


# Commerce Committee

**Tuesday, January 27, 2026**
**12:30 PM - 2:30 PM**
**Webster Hall (212 Knott)**

## Meeting Packet

**Daniel Perez**
**Speaker**

**James Buchanan**
**Chair**

# Committee Meeting Notice

## HOUSE OF REPRESENTATIVES

### Commerce Committee

**Start Date and Time:** Tuesday, January 27, 2026 12:30 PM

**End Date and Time:** Tuesday, January 27, 2026 02:30 PM

**Location:** Webster Hall (212 Knott)

**Duration:** 2.00 hrs

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

HB 267 Local Housing Assistance Plans by Stark, Berfield
HB 379 Rural Electric Cooperatives by Shoaf
CS/HB 405 Commercial Construction Projects by Industries & Professional Activities Subcommittee, Griffitts
CS/HB 487 Repair of Mobility Devices by Industries & Professional Activities Subcommittee, Eskamani, Valdés
HB 505 Virtual Currency Kiosks by Owen, Daley
HB 645 Limited Agent Licenses by Smith
HB 1399 Property Insurance Affiliates by Berfield
HB 7017 OGSR/Trade Secrets by Government Operations Subcommittee, Sapp

**NOTICE FINALIZED on 01/23/2026 4:30PM by Marks.Amie**

# 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.*

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|---|---|
| **BILL #:** HB 267 | **COMPANION BILL:** SB 594 (Burton) |
| **TITLE:** Local Housing Assistance Plans | **LINKED BILLS:** None |
| **SPONSOR(S):** Stark and Berfield | **RELATED BILLS:** None |

**Committee References**

| Housing, Agriculture & Tourism | ➤ | Intergovernmental Affairs | ➤ | Commerce |
|---|---|---|---|---|
| 16 Y, 0 N | | 14 Y, 0 N | | |

## SUMMARY


**Effect of the Bill:**
The bill revises the State Housing Incentives Partnership Program (SHIP) to:

- Authorize participating local governments to expend funds for lot rental assistance for mobile home owners.
- Require local governments to include strategies for addressing the needs of persons impacted by the closure of a mobile home park and providing SHIP funds to mobile home owners, including lot rental assistance, in their local housing assistance plan.
- Provide that mobile homes are eligible for home ownership assistance and rehabilitation and emergency repair funding.
- Eliminate the prohibition on participating local governments from using more than 20% of SHIP funds for manufactured housing.

**Fiscal or Economic Impact:**
The bill may have an indeterminate insignificant negative impact on local government expenditures for costs associated with updating their local housing assistance plans. The bill may have an indeterminate fiscal impact on beneficiaries of the SHIP program to the extent the provisions of the bill revise which entities are eligible for funding.



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

The bill allows a local government participating in the State Housing Initiatives Partnership Program (SHIP) to use program funds to provide lot rental assistance to mobile home owners for up to six months. (Section 1).

The bill requires each local government participating in SHIP to address in its local housing assistance plan the needs of persons who are deprived of affordable housing due to the closure of a mobile home park. The bill also requires a local housing assistance plan to include a strategy for providing program funds to mobile home owners, which must include lot rental assistance. (Section 2).

The bill specifies that lot rental assistance for mobile home owners is an approved home ownership activity for which local governments may award funds. (Section 2).

The bill authorizes the use of SHIP funds for rehabilitation and emergency repairs for mobile home owners. (Section 2).

The bill eliminates the restriction that limited the amount of SHIP funds that could be used for manufactured housing to no more than 20 percent of the allocated amount. (Section 2).

The bill makes a conforming change to a cross-reference in another statutory provision. (Section 3).

The bill has an effective date of July 1, 2026. (Section 4).

