lead to additional jobs, and cost savings related to improved veterinary care.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

### Practice of Veterinary Medicine

The Board of Veterinary Medicine (Board) in the Department of Business and Professional Regulation (DBPR) implements the provisions of ch. 474, F.S., relating to veterinary medical practice (practice act). The purpose of the practice act is to ensure that every veterinarian practicing in this state meets minimum requirements for safe practices to protect public health and safety.[1]

A "veterinarian" is a health care practitioner licensed by the Board to engage in the practice of veterinary medicine in Florida[2] and they are subject to disciplinary action from the Board for various violations of the practice act.[3]

The practice of "veterinary medicine" is the diagnosis of medical conditions of animals, and the prescribing or administering of medicine and treatment to animals for the prevention, cure, or relief of a wound, fracture, bodily injury, or disease, or holding oneself out as performing any of these functions.[4]

Veterinary medicine includes, with respect to animals:[5]

- Surgery;

[1] S. 474.201, F.S.
[2] S. 474.202(11), F.S.
[3] Ss. 474.213 & 474.214, F.S.
[4] *See* s. 474.202(9), F.S. Also included is the determination of the health, fitness, or soundness of an animal, and the performance of any manual procedure for the diagnosis or treatment of pregnancy or fertility or infertility of animals.
[5] *See* s. 474.202(13), F.S. Section 474.202(1), F.S., defines "animal" as "any mammal other than a human being or any bird, amphibian, fish, or reptile, wild or domestic, living or dead."

- Acupuncture;
- Obstetrics;
- Dentistry;
- Physical therapy;
- Radiology;
- Theriogenology (reproductive medicine); and
- Other branches or specialties of veterinary medicine.

The practice act does not apply to the following categories of persons:

- Veterinary aides, nurses, laboratory technicians, preceptors,[6] or other employees of a licensed veterinarian, who administer medication or provide help or support under the responsible supervision[7] of a licensed veterinarian;
- Certain non-Florida licensed veterinarians who are consulting upon request of a Florida-licensed veterinarian on the treatment of a specific animal or on the treatment on a specific case of the animals of a single owner.
- Faculty veterinarians when they have assigned teaching duties at accredited[8] institutions;
- Certain graduated intern/resident veterinarians of accredited institutions;
- Certain students in a school or college of veterinary medicine who perform assigned duties by an instructor or work as preceptors;
- Certain doctors of veterinary medicine employed by a state agency or the United States Government;
- Persons or their employees caring for the persons' own animals, as well as certain part-time or temporary employees, or independent contractors, who are hired by an owner to help with herd management and animal husbandry tasks; and
- Certain entities or persons[9] that conduct experiments and scientific research on animals as part of the development of pharmaceuticals, biologicals, serums, or methods of treatment or techniques to diagnose or treat human ailments, or in the study and development of methods and techniques applicable to the practice of veterinary medicine.[10]

Any permanent or mobile establishment where a licensed veterinarian practices must have a premises permit issued by DBPR.[11] Each person to whom a veterinary license or premises permit is issued must conspicuously display such document in her or his office, place of business, or place of employment in a permanent or mobile veterinary establishment or clinic.[12]

By virtue of accepting a license to practice veterinary medicine in Florida, a veterinarian consents to:

- Render a handwriting sample to an agent of the department and, further, to have waived any objections to its use as evidence against her or him.
- Waive the confidentiality and authorize the preparation and release of medical reports pertaining to the mental or physical condition of the licensee when the department has reason to believe that a violation of this chapter has occurred and when the department issues an order, based on the need for additional information, to produce such medical reports for the time period relevant to the complaint.[13]

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[6] A preceptor is a skilled practitioner or faculty member who directs, teaches, supervises, and evaluates students in a clinical setting to allow practical experience with patients. *See also* https://www.merriam-webster.com/dictionary/preceptor#medicalDictionary (last visited March 9, 2025).
[7] The term "responsible supervision" is defined in s. 474.202(10), F.S., as the "control, direction, and regulation by a licensed doctor of veterinary medicine of the duties involving veterinary services" delegated to unlicensed personnel.
[8] Ss. 474.203(1)-(2), F.S., provide that accreditation of a school or college must be granted by the American Veterinary Medical Association (AVMA) Council on Education, or the AVMA Commission for Foreign Veterinary Graduates.
[9] *See* s. 474.203(6), F.S., which states that the exemption applies to "[s]tate agencies, accredited schools, institutions, foundations, business corporations or associations, physicians licensed to practice medicine and surgery in all its branches, graduate doctors of veterinary medicine, or persons under the direct supervision thereof ...."
[10] *See* s. 474.203, F.S.
[11] S. 474.215(1), F.S.
[12] S. 474.216, F.S.
[13] S. 474.2185, F.S.

According to the most recent figures, there are approximately 13,600 licensed veterinarians in Florida.[14]

## Immediate Supervision

The practice act defines "immediate supervision" to mean that a "licensed doctor of veterinary medicine is on the premises whenever veterinary services are being provided."[15]

Veterinary tasks requiring immediate supervision, include:[16]

- Administering anesthesia and tranquilization by a veterinary aide, nurse, laboratory technician, intern, or other employee of a licensed veterinarian.
- Administering certain vaccinations by a veterinary aide, nurse, technician, intern or other employee of a licensed veterinarian which is not specifically prohibited.

Veterinary tasks that may be performed without the licensed veterinarian on the premises, include:[17]

- Administering medication and treatment, excluding vaccinations, as directed by the licensed veterinarian; and
- Obtaining samples and the performance of those diagnostic tests, including radiographs, directed by the licensed veterinarian.