**FISCAL OR ECONOMIC IMPACT:**

LOCAL GOVERNMENT:

The bill may have an indeterminate insignificant negative impact on local government expenditures for costs associated with updating their local housing assistance plans.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on beneficiaries of the SHIP program to the extent the provisions of the bill revise which entities are eligible for funding.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

State Housing Initiatives Partnership Program (SHIP)
SHIP was created in 1992[1] to provide funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. SHIP provides funds to all 67 counties and 54 community development block grant[2] entitlement cities on a population-based formula to finance and preserve affordable housing based on locally adopted housing plans.[3] To participate, local governments must establish a local housing assistance program by ordinance and develop a local housing assistance plan (LHAP) and housing incentive strategy.[4]

SHIP is administered by the Florida Housing Finance Corporation (FHFC)[5] and was designed to serve very-low, low, and moderate-income families. "Very-low income persons" means one or more persons or a family, not including students, whose total annual adjusted gross household income does not exceed 50 percent of the median annual adjusted gross income for households within the state, or 50 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the person or family resides, whichever is greater. For "low-income persons," the statutory threshold is 80 percent, and for "moderate-income persons," it is 120 percent.[6]

SHIP funds may be used to pay for emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching dollars for federal housing grants and programs, and homeownership counseling.[7]

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[1] Ch. 92-317, Laws of Fla.
[2] The community development block grant program is a federal program created in 1974 that provides funding for housing and community development activities. Dept. of Housing and Urban Development, *Community Development Block Grant Program*, https://www.hudexchange.info/programs/cdbg/ (last visited Jan. 8, 2026).
[3] *See* ss. 420.907-420.9089, F.S.; Florida Finance Housing Corporation, *Annual Report 2024,* p. 23, https://www.floridahousing.org/docs/default-source/data-docs-and-reports/annual-reports/2024-annual-report.pdf?sfvrsn=88c6f17b_1 (last visited Jan. 8, 2026).
[4] *Id.*
[5] In 1997, the Legislature created the Florida Housing Finance Corporation (FHFC) as a public-private entity to assist in providing a range of affordable housing opportunities for Floridians. Ch. 97-167, Laws of Fla.
[6] S. 420.9071, F.S.
[7] State Housing Initiatives Partnership Program (SHIP), https://www.floridahousing.org/programs/special-programs/ship---state-housing-initiatives-partnership-program (last visited Jan. 8, 2026).

Funds are expended per each local government's adopted LHAP, which details the housing strategies it will use.[8] Local governments submit their LHAPs to FHFC for review to ensure they meet the broad statutory guidelines and the requirements of the program rules. FHFC must approve a LHAP before a local government may receive SHIP funding.[9]

A local government's use of SHIP funds is subject to certain restrictions (excluding amounts set aside for administrative costs):

- No more than 20 percent of SHIP funds may be used for manufactured housing.[10]
- At least 75 percent of SHIP funds must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing.[11]
- No more than 25 percent of SHIP funds may be reserved for allowed rental housing.[12]
- At least 65 percent of SHIP funds must be reserved for home ownership for eligible persons.[13]
- At least 20 percent of SHIP funds must serve persons with special needs.[14]
- At least 30 percent of SHIP funds must be used for awards to very-low-income persons or eligible sponsors[15] serving very-low-income persons, and another 30 percent must be used for awards for low-income persons or eligible sponsors serving low-income persons.[16]

Local governments may not use SHIP funds to provide ongoing rent subsidies, except for:

- Security and utility deposit assistance.
- Eviction prevention not to exceed six months' rent.
- A rent subsidy program for very-low income households with at least one adult who meets either the statutory definition of a person with special needs or homeless. The period of rental assistance may not exceed 12 months.[17]

In the state fiscal year 2021-2022,[18] SHIP reported the following: [19]

- $147,433,487 in SHIP funding was disbursed for the 2021-2022 fiscal year.
- $156,842,730 was expended or encumbered for homeownership activities, assisting 4,071 homeownership units.
- $23,240,239 was expended or encumbered for rental housing activities, assisting 1,223 rental housing units.

Mobile Homes

Florida has one of the largest numbers of mobile homes parks in the country.[20] Florida law defines a mobile home as "a residential structure, transportable in one or more sections, which is 8 body feet or more in width, over 35

[8] Sections 420.9075(1)(a) and 420.9075(3), F.S., outline a list of strategies LHAPs are encouraged to employ, such as helping those affected by mobile home park closures, encouraging innovative housing design to reduce long-term housing costs, preserving assisted housing, and reducing homelessness.
[9] Counties and eligible municipalities participating in SHIP receive funding from "local housing distributions," which are the proceeds of the taxes deposited into the Local Government Housing Trust Fund. S. 420.9071(17), F.S.
[10] S. 420.9075(5)(e), F.S.
[11] S. 420.9075(5)(c), F.S.
[12] S. 420.9075(5)(b), F.S.
[13] "Eligible person" or "eligible household" means one or more natural persons or a family determined by the county or eligible municipality to be of very low income, low income, or moderate income based upon the annual gross income of the household. S. 420.9075(5)(a), F.S.
[14] S. 420.9075(5)(d), F.S.
[15] "Eligible sponsor" means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons. S. 420.9071(12), F.S.
[16] S. 420.9075(5)(g)2., F.S.
[17] S. 420.9072(7)(b), F.S.
[18] Local governments have three years to expend funds. 2021-2022 is the most recent closed out fiscal year.
[19] *Annual Report 2024*, *supra* note 4, at 23.

body feet in length with the hitch, built on an integral chassis, designed to be used as a dwelling when connected to the required utilities, and not originally sold as a recreational vehicle, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein."[21] Mobile homes are designed to be used as a permanent dwelling.

A mobile home park is land in which lots or spaces are offered for rent or lease for the placement of mobile homes in which the primary use of the park is residential.[22] Mobile home parks have historically served as an affordable housing option for low-and-moderate-income residents. However, increasing redevelopment pressures and rising housing costs have put many mobile home owners at risk of permanent displacement.[23]

**RECENT LEGISLATION:**

| YEAR | BILL #/SUBJECT | HOUSE/*SENATE* SPONSOR(S) | OTHER INFORMATION |
|---|---|---|---|
| 2025 | CS/HB 701 - Local Housing Assistance Plans | Stark, Berfield/ *Burton* | The bill died in the Senate. |
| 2024 | CS/CS/SB 1456 - Counties Designated as Areas of Critical State Concern | Mooney/ *Calatayud* | The bill became law on July 1, 2024. |
| 2024 | CS/CS/CS/HB 613 - Mobile Home Park Lot Tenancies | Stark/ *Burton* | The bill became law on July 1, 2024. |

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Housing, Agriculture & Tourism Subcommittee | 16 Y, 0 N | 11/18/2025 | Curtin | Rodriguez |
| Intergovernmental Affairs Subcommittee | 14 Y, 0 N | 12/11/2025 | Darden | Burgess |
| Commerce Committee | | | Hamon | Rodriguez |

[20] Tiffany Salameh, *Florida's Mobile Home Parks Are an Affordable Housing Lifeline. But Residents Face Steep Eviction Risks, News4JAX,* (Aug. 14, 2025) https://www.news4jax.com/news/local/2025/08/14/floridas-mobile-home-parks-are-an-affordable-housing-lifeline-but-residents-face-steep-eviction-risks/ (last visited Jan. 8, 2026).
[21] S. 723.003(8), F.S.
[22] S. 723.003(12), F.S.
[23] Since 2011, at least 183 Florida mobile home parks have closed, according to self-reported and likely incomplete data from the Florida Mobile Home Relocation Corporation and the Department of Business and Professional Regulation. Clara-Sophia Daly, *New development will rise to dizzying heights – and wipe out their trailer park*, Miami Herald (Oct. 8, 2023) https://www.miamiherald.com/news/business/real-estate-news/article278731494.html (last visited Jan. 8, 2026).

A bill to be entitled

An act relating to local housing assistance plans; amending s. 420.9072, F.S.; authorizing a county or an eligible municipality to expend certain funds on lot rental assistance for mobile home owners for a specified time period; amending s. 420.9075, F.S.; requiring counties and eligible municipalities to develop certain strategies in their local housing assistance plans; providing that lot rental assistance is an approved home ownership activity for certain purposes; authorizing certain funds to be provided to mobile home owners for rehabilitation and emergency repairs; removing a prohibition that only a certain percentage of funds may be used for manufactured housing; amending s. 420.9071, F.S.; conforming a cross-reference; providing an effective date.

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

**Section 1. Paragraph (b) of subsection (7) of section 420.9072, Florida Statutes, is amended to read:**

420.9072 State Housing Initiatives Partnership Program.—The State Housing Initiatives Partnership Program is created for the purpose of providing funds to counties and eligible municipalities as an incentive for the creation of local housing



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

partnerships, to expand production of and preserve affordable housing, to further the housing element of the local government comprehensive plan specific to affordable housing, and to increase housing-related employment.