## Responsible Supervision

Responsible supervision means "the control, direction, and regulation by a licensed doctor of veterinary medicine of the duties involving veterinary services which she or he delegates to unlicensed personnel."[18]

### Veterinarian Shortage

The University of Florida's Dean of the College of Veterinary Medicine, Dana Zimmel, has indicated that there is a shortage of veterinarians in Florida. The state's only veterinary medical college, the University of Florida, also reports that due to limited capacity, it must turn away 1,500 qualified candidates a year.[19]

According to the American Veterinary Medical Association (AVMA), a midlevel practitioner may not be the best option to address this shortage, but instead recommend that more effort "should be spent on resources, tools, and programs designed to retain veterinarians and credentialed veterinary technicians."[20]

A study conducted by the National Library of Medicine found a veterinary professional health care provider, similar to the human medical profession's physician assistant, could help address the veterinary shortage, and that such individuals, modeled after physician assistants, could be employed to handle routine veterinary care and thereby allow veterinarians additional time to focus on the more demanding and challenging aspects of veterinary medicine.[21]

A recent study conducted by Michigan State University's Department of Agricultural, Food, and Resource Economics found that the "veterinary medical profession is facing a capacity crisis, struggling to meet the growing demand for services. Introducing a new mid-level provider role, the Veterinary Professional Associate (VPA), could

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[14] Department of Business and Professional Regulation, *Veterinary Medicine – Board Information*, https://www2.myfloridalicense.com/veterinary-medicine/board-information/#:~:text=The%20Board%20of%20Veterinary%20Medicine,Chapter%2061G18%2C%20Florida%20Administrative%20Code. (last visited March 9, 2025).
[15] S. 474.202(5), F.S.
[16] R. 61G18-17.005, F.A.C.
[17] *Id.*
[18] S. 474.202(10), F.S.
[19] Dana Zimmel, *Florida needs more veterinarians | Column*, Tampa Bay Times (March 9, 2025), https://www.tampabay.com/opinion/2022/01/03/florida-needs-more-veterinarians-column/ (last visited March 9, 2025).
[20] American Veterinary Medical Association, AVMA News, *Idea of midlevel practitioner rejected in favor of better support, engagement of credentialed veterinary technicians* (Jan. 10, 2023), https://www.avma.org/news/idea-midlevel-practitioner-rejected-favor-better-support-engagement-credentialed-veterinary (last visited March 9, 2025).
[21] Lori Kogan, Sherry Stewart, *Veterinary professional associates: does the profession's foresight include a mid-tier professional similar to physician assistants?,* National Library of Medicine (2009), https://pubmed.ncbi.nlm.nih.gov/19625672/ (last visited March 9, 2025).

bridge the gap between veterinarians and technicians, potentially helping to alleviate this issue." The study also found that "with this as a foundation, structured educational and credentialing programs can be developed around the broad base of competencies and knowledge necessary for consistent, predictable success as a VPA. Further, the study found that "regulatory environments and potential restraints notwithstanding, perhaps one of the biggest hurdles to the successful implementation of a midlevel provider in veterinary medicine will be the inherent hesitation or reluctance of veterinarians to delegate clinical responsibilities."[22]

**Human Physician Assistants**

According to the Mayo Clinic, physician assistants are "licensed medical professionals who hold an advanced degree and are able to provide direct patient care. They work with patients of all ages in virtually all specialty and primary care areas, diagnosing and treating common illnesses and working with minor procedures. With an increasing shortage of health care providers, physician assistants are a critical part of today's team-based approach to health care. They increase access to quality health care for many populations and communities. The specific duties of a physician assistant are determined by their supervising physician and state law, but they provide many of the same services as a primary care physician. They practice in every state and in a wide variety of clinical settings and specialties."[23]

In Florida, physician assistants are licensed medical professionals that are authorized to perform services delegated by a supervising physician.[24] PAs are regulated by the Florida Council on Physician Assistants (Council) in conjunction with either the Board of Medicine for PAs licensed under ch. 458, F.S., or the Board of Osteopathic Medicine for PAs licensed under ch. 459, F.S. During fiscal year 2023-2024, there were 11,890 actively licensed PAs in the state, and 1,339 initial PA licenses were issued by the Florida Department of Health.[25]

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2024 | HB 849 | Killebrew, Buchanan | Bradley | Became law on July 1, 2024. |

**OTHER RESOURCES:**

Department of Business and Professional Regulation: Veterinary Medicine Board Information

The USDA Veterinary Medicine Loan Repayment Program Veterinary Services Shortage Situations Map

[22] James W. Lloyd, Donna L. Harris, David M. Smith, *The Veterinary Professional Associate Financial Model: General Practice*, (July 2024), https://ideas.repec.org/p/ags/midasp/347403.html (last visited March 9, 2025).
[23] Mayo Clinic College of Medicine and Science, *Physician Assistant*, https://college.mayo.edu/academics/explore-health-care-careers/careers-a-z/physician-assistant/ (last visited March 9, 2025).
[24] Ss. 458.347(2)(e) and 459.022(2)(e).
[25] Florida Department of Health, Division of Medical Quality Assurance, Annual Report and Long-Range Plan, Fiscal Year 2023-2024, https://www.floridahealth.gov/licensing-and-regulation/reports-and-publications/2024.10.28.FY23-24AR-FINAL.pdf (last visited March 9, 2025).

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 15 Y, 0 N, As CS | 3/12/2025 | Anstead | Thompson |
| THE CHANGES ADOPTED BY THE COMMITTEE: | The amendment specified education requirements, and clarified surgical procedure requirements. | | | |
| Commerce Committee | | | Hamon | Thompson |

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

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A bill to be entitled

An act relating to veterinary professional associates; providing a short title; creating s. 474.2126, F.S.; providing legislative findings; defining terms; authorizing certain individuals to use the title "veterinary professional associate"; authorizing veterinary professional associates to perform certain duties only while under the responsible supervision of a licensed veterinarian; specifying certain education requirements; prohibiting such associates from prescribing certain drugs or controlled substances or performing certain surgical procedures; providing exceptions; providing that supervising veterinarians are liable for the acts or omissions of veterinary professional associates under their supervision; providing an effective date.

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

**Section 1.** This act may be cited as the "Veterinary Workforce Innovation Act."

**Section 2. Section 474.2126, Florida Statutes, is created to read:**

474.2126 Veterinary professional associate.—

(1) The Legislature finds that the practice of educated,



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

trained, and experienced veterinary professional associates will increase consumers' access to high-quality veterinary medical services, at a reasonable cost to consumers, while also increasing the efficiency of the practice of veterinary medicine in this state.

(2) As used in this section, the term:

(a) "Approved program" means a master's program in veterinary clinical care, or the equivalent, from a school of veterinary medicine in the United States or in its territories or possessions.

(b) "Veterinary professional associate" means a person who has earned a master's degree from an approved program and is authorized to perform veterinary medical services delegated by a supervising veterinarian.

(3) The title "veterinary professional associate" may be used only by an individual who has successfully completed an approved program and passed a national competency examination.

(4) Unless otherwise prohibited by federal or state law, a veterinary professional associate may perform duties or actions, including duties or actions in s. 474.202(9) and (13), in which he or she possesses the competence, necessary training, current knowledge, and experience to perform the assigned duties. The veterinary professional associate may perform only the duties assigned to him or her while under the responsible supervision, as defined in s. 474.202, of a licensed veterinarian, except

when immediate supervision is required as provided in paragraph (6)(b).

(5) To ensure competency in clinical practice, all candidates for the veterinary professional associate designation must complete a minimum of 100 hours of in-person clinical skills training, focusing on fundamental hands-on procedures, patient handling, diagnostic techniques, and treatment protocols under direct supervision. Additionally, candidates must complete a minimum of 200 hours of clinical rotations in approved veterinary settings. The rotations must provide practical experience in real-world veterinary care environments, allowing candidates to develop proficiency in case management, client communication, and interdisciplinary collaboration. Compliance with the requirements of this subsection shall be verified through documented assessments conducted by licensed veterinary professionals.

(6) A veterinary professional associate may not:

(a) Unless otherwise authorized by state or federal law, prescribe medicinal drugs or drugs, as defined in s. 465.003, or a controlled substance listed in chapter 893; or

(b) Perform surgical procedures that enter a body cavity, except for veterinary sterilizations. Such surgical procedures must be performed under immediate supervision, as defined in s. 474.202, of a licensed veterinarian.

(7) A licensed veterinarian who assigns duties or actions

to a veterinary professional associate is liable for any act or omission of the veterinary professional associate acting under the licensed veterinarian's supervision.

**Section 3.** This act shall take effect July 1, 2025.

# 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 1157 | **COMPANION BILL:** SB 1238 (Rodriguez) |
| **TITLE:** Verification of Reemployment Assistance Benefit Eligibility | **LINKED BILLS:** None |
| **SPONSOR(S):** Abbott | **RELATED BILLS:** None |

**Committee References**

Housing, Agriculture & Tourism
13 Y, 4 N, As CS

➤

Commerce

## SUMMARY

**Effect of the Bill:**

The bill adds conditions for disqualification from reemployment assistance and requires the Department of Commerce to implement new provisions to verify a claimant's eligibility.

**Fiscal or Economic Impact:**

The bill may have an indeterminate negative fiscal impact on the Department of Commerce.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

**Reemployment Assistance Benefits**

The bill adds the following conditions for disqualification from reemployment assistance:

- Failing to contact five prospective employers per week;
- Failing to appear on three or more occasions for a scheduled job interview; or
- Failing to return to work when recalled to work by their former employer after a temporary layoff. (Section 2).

The bill requires the Department of Commerce (Department) to verify a claimant's eligibility for reemployment assistance benefits through the following measures:

- Verify the identity of each claimant;
- Cross-check the information contained in an initial claim with information in the database of the Systematic Alien Verification for Entitlements (SAVE) program.
- Cross-check the information contained in a claim every two weeks that a claimant files a claim to ensure that the claimant is:
  - Living;
  - Not incarcerated; or
  - Not already employed. (Section 3).

The bill also requires the Department to take the following actions to verify reemployment assistance benefit eligibility:

- Investigate any claim in this state associated with another existing claim, either in this state or another state, that indicates suspicious activity.
- Scrutinize any claim in this state filed from a foreign Internet Protocol (IP) address.

- Work with the United States Department of Labor, out-of-state workforce agencies, the Department of Justice, the Department of Law Enforcement, the Office of the Statewide Prosecutor, and other relevant law enforcement entities, as feasible, to investigate and prosecute fraudulent claims.
- Maintain a website and email address for reporting violations by individuals or employers, and annually notify employers of the Department's website and email address.
- Annually make available on its website:
    - The number of successful detections of fraudulent claims;
    - The number of claims not paid due to the detection of fraud;
    - The number of fraudulent claims paid and the amount paid on those claims;
    - The amount recovered from fraudulent overpayments;
    - The number of fraudulent claims referred for investigation and possible prosecution; and
    - The sources used to cross-check claims during the reporting period. (Section 3).

The bill provides an effective date of July 1, 2025. (Section 4).

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

The Department of Commerce may incur indeterminate costs related to the creation, maintenance, and operation of websites and database checks with the overall impact on the state expenditures remaining indeterminate. A request for a formal analysis was submitted to the Department of Commerce on March 6, 2025.

The Florida Department of Law Enforcement reviewed CS/HB 1157 and determined that it does not impact their department.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

Unemployment Compensation

The Federal-State Unemployment Insurance Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law) and who meet the requirements of state law.[1] The program is administered as a partnership between the federal government and the states.[2] Individual states and the Internal Revenue Service (IRS) collect employer payroll taxes to pay reemployment assistance benefits.[3] Federal collections go to the states for costs of administering state unemployment compensation and job service programs.[4] In addition, Federal funds pay one-half of the cost of extended unemployment benefits (during periods of high unemployment) and provides for a fund from which states may borrow, if necessary, to pay benefits.[5]

[1] United States Department of Labor (DOL), State Unemployment Insurance Benefits, https://oui.doleta.gov/unemploy/uifactsheet.asp (last visited Mar. 13, 2025).
[2] DOL, Federal – State Partnership, https://oui.doleta.gov/unemploy/pdf/partnership.pdf (last visited Mar. 13, 2025).
[3] Florida Department of Revenue, *Florida Reemployment Tax*, https://floridarevenue.com/taxes/taxesfees/Pages/reemployment.aspx (last visited Mar. 13, 2025); Internal Revenue Service, *Federal Unemployment Tax,* https://www.irs.gov/individuals/international-taxpayers/federal-unemployment-tax (last visited Mar. 13, 2025).
[4] DOL, *Unemployment Insurance Tax Topic,* https://oui.doleta.gov/unemploy/uitaxtopic.asp#:~:text=FUTA%20taxes%20are%20calculated%20by,times%20the%20employer's%20taxable%20wages.&text=Employers%20who%20pay%20their%20state,tax%20paid%20to%20the%20state (last visited Mar. 13, 2025).
[5] *Id.*

States are permitted to set benefit eligibility requirements, the amount and duration of benefits, and the state tax structure, as long as state law does not conflict with the Federal requirements.[6] Florida's Reemployment Assistance Program was created by the Legislature in 1937 and the Department of Commerce (Department) is the agency responsible for its administration.[7] The Department contracts with the Florida Department of Revenue to provide unemployment tax collections services.[8]

In Florida, which rebranded the unemployment compensation program as the reemployment assistance program in 2012,[9] a qualified claimant may receive benefits equal to 25 percent of wages, not to exceed $6,325 in a benefit year.[10] Benefits range from a minimum of $32 per week to a maximum weekly benefit amount[11] of $275, for a maximum of between 12 weeks and 23 weeks.[12]

Disqualification for Reemployment Assistance Benefits

An individual shall be disqualified from receiving reemployment assistance benefits for any of the following reasons, which include, but are not limited to:[13]

- Voluntarily leaving work without good cause, or being discharged by his or her employing unit for misconduct connected with the work;
- Failing to apply for available suitable work when directed by the department or the One-Stop Career Center, to accept suitable work when offered, or to return to suitable self-employment when directed to do so;
- Making false or fraudulent representations in filing for benefits;
- Being discharged from employment due to drug use or rejection from a job offer for failing a drug test; or
- Becoming unavailable for work due to incarceration or imprisonment.