(7)

(b) A county or an eligible municipality may not expend its portion of the local housing distribution to provide ongoing rent subsidies, except for:

1. Security and utility deposit assistance.

2. Eviction prevention not to exceed 6 months' rent.

3. Lot rental assistance for mobile home owners as defined in s. 723.003, not to exceed 6 months' rent.

4.~~3.~~ A rent subsidy program for very-low-income households with at least one adult who is a person with special needs as defined in s. 420.0004 or homeless as defined in s. 420.621. The period of rental assistance may not exceed 12 months for any eligible household.

**Section 2. Paragraphs (d) through (g) of subsection (3) of section 420.9075, Florida Statutes, are redesignated as paragraphs (e) through (h), respectively, paragraphs (f) through (n) of subsection (5) are redesignated as paragraphs (e) through (m), respectively, paragraph (c) of subsection (3) and paragraphs (a), (c), and (e) and present paragraph (n) of subsection (5) are amended, and new paragraphs (d) and (i) are added to subsection (3) of that section, to read:**

420.9075 Local housing assistance plans; partnerships.—

(3)

(c) Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the ~~closure of a mobile home park or the~~ conversion of affordable rental units to condominiums.

(d) Each county and each eligible municipality shall include in its local housing assistance plan a strategy that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park.

(i) Each county and each eligible municipality shall include in its local housing assistance plan a strategy for providing program funds to mobile home owners, as defined in s. 723.003, which must include lot rental assistance.

(5) The following criteria apply to awards made to eligible sponsors or eligible persons for the purpose of providing eligible housing:

(a) At least 65 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for home ownership for eligible persons. For purposes of this paragraph, lot rental assistance for eligible mobile home owners as defined in s. 723.003 is an approved home ownership activity.

(c) At least 75 percent of the funds made available in each county and eligible municipality from the local housing distribution must be reserved for construction, rehabilitation, or emergency repair of affordable, eligible housing. Funds may be provided to mobile home owners as defined in s. 723.003 for rehabilitation and emergency repairs under this paragraph.

~~(c) Not more than 20 percent of the funds made available in each county and eligible municipality from the local housing distribution may be used for manufactured housing.~~

(m) ~~(n)~~ Funds from the local housing distribution not used to meet the criteria established in paragraph (a) or paragraph (c) or not used for the administration of a local housing assistance plan must be used for housing production and finance activities, including, but not limited to, financing preconstruction activities or the purchase of existing units, providing rental housing, and providing home ownership training to prospective home buyers and owners of homes assisted through the local housing assistance plan.

1. Notwithstanding ~~the provisions of~~ paragraphs (a) and (c), program income as defined in s. 420.9071(26) may also be used to fund activities described in this paragraph.

2. When preconstruction due-diligence activities conducted as part of a preservation strategy show that preservation of the units is not feasible and will not result in the production of an eligible unit, such costs shall be deemed a program expense

rather than an administrative expense if such program expenses do not exceed 3 percent of the annual local housing distribution.

3. If both an award under the local housing assistance plan and federal low-income housing tax credits are used to assist a project and there is a conflict between the criteria prescribed in this subsection and the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, the county or eligible municipality may resolve the conflict by giving precedence to the requirements of s. 42 of the Internal Revenue Code of 1986, as amended, in lieu of following the criteria prescribed in this subsection with the exception of paragraphs (a) and (f) ~~(g)~~ of this subsection.

4. Each county and each eligible municipality may award funds as a grant for construction, rehabilitation, or repair as part of disaster recovery or emergency repairs or to remedy accessibility or health and safety deficiencies. Any other grants must be approved as part of the local housing assistance plan.

**Section 3. Subsection (27) of section 420.9071, Florida Statutes, is amended to read:**

420.9071 Definitions.—As used in ss. 420.907-420.9079, the term:

(27) "Recaptured funds" means funds that are recouped by a county or eligible municipality in accordance with the recapture

provisions of its local housing assistance plan pursuant to s. 420.9075(5)(i) ~~s. 420.9075(5)(j)~~ from eligible persons or eligible sponsors, which funds were not used for assistance to an eligible household for an eligible activity, when there is a default on the terms of a grant award or loan award.

**Section 4.** This act shall take effect July 1, 2026.

# HB 379

# 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.*

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|---|---|
| **BILL #:** HB 379 | **COMPANION BILL:** SB 288 (Rodriguez) |
| **TITLE:** Rural Electric Cooperatives | **LINKED BILLS:** None |
| **SPONSOR(S):** Shoaf | **RELATED BILLS:** None |

**Committee References**

Economic Infrastructure
16 Y, 0 N

➤

Commerce

## SUMMARY

**Effect of the Bill:**
The bill clarifies that a rural electric cooperative is not prohibited from adopting policies or taking actions that have the effect of restricting its own choice in the types or fuel sources used to produce the electricity it purchases or generates, but a rural electric cooperative that sells electricity at retail may not adopt fees or policies that restrict or prohibit the types or fuels sources of energy production used or provided by other specified entities.

**Fiscal or Economic Impact:**
None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill modifies a prohibition on certain actions of rural electric cooperatives that restrict or prohibit, or that have the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by specified entities. The bill amends this prohibition to clarify that a rural electric cooperative may govern itself as to the types and fuel sources of energy used to produce electrical power it purchases or generates, but a rural electric cooperative that sells electricity at retail may not take actions that have the effect of restricting another entity's energy choices. (Section 1)

To accomplish this, the bill provides that the prohibition applies only to rural cooperatives that sell electricity at retail and removes public utilities and electric utilities, including all municipal electric utilities and rural electric cooperatives, from the list of specified entities whose choice in energy production is protected by the prohibition. (Section 1)

The bill further clarifies that rural electric cooperatives may not adopt any bylaw, tariff, policy, or fee—including a "lot fee, developer fee, or surcharge"—that restricts or prohibits, or has the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the following entities[1] to serve customers that such entities are authorized to serve:

- Entities formed by interlocal agreement to generate, sell, and transmit electrical energy;
- Investor-owned natural gas utilities;
- Gas districts;
- Municipal natural gas utilities;
- Natural gas transmission companies; and
- Certain liquefied petroleum gas dealers, dispensers, and gas cylinder exchange operators. (Section 1)

[1] The bill cites to the entities listed in paragraphs (b)-(e) of s. 366.032(1), F.S.

The bill has an effective date of July 1, 2026. (Section 2)

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

Rural Electric Cooperatives

Rural electric cooperatives[2] are electric utilities that are owned by their members.[3] These private companies are generally nonprofit, with their principal purpose being to deliver electrical service to their members. Rural electric cooperatives are mostly located in rural areas where, at least historically, the return on investment for building or installing electrical infrastructure was not enough to incentivize investor-owned utilities to provide service.[4]

Rural electric cooperatives operate in 57 of Florida's 67 counties and have a total membership of more than 2.7 million customers.[5] In Florida, as in most of the U.S., rural electric cooperatives serve a large percentage of geographic area but have a low customer density. Specifically, Florida cooperatives serve approximately 10 percent of Florida's total electric utility customers, but their service territory covers 60 percent of Florida's total land mass.[6] Each cooperative is governed by a board of trustees elected by the cooperative's membership.[7]

In addition to providing electric service, cooperatives in Florida are authorized to own and operate water and sewer systems.[8] To promote economic development, a cooperative may provide any energy or nonenergy services to its membership.[9]

As of 2025, there were 18 rural electric cooperatives in Florida.[10] Of those 18 cooperatives, 15 are non-generating retail utilities, two are wholesale-only generating utilities, and one is a retail utility capable of generating electricity with a standby generating unit.[11]

Electric Utilities

An electric utility is an investor-owned utility, municipally-owned utility, or a rural electric cooperative that owns, maintains, or operates an electric generation, transmission, or distribution system within the state.[12] Fuels that Florida electric utilities use to generate electric power include, but are not limited to: natural gas, nuclear, coal, and renewables like solar and biomass.[13]