Benefit Eligibility

To be eligible for benefits each week of unemployment, a claimant must meet certain requirements, which generally involve efforts to find new employment, including, but not limited to, the following:[14]

- Completing the Department's online work registration;
- Reporting to the One-Stop Career Center when directed to do so by the local CareerSource board;
- Being able and available for work;
- Contacting at least 5 prospective employers each week; and
- Participating in reemployment services.

Systematic Alien Verification for Entitlements (SAVE) Program

The SAVE program is an online service that verifies immigration status and naturalized U.S. citizenship of applicants seeking benefits or licenses.[15] The program assists registered federal, state, and local government agencies, among others.[16] SAVE does not determine eligibility, as that responsibility rests with the benefit-granting or licensing agency.[17]

In order for the SAVE program to verify a benefit applicant's status, the benefit-granting or licensing agency must submit:[18]

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[6] DOL, *Federal – State Partnership*, https://oui.doleta.gov/unemploy/pdf/partnership.pdf (last visited Mar. 13, 2025).
[7] Ch. 18402, Laws of Fla.; S. 443.171(1), F.S.; S. 443.011, F.S.
[8] S. 443.1316(1), F.S.
[9] Ch. 2012-30, Laws of Fla.
[10] S. 443.111(5), F.S.
[11] S. 443.111(3), F.S. the "weekly benefit amount," is an amount equal to one twenty-sixth of the total wages for insured work paid during the quarter of the base period where the wages paid were highest.
[12] S. 443.111(5)(c), F.S.
[13] S. 443.101, F.S.
[14] S. 443.091(1), F.S.,
[15] United States Citizenship and Immigration Services (USCIS), *Save,* https://www.uscis.gov/save (last visited Mar. 13, 2025).
[16] *Id.*
[17] *Id.*
[18] USCIS, *Verification Process,* https://www.uscis.gov/save/about-save/save-verification-process (last visited Mar. 13, 2025).

- First name and last name;
- Date of birth;
- The public benefit(s) requested by the applicant; and
- At least one unique immigration identifier such as the Alien Registration Number, I-94, SEVIS ID, I-797, or Citizenship Certificate Number.

The SAVE program typically provides an initial response within seconds, which is sufficient for most requests. For additional verification, the response time is 3 federal workdays.[19] Additionally, the transaction charges for the SAVE program's verification in 2025 are $2.25 per verification case for federal agencies and $1.50 for non-federal agencies.[20] A minimum monthly service charge of $25 applies where at least one SAVE case is submitted by an agency.[21]

**RECENT LEGISLATION:**

| YEAR | BILL # | HOUSE SPONSOR(S) | SENATE SPONSOR | OTHER INFORMATION |
|---|---|---|---|---|
| 2024 | CS/CS/HB 1289 | Abbott | | The bill died in the House on second reading. |

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Housing, Agriculture & Tourism Subcommittee | 13 Y, 4 N, As CS | 3/18/2025 | Curtin | Rodriguez |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Deleted section 4 of the bill, which requires the consumer-first workforce system to align with federal regulations and to use artificial intelligence for matching participants with jobs and training. | | | |
| Commerce Committee | | | Hamon | Rodriguez |

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

**----------**

[19] USCIS, *SAVE Verification Response Time,* https://www.uscis.gov/save/about-save/save-verification-response-time (last visited Mar. 13, 2025).
[20] *Id.*
[21] *Id.*

A bill to be entitled

An act relating to verification of reemployment assistance benefit eligibility; providing a short title; amending s. 443.101, F.S.; revising circumstances under which the Department of Commerce disqualifies claimants from reemployment assistance benefits; creating s. 443.1112, F.S.; requiring the department to verify claimants' identities before paying benefits; requiring the department to cross-check certain information; providing duties of the department; requiring the department to maintain a web page and an e-mail address for a specified purpose and to notify employers each year of the web page and e-mail address; providing annual reporting requirements; providing an effective date.

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

**Section 1.** This act may be cited as the "Promoting Work, Deterring Fraud Act of 2025."

**Section 2. Subsection (2) of section 443.101, Florida Statutes, is amended to read:**

443.101 Disqualification for benefits.—An individual shall be disqualified for benefits:

(2) If the Department of Commerce finds that the

individual has failed without good cause to apply for available suitable work, including contacting the required number of prospective employers per week for any week of unemployment claimed in the benefit year in accordance with s. 443.091, or failed to appear on three or more occasions for a scheduled job interview, to accept suitable work when offered to him or her, to ~~or~~ return to the individual's customary self-employment when directed by the department, or to return to employment when recalled to work by the individual's employer after a temporary layoff, the disqualification continues for the full period of unemployment next ensuing after he or she failed without good cause to apply for available suitable work, accept suitable work, or return to his or her customary employment or self-employment, and until the individual has earned income of at least 17 times his or her weekly benefit amount. The department shall by rule adopt criteria to implement this subsection, including for determining the "suitability of work," as used in this section. In developing these rules, the department shall consider the duration of a claimant's unemployment in determining the suitability of work and the suitability of proposed rates of compensation for available work. Further, after an individual has received 25 weeks of benefits in a single year, suitable work is a job that pays the minimum wage and is 120 percent or more of the weekly benefit amount the individual is drawing.

(a) In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk to the individual's health, safety, and morals; the individual's physical fitness, prior training, experience, prior earnings, length of unemployment, and prospects for securing local work in his or her customary occupation; and the distance of the available work from his or her residence.

(b) Notwithstanding any other provisions of this chapter, work is not deemed suitable and benefits may not be denied to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

1. The position offered is vacant due directly to a strike, lockout, or other labor dispute.

2. The wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality.

3. As a condition of being employed, the individual is required to join a company union or to resign from or refrain from joining any bona fide labor organization.

(c) If the department finds that an individual was rejected for offered employment as the direct result of a positive, confirmed drug test required as a condition of employment, the individual is disqualified for refusing to accept an offer of suitable work.

**Section 3. Section 443.1112, Florida Statutes, is created**

**to read:**

443.1112 Verification of reemployment assistance benefit eligibility; detection of fraud.—

(1) The Department of Commerce must verify the identity of each claimant who applies for reemployment assistance benefits before paying any benefits to that individual.

(2) For the initial claim for benefits made by a claimant and as necessary to verify a claimant's eligibility for benefits, the department must cross-check the information contained in the claim with information in the database of the Systematic Alien Verification for Entitlements Program established by the United States Bureau of Citizenship and Immigration Services.

(3) For every 2 weeks that a claimant makes a claim for benefits, including the initial claim for benefits, to verify a claimant's eligibility for benefits, the department must cross-check the information contained in the claim to make sure that the claimant is:

(a) Living.

(b) Not incarcerated.

(c) Not already employed.

(4) The department shall do all of the following:

(a) Investigate any claim in this state associated with a mailing address, a bank account, an e-mail address, a telephone number, or an Internet protocol address that is also associated

with another existing claim for reemployment assistance benefits in this state or another state and verify that the claim in this state is legitimate and not fraudulent before paying any benefits for the claim.

(b) Scrutinize any claim in this state filed from a foreign Internet protocol address before paying any benefits for the claim.

(c) Work with the United States Department of Labor, the United States Department of Justice, other state workforce agencies, the Department of Law Enforcement, the state attorneys, or the Office of the Statewide Prosecutor to share information related to fraudulent claims or attempted fraudulent claims to the extent feasible for further investigation and proceedings brought under this chapter.

(d) Maintain a web page and an e-mail address through which an individual or an employer may report known or suspected violations of this chapter, including identity theft or fraud. Each year, the department shall notify employers in this state of this web page and e-mail address for reporting violations.

(e) Each year, make available on its website a report identifying the number of fraudulent reemployment assistance claims identified for the prior year, the number of claims not paid due to successful detection of fraudulent intentions, the number of claims and the amount of reemployment assistance benefits paid against claims subsequently identified as

fraudulent, the amount of fraudulent overpayments recovered, and the number of fraudulent claims referred for investigation and possible prosecution. The report must also list the sources of information that were used to cross-check claims during the reporting period.

**Section 4.** This act shall take effect July 1, 2025.

**COMMERCE COMMITTEE**

**HB 1157 by Rep. Abbott**
**Relating to Verification of Reemployment Assistance Benefit Eligibility**

**AMENDMENT SUMMARY**
**March 31, 2025**

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**Amendment 1 by Rep. Abbott (Lines 31-119):**

- Amends the disqualification of benefits to clarify that an individual may be disqualified for benefits if they failed to appear on 3 or more occasions for a scheduled job interview without notifying the prospective employer of the need to cancel or reschedule the interview.

- Requires the Department of Commerce to maintain a web page, rather than a web page and an email address, through which individuals or employers may report known or suspected violations of the Reemployment Assistance Program Law.

COMMITTEE/SUBCOMMITTEE ACTION

| | | |
|---|---|---|
| ADOPTED | ____ | (Y/N) |
| ADOPTED AS AMENDED | ____ | (Y/N) |
| ADOPTED W/O OBJECTION | ____ | (Y/N) |
| FAILED TO ADOPT | ____ | (Y/N) |
| WITHDRAWN | ____ | (Y/N) |
| OTHER | | |

Committee/Subcommittee hearing bill: Commerce Committee
Representative Abbott offered the following:

**Amendment (with title amendment)**

Remove lines 31-119 and insert:

interview without notifying the prospective employer of the need to cancel or reschedule the interview, to accept suitable work when offered to him or her, to ~~or~~ return to the individual's customary self-employment when directed by the department, or to return to employment when recalled to work by the individual's employer after a temporary layoff, the disqualification continues for the full period of unemployment next ensuing after he or she failed without good cause to apply for available suitable work, accept suitable work, or return to his or her customary employment or self-employment, and until the individual has earned income of at least 17 times his or her weekly benefit amount. The department shall by rule adopt

criteria to implement this subsection, including for determining the "suitability of work," as used in this section. In developing these rules, the department shall consider the duration of a claimant's unemployment in determining the suitability of work and the suitability of proposed rates of compensation for available work. Further, after an individual has received 25 weeks of benefits in a single year, suitable work is a job that pays the minimum wage and is 120 percent or more of the weekly benefit amount the individual is drawing.

(a) In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk to the individual's health, safety, and morals; the individual's physical fitness, prior training, experience, prior earnings, length of unemployment, and prospects for securing local work in his or her customary occupation; and the distance of the available work from his or her residence.

(b) Notwithstanding any other provisions of this chapter, work is not deemed suitable and benefits may not be denied to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

1. The position offered is vacant due directly to a strike, lockout, or other labor dispute.

2. The wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality.

3. As a condition of being employed, the individual is required to join a company union or to resign from or refrain from joining any bona fide labor organization.

(c) If the department finds that an individual was rejected for offered employment as the direct result of a positive, confirmed drug test required as a condition of employment, the individual is disqualified for refusing to accept an offer of suitable work.

**Section 3. Section 443.1112, Florida Statutes, is created to read:**

443.1112 Verification of reemployment assistance benefit eligibility; detection of fraud.—

(1) The Department of Commerce must verify the identity of each claimant who applies for reemployment assistance benefits before paying any benefits to that individual.

(2) For the initial claim for benefits made by a claimant and as necessary to verify a claimant's eligibility for benefits, the department must cross-check the information contained in the claim with information in the database of the Systematic Alien Verification for Entitlements Program established by the United States Bureau of Citizenship and Immigration Services.

(3) For every 2 weeks that a claimant makes a claim for benefits, including the initial claim for benefits, to verify a claimant's eligibility for benefits, the department must cross-

check the information contained in the claim to make sure that the claimant is:

(a) Living.

(b) Not incarcerated.

(c) Not already employed.

(4) The department shall do all of the following:

(a) Investigate any claim in this state associated with a mailing address, a bank account, an e-mail address, a telephone number, or an Internet protocol address that is also associated with another existing claim for reemployment assistance benefits in this state or another state and verify that the claim in this state is legitimate and not fraudulent before paying any benefits for the claim.

(b) Scrutinize any claim in this state filed from a foreign Internet protocol address before paying any benefits for the claim.

(c) Work with the United States Department of Labor, the United States Department of Justice, other state workforce agencies, the Department of Law Enforcement, the state attorneys, or the Office of the Statewide Prosecutor to share information related to fraudulent claims or attempted fraudulent claims to the extent feasible for further investigation and proceedings brought under this chapter.

(d) Maintain a web page through which an individual or an employer may report known or suspected violations of this chapter, including identity theft or fraud. Each year, the

department shall notify employers in this state of this web page for reporting violations.