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[2] The term "cooperative" is defined in s. 425.02, F.S., as "[c]ooperative, nonprofit, membership corporations" that are organized "for the purpose of supplying electric energy and promoting and extending the use thereof in rural areas."
[3] The term "member" is defined in s. 425.03, F.S., and may include "any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or any body politic."
[4] University of Wisconsin Center for Cooperatives, *Research on the Economic Impact of Cooperatives*, https://reic.uwcc.wisc.edu/electric/ (last visited Jan. 9, 2026).
[5] Florida Electric Cooperative Association, *Our History*, https://feca.com/our-history/ (last visited Jan. 9, 2026).
[6] *Id.*
[7] *Id.*; s. 425.10(1), F.S.
[8] S. 425.04(4), F.S.
[9] S. 425.04(17), F.S.
[10] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, p, 1, https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/General/FactsAndFigures/April%202025.pdf, (last visited Jan. 9, 2026).
[11] Seminole Electric Cooperative and PowerSouth Energy are wholesale-only generating utilities that provide electricity to member distribution cooperatives, and Florida Keys Electric Cooperative is a distribution utility with a standby generating unit. *See* Florida Public Service Commission, *Statistics of the Florida Electric Utility Industry 2024*, p. 9, https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/ElectricGas/Statistics/2024.pdf (last visited Jan. 9, 2026).
[12] S. 366.02(4), F.S.
[13] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 2.

There are four investor-owned electric utilities in Florida: Florida Power & Light Company, Duke Energy Florida, Tampa Electric Company, and Florida Public Utilities Corporation.[14] These investor-owned electric utilities are also "public utilities" as that term is defined in Florida law.[15] Additionally, there are 35 municipal electric utilities and 18 rural electric cooperatives.[16] Further, the Florida Municipal Power Agency was created through a series of interlocal agreements under s. 163.01, F.S., to provide wholesale power supply to municipal electric utilities.[17]

Natural Gas Utilities

A natural gas utility is a utility that supplies natural or manufactured gas, or liquefied gas with air admixture, or a similar gaseous substance by pipeline, to or for the public. A natural gas utility can be an investor-owned utility, gas district, or municipal gas utility.[18] Currently, there are five investor-owned natural gas utilities, 27 municipally owned natural gas utilities, and four gas districts.[19] These five investor-owned gas utilities are also "public utilities" as that term is defined in Florida law.[20]

Liquified Petroleum Gas

Liquefied petroleum gas is any material which is composed predominately of any of the following hydrocarbons, or mixtures: propane, propylene, butanes, and butylenes.[21] A category I liquid petroleum gas dealer is someone who sells or offers to sell by delivery, or at a stationary location, any liquified petroleum gas to a consumer for industrial, commercial, or domestic use.[22] A category II liquefied petroleum gas dispenser is a person who operates a liquefied petroleum gas dispensing unit for the purpose of serving liquid products to the consumer for industrial, commercial, or domestic use, and who sells, or offers to sell or lease equipment for the use of liquified petroleum gas.[23] A category III liquified petroleum gas cylinder exchange operator is a person who operates a storage facility used for the purpose of storing filled propane cylinders of certain capacities while awaiting sale to the consumer, or a facility used for the storage of empty or filled containers which have been offered for exchange.[24]

Preemption Over Utility Service Restrictions

Florida law expressly preempts the authority of local governments to restrict utility services.[25] It prohibits a body of local government or other political subdivision of the state from enacting or enforcing any policy, or from taking any action that restricts or prohibits, or has the effect of restricting or prohibiting, the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the following entities to serve customers that these entities are authorized to serve:

- Investor-owned electric utilities;
- Municipal electric utilities;
- Rural electric cooperatives;

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[14] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 4.
[15] The term "public utility" is defined in s. 366.02(8), F.S., to mean "every person, corporation, partnership, association, or other legal entity . . . supplying electricity or gas . . . to or for the public within this state," but the term does not include rural electric cooperatives, municipal utilities, or certain other specified entities.
[16] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at 1.
[17] Currently, FMPA serves the following municipalities: Alachua, Bartow, Blountstown, Bushnell, Chattahoochee, Clewiston, Fort Meade, Fort Pierce, Gainesville, Green Cove Springs, Havana, Homestead, Jacksonville, Jacksonville Beach, Key West, Kissimmee, Lake Worth Beach, Lakeland, Leesburg, Moore Haven, Mount Dora, New Smyrna Beach, Newberry, Ocala, Orlando, Quincy, St. Cloud, Starke, Tallahassee, Wauchula, Williston, and Winter Park. Florida Municipal Power Agency, *Members*, https://fmpa.com/members/ (last visited Jan. 9, 2026).
[18] S. 366.04(3)(c), F.S.
[19] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 10, at p. 14.
[20] S. 366.02(8), F.S., *supra* note 14.
[21] S. 527.01(1), F.S.
[22] This category also includes "any person leasing or offering to lease, or exchanging or offering to exchange, any apparatus, appliances, and equipment for the use of liquefied petroleum gas; any person installing, servicing, altering, or modifying apparatus, piping, tubing, appliances, and equipment for the use of liquefied petroleum or natural gas; any person installing carburetion equipment; or any person requalifying cylinders." S. 527.01(6), F.S.
[23] S. 527.01(7), F.S.
[24] S. 527.01(8), F.S.
[25] S. 366.032, F.S.

- Entities formed by interlocal agreement to generate, sell, and transmit electrical energy;
- Investor-owned gas utilities;
- Gas districts;
- Municipal natural gas utilities;
- Natural gas transmission companies; and
- Certain propane dealers, dispensers, and gas cylinder exchange operators.[26]

While the preemption prohibits actions of local government bodies that have restrictive effects on the entities listed above, it does not prevent a municipality or government entity which owns or operates and directly controls an electric or natural gas utility from passing rules, regulations, or policies governing the utility.[27]

Florida law similarly prohibits a rural electric cooperative from adopting or enforcing policies or actions that have the effect of restricting or prohibiting the types or fuel sources of energy production which may be used or supplied by the same entities listed above.[28] However, current law does not provide an explicit protection for a rural electric cooperative to adopt rules and policies governing its own energy choices.

**RECENT LEGISLATION:**

| YEAR | BILL #/SUBJECT | HOUSE/*SENATE* SPONSOR(S) | OTHER INFORMATION |
|---|---|---|---|
| 2025 | CS/HB 1137 - Utility Service Restrictions | Shoaf | Became law on May 20, 2025 |
| 2024 | CS/CS/HB 1645 - Energy Resources | Payne | Became law on July 1, 2024 |
| 2021 | CS/CS/HB 919 - Preemption Over Restriction of Utility Services | Tomkow | Became law on July 1, 2021 |

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Economic Infrastructure Subcommittee | 16 Y, 0 N | 1/14/2026 | Keating | Rubottom |
| Commerce Committee | | | Hamon | Rubottom |

[26] S. 366.032(1), F.S.
[27] S. 366.032(3), F.S.
[28] S. 425.041, F.S. The statute protects the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the entities listed in s. 366.032(1), F.S.

A bill to be entitled

An act relating to rural electric cooperatives; amending s. 425.041, F.S.; prohibiting a cooperative that sells electricity at retail from adopting, enacting, or enforcing a fee meeting specified criteria; revising the applicability of such prohibition on the types or fuel sources of energy production which may be used, delivered, converted, or supplied by specified entities; providing an effective date.

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

**Section 1. Section 425.041, Florida Statutes, is amended to read:**

425.041 Prohibited fees, bylaws, tariffs, and policies.—A cooperative which sells electricity at retail may not adopt, enact, or enforce any fee, including a lot fee, developer fee, or surcharge, or any bylaw, tariff, or policy, ~~or take any other action,~~ that restricts or prohibits or has the effect of restricting or prohibiting:

(1) The types or fuel sources of energy production which may be used, delivered, converted, or supplied by the entities listed in s. 366.032(1)(b)-(e) ~~s. 366.032 (1)~~ to serve customers that such entities are authorized to serve.



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

(2) The use of an appliance, including a stove or grill, which uses the types or fuel sources of energy production which may be used, delivered, converted, or supplied by the entities listed in s. 366.032(1). As used in this subsection, the term "appliance" means a device or apparatus manufactured and designed to use energy and for which the Florida Building Code or the Florida Fire Prevention Code provides specific requirements.

**Section 2.** This act shall take effect July 1, 2026.

# CS/HB 405

# 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 405 | **COMPANION BILL:** SB 526 (Grall) |
| **TITLE:** Commercial Construction Projects | **LINKED BILLS:** None |
| **SPONSOR(S):** Griffitts | **RELATED BILLS