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**T I T L E  A M E N D M E N T**

Remove lines 12-14 and insert:
page for a specified purpose and to notify employers each year of the web page; providing annual reporting requirements;

**CS/HB 1549**

# 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 1549 | **COMPANION BILL:** CS/SB 1612 (Grall) |
| **TITLE:** Financial Institutions | **LINKED BILLS:** None |
| **SPONSOR(S):** Maggard | **RELATED BILLS:** None |

**Committee References**

| | | |
|---|---|---|
| Insurance & Banking<br>14 Y, 0 N, As CS | ➤ | Commerce |

## SUMMARY

**Effect of the Bill:**

The bill provides various amendments to the financial institutions code. The bill:

- Amends the due dates by which time a financial institution must pay semiannual assessments and specifies the method and timing of when the semiannual assessments must be made.
- Authorizes the Office of Financial Regulation (OFR) to issue a certificate of acquisition to an acquiring financial institution after specified circumstances are met.
- Clarifies that an elected officer, director, or committee member may not receive compensation for their service but may be reimbursed for necessary expenses incurred while performing official credit union business.
- Repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term "equity" to remove reference to "regular reserve."
- Removes a timeframe for certain requirements by directors of a proposed new bank or trust company.
- Modifies the period in which a proposed bank or trust company must open and conduct a general commercial bank or trust company business.

**Fiscal or Economic Impact:**

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

**State Financial Institution Assessments:**

The bill requires state financial institutions to pay a semiannual assessment based on total assets as of the last business day in December and June. The assessment must be received by the Office of Financial Regulation (OFR) via mail, wire transfer, automated clearinghouse, or other approved electronic means by March 31 and September 30. (Section 1).

**Certificates for Acquisition or Assumption Transactions:**

The bill authorizes the OFR to issue a certificate confirming that an acquisition, assumption, or sale transaction between financial institutions has been completed once the acquiring institution submits the necessary evidence. (Section 2).

**Definition of "Equity" for Credit Unions:**

The bill repeals the requirement for credit unions to maintain a regular reserve and modifies the definition of the term "equity" to remove reference to "regular reserve." (Section 3 & 5).

**Compensation and Reimbursement for Credit Union Officials**
The bill clarifies that elected officers, directors, and committee members may not be compensated for their service, consistent with current law, while stating that they may be reimbursed for necessary expenses incidental to performing official business for the credit union. (Section 4).

**Stock Subscription:**
The bill requires that at least 30 days before opening, the directors of a proposed bank or trust company must have completed the stock offering and filed with the office a final list of subscribers to all capital stock. (Section 6).

**Opening of Banks/Trust Companies:**
The bill requires a bank or trust company corporation to open and conduct a general commercial bank or trust business within 18 months after the issuance of a final order of approval by the office. (Section 7).

The effective date of the bill is July 1, 2025. (Section 8).

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

**Financial Institutions**
A financial institution must hold a federal or state charter to accept deposits. Banks are chartered either as national banks by the Office of the Comptroller of the Currency (OCC) under the U.S. Department of the Treasury or as state banks by a state regulator.[1]

In Florida, the Florida Financial Institutions Codes govern all state-authorized and state-chartered banks, trust companies, and related entities.[2] The OFR licenses and regulates 196 financial entities, including 57 state-chartered banks.[3] There are also 30 federally-chartered banks operating in Florida.[4]

**Banks and Trust Companies**

*Federal Law – Creation and Opening of a New Bank or Trust Company*
Federally chartered banks, whether public or private, must meet stringent regulatory requirements to obtain a charter[5]. The OCC follows a two-phase approval process:

- Preliminary Approval: Expires if the proposed bank:
  - Fails to raise required capital within 12 months, or
  - Does not commence business within 18 months, unless an extension is granted.[6]
- Final Approval: Granted after completion of all organization requirements, authorizing the bank to begin operations.[7]

Federal law prohibits offering national bank-issued securities without registration unless an exemption (e.g., for nonpublic offerings) applies.[8]

*Florida Law – Creation and Opening of a New Bank or Trust Company*
State law requires that directors of a proposed bank or trust company:

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[1] Congressional Research Service, *Introduction to Financial Services: Banking*, p. 1, January 5, 2023, available at: https://crsreports.congress.gov/product/pdf/IF/IF10035 (last visited March 15, 2025).
[2] S. 655.005(1)(k), F.S., states that the Financial Institutions Codes includes: Ch. 655, financial institutions generally; Ch. 657, credit unions; Ch. 658, banks and trust companies; Ch. 660, trust business; Ch. 662, family trust companies; Ch. 663, international banking; Ch. 665, relating to associations; and Ch. 667, savings banks.
[3] The OFR, *Fast Facts* (2025 ed.), available at: fast-facts.pdf (last visited March 15, 2025) (hereinafter cited as "2025 OFR Fast Facts").
[4] The OCC, *National Banks Active As of 2/28/2025*, February 28, 2025, available at national-by-state.pdf (March 15, 2025).
[5] *See* 12 CFR 16; Office of the Comptroller of the Currency, *Comptroller's Licensing Manual Charters*, p. 4, December 2021, available at charters.pdf (last visited March 11, 2025) (hereinafter cited as "OCC Licensing Manual for Charters").
[6] 12 CFR 5.20(i)(6)(iv)
[7] OCC Licensing Manual for Charters at p. 3.
[8] 12 CFR 16.7

- Complete a stock offering and file a list of subscribers with the OFR within six months of corporate existence and at least 30 days prior to opening.[9]
- Provide additional information as reasonably required by OFR, including financial and biographical details of subscribers.[10]
- Undergo OFR's review and character and financial investigations.

A bank or trust company must begin operations within 12 months of corporate existence, notify OFR of its intended opening date, and comply with any OFR orders.[11] OFR must also conduct a pre-opening examination and issue a certificate of authorization if all requirements are satisfied.[12] However, the OFR reports "[t]he 6-month time requirement has been a problem for recent bank start-ups and is more restrictive than [the 12-month requirement] federally."[13]

**Financial Institution Assessments**

Financial institutions must pay semiannual assessments based on total assets as of the last business day of June and December[14], covering the next six months.[15]

- Assessments are due by January 31 and July 31 and can be submitted by mail, wire transfer, automated clearinghouse, or other OFR-approved electronic means.
- Late penalties may be assessed up to $100 per day, and intentional late payments may incur administrative fines up to $1,000 per day, unless excused for good cause.[16]

**Certificate of Acquisition**

Florida law allows a financial institution to acquire 50 percent or more of the assets, liabilities, or a combination of both of any financial institution subject to the OFR approval and other specified conditions. For instance, both financial institutions must adopt a plan for the acquisition, assumption, or sale which must contain specified information.[17] The OFR is required to approve or disapprove of the plan and, following adoption of the plan by the transferring financial institution, must certify in writing that the plan has been approved.[18] The transferring financial institution may abandon the transaction despite the members' or stockholders' approval and the OFR's certification of the plan.[19] Unlike the OFR's authority to issue a Certificate of Merger when two credit unions merge,[20] the OFR does not have authority to issue a Certificate of Acquisition when a financial institution purchases or wholly acquires another financial institution.[21]

**Credit Unions**

A credit union must have a federal or state charter to operate in Florida. Credit unions are chartered and regulated as a national credit union by the National Credit Union Association (NCUA).[22] Such membership is limited to a group or groups with a common bond of occupation or association within a defined community. Deposits into a federal credit union allow members to become owners of the credit union, run to become a credit union official, and vote on certain matters.[23]

The Florida Financial Institutions Codes apply to all state-chartered credit unions.[24] There are approximately 138 credit unions in Florida[25] with 67 of them being state-chartered.[26] Florida law provides that any person may be

[9] S. 658.235(1), F.S.
[10] S. 658.25(2), F.S.
[11] S. 658.25(1), F.S.
[12] S. 658.25(3), F.S.
[13] The OFR, *Agency Analysis of 2025 for HB 1459*, p. 3 March 11, 2025. (hereinafter cited as "2025 OFR Agency Analysis for HB 1549").
[14] S. 655.047(1), F.S.
[15] S. 655.047(3), F.S.
[16] S. 655.047(2), F.S.
[17] S. 655.414(2), F.S.
[18] S. 655.414(4) and (5), F.S.
[19] *Id.*
[20] S. 657.065, F.S.
[21] S. 655.414(5), F.S.
[22] National Credit Union Administration, *Overview of the Charter Application Process*, April 14, 2022, available at Overview of the Charter Application Process | NCUA (last visited March 15, 2025).
[23] National Credit Union Administration, *Overview of Federal Credit Unions*, April 14, 2022, available at Overview of Federal Credit Unions | NCUA (last visited March 15, 2025).
[24] S. 655.005(1)(k), F.S., states that the Financial Institutions Codes includes ch. 657, credit unions.

admitted to a credit union upon payment of any required fee, payment of shares, and compliance with the credit union bylaws.[27] State-chartered credit unions operate as financial institutions except for exercising certain incidental powers authorized by law.[28]

**Reserve Accounts**

Florida law requires credit unions to maintain the following reserve accounts:

- Allowance for loan and lease losses;
- Regular reserve to meet losses which must not be decreased unless the OFR approves the decrease or as provided by rule of the commission;[29]
- Allowance for investment losses; and
- Special reserves to protect members against losses from risk assets or extended credit when required by rule or other specified circumstances.[30]

In 2022, the NCUA amended federal regulations and removed the requirement for federal credit unions to maintain a regular reserve account.[31]

**OTHER RESOURCES:**

Florida Credit Unions
Overview of the Charter Application Process | NCUA
Fixed-Asset Rule Provides Relief to More than 3,800 Federal Credit Unions | NCUA

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 14 Y, 0 N, As CS | 3/20/2025 | Hamon | Herrera |
| THE CHANGES ADOPTED BY THE COMMITTEE: | The amendment reinstates the 5% cap on credit union investments in real estate, furniture, fixtures, and equipment, reversing the bill's removal of this limit. Additionally, the amendment modifies the provision governing elected officers, directors, and committee members to clarify that while they may not be compensated for their service (current law), they may be reimbursed for necessary expenses incidental to performing official business for the credit union. | | | |
| Commerce Committee | | | Hamon | Herrera |

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

[25] National Credit Union Service Organization, *Florida Credit Unions*, available at Florida Credit Unions (last visited March 15, 2025).
[26] 2025 OFR Fast Facts at p. 4.
[27] S. 657.023(1), F.S.
[28] S. 657.031(3), F.S.
[29] Section 657.043(2), F.S.
[30] Section 657.043, F.S.
[31] The NCUA, *Risk-Based Capital Frequently Asked Questions: Is Prompt Corrective Action (PCA) for Credit Unions Changing with the Revised Capital Adequacy Standards?*, April 14, 2022, available at Risk-Based Capital Frequently Asked Questions | NCUA (last visited March 15, 2025).

A bill to be entitled

An act relating to financial institutions; amending s. 655.047, F.S.; requiring state financial institutions to pay a semiannual assessment for specified time periods; requiring that the semiannual assessment be received by the Office of Financial Regulation in a specified manner and by specified dates; amending s. 655.414, F.S.; authorizing the office to issue a specified certificate under certain circumstances; amending s. 657.002, F.S.; revising the definition of the term "equity"; amending s. 657.028, F.S.; authorizing an elected officer, director, or committee member of a credit union to be reimbursed for certain expenses; amending s. 657.043, F.S.; conforming provisions to changes made by the act; amending s. 658.235, F.S.; revising the timeframe for certain requirements by the directors of a proposed bank or trust company; amending s. 658.25, F.S.; revising the timeframe within which a bank or trust company corporation is required to open and conduct specified business; providing an effective date.

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

**Section 1. Section 655.047, Florida Statutes, is amended**



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

**to read:**

655.047 Assessments; financial institutions.—

(1) Each state financial institution shall pay to the office a semiannual assessment for the 6-month periods beginning January 1 and July 1. Assessments must be based on the total assets as shown on the statement of condition of the financial institution on the last business day in December and the last business day in June of each year.

(2) ~~If mailed,~~ The semiannual assessment must be received by the office by mail, wire transfer, automated clearinghouse, or other electronic means approved by the office on or before March ~~January~~ 31 and September 30 ~~July 31~~ of each year following the semiannual assessment period. ~~If transmitted through a wire transfer, an automated clearinghouse, or other electronic means approved by the office, the semiannual assessment must be transmitted to the office on or before January 31 and July 31 of each year.~~ The office may levy a late payment penalty of up to $100 per day or part thereof that a semiannual assessment payment is overdue, unless it is excused for good cause. However, for intentional late payment of a semiannual assessment, the office shall levy an administrative fine of up to $1,000 a day for each day the semiannual assessment is overdue.

(3) ~~The assessments required by this section cover the 6-month period following the first day of the month in which they~~

~~are due.~~ The office may prorate the amount of the semiannual assessment; however, no portion of a semiannual assessment is refundable.

**Section 2. Subsection (5) of section 655.414, Florida Statutes, is amended to read:**

655.414 Acquisition of assets; assumption of liabilities.—With prior approval of the office, and upon such conditions as the commission prescribes by rule, a financial institution may acquire 50 percent or more of the assets of, liabilities of, or a combination of assets and liabilities of any other financial institution in accordance with the procedures and subject to the following conditions and limitations:

(5) ADOPTED PLAN; APPROVAL CERTIFICATION ~~CERTIFICATE~~; ABANDONMENT; CERTIFICATE OF ACQUISITION, ASSUMPTION, OR SALE.—

(a) If the plan is adopted by the members or stockholders of the transferring financial institution, the president or vice president and the cashier, manager, or corporate secretary of such institution shall submit the adopted plan to the office, together with a certified copy of the resolution of the members or stockholders approving it.

(b) Upon receipt of the certified copies and evidence that the participating financial institutions have complied with all applicable state and federal law and rules, the office shall certify, in writing, to the participants that the plan has been approved.

(c) Notwithstanding approval of the members or stockholders or certification by the office, the board of directors of the transferring financial institution may abandon the ~~such a~~ transaction without further action or approval by the members or stockholders, subject to the rights of third parties under any contracts relating thereto.

(d) After the acquiring financial institution completes the plan and submits a request with any evidence required by the office to confirm the transaction's completion, the office may issue a certificate to the acquiring financial institution confirming that the acquisition, assumption, or sale transaction has been completed.

**Section 3. Subsection (6) of section 657.002, Florida Statutes, is amended to read:**

657.002 Definitions.—As used in this chapter:

(6) "Equity" means undivided earnings~~, regular reserves,~~ and other reserves.

**Section 4. Subsection (2) of section 657.028, Florida Statutes, is amended to read:**

657.028 Activities of directors, officers, committee members, employees, and agents.—

(2) An elected officer, director, or committee member, other than the chief executive officer, may not be compensated for her or his service to the credit union, but an elected officer, director, or committee member may be reimbursed for

necessary expenses incidental to performing official business for the credit union ~~as such~~.

**Section 5. Subsections (3), (4), and (5) of section 657.043, Florida Statutes, are renumbered as subsections (2), (3), and (4), respectively, and present subsections (2) and (4) of that section are amended, to read:**

657.043 Reserves.—

~~(2) REGULAR RESERVE.—The regular reserve shall belong to the credit union and shall be used to meet losses. The regular reserve may not be decreased without the prior written approval of the office or as provided by rule of the commission.~~

(3) ~~(4)~~ SPECIAL RESERVES.~~—In addition to such regular reserve,~~ Special reserves shall be established:

(a) To protect members against losses resulting from credit extended or from risk assets when required by rule, or when found by the office, in any special case, to be necessary for that purpose; or

(b) As authorized by the board of directors.

**Section 6. Subsection (1) of section 658.235, Florida Statutes, is amended to read:**

658.235 Subscriptions for stock; approval of major shareholders.—

(1) ~~Within 6 months after commencement of corporate existence, and~~ At least 30 days before ~~prior to~~ opening, the directors shall have completed the stock offering and shall file

with the office a final list of subscribers to all of the capital stock of the proposed bank or trust company showing the name and residence of each subscriber and the amount of stock of every class subscribed for by each.

**Section 7. Subsection (1) of section 658.25, Florida Statutes, is amended to read:**

658.25 Opening for business.—

(1) A bank or trust company corporation shall open and conduct a general commercial bank or trust business within 18 months after the issuance of a final order of approval by the office ~~no later than 12 months after the commencement of its corporate existence~~.

**Section 8.** This act shall take effect July 1, 2025.

# HM 4063

# 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 #:** HM 4063 | **COMPANION BILL:** SM 1488 (Avila) |
| **TITLE:** Framework for a Sovereign Wealth Fund | **LINKED BILLS:** None |
| **SPONSOR(S):** Anderson | **RELATED BILLS:** None |

**Committee References**

| | | |
|---|---|---|
| Insurance & Banking<br>15 Y, 1 N | ➤ | Commerce |

## SUMMARY

**Effect of the Bill:**

Urges the Congress of the United States to establish a framework for a sovereign wealth fund by enacting legislation necessary for establishing such a framework.

**Fiscal or Economic Impact:**

None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

### EFFECT OF THE BILL:

Urges the Congress of the United States to establish a framework for a sovereign wealth fund by enacting legislation necessary for establishing such a framework.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

On February 3, 2025, President Trump signed an executive order (EO 14196) directing the Treasury and Commerce Secretaries to develop a plan for the establishment of a sovereign wealth fund (SWF). An SWF is a government-owned investment fund that invests in financial assets and real estate to generate a profit for its citizens. SWFs are funded by a variety of sources, including surplus reserves from natural resources, trade surpluses, bank reserves, privatization money, and governmental transfer payments.

Several U.S. states (11) have created SWFs to finance certain services – typically public education – or to provide general revenue to the state government and/or its citizens. For example, the Alaska Permanent Fund (APF) distributes the money it makes from the state's nonrenewable resources to the state's residents as annual dividends. The APF divides its fund deposits into two parts: the principal (non-spendable) and the earnings reserve account (spendable), which are commingled and invested under the same asset allocation.

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 15 Y, 1 N | 3/20/2025 | Hamon | Schenk |
| Commerce Committee | | | Hamon | Schenk |

House Memorial

A memorial to the Congress of the United States, urging Congress to establish a framework for a sovereign wealth fund for the United States.

WHEREAS, on February 3, 2025, President Donald J. Trump issued an executive order that directs the Secretary of the United States Department of the Treasury and the Secretary of the United States Department of Commerce to develop a plan within 90 days for the creation of a sovereign wealth fund, and

WHEREAS, while the secretaries are developing the plan, Congress should be proactive and establish the framework for the sovereign wealth fund, and

WHEREAS, if Congress establishes the framework, the sovereign wealth fund can be more efficiently implemented, and

WHEREAS, the sovereign wealth fund can be used to promote fiscal sustainability, lessen the burden of taxes on families and small business, establish long-term economic security, fund critical projects, and promote the United States' economic and strategic leadership internationally, NOW, THEREFORE,

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

That the Congress of the United States is urged to establish a framework for a sovereign wealth fund.



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

BE IT FURTHER RESOLVED that the Legislature urges Congress to enact any legislation necessary to establish the framework for the sovereign wealth fund.

BE IT FURTHER RESOLVED that the Secretary of State is directed to dispatch copies of this memorial to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the Congress of the United States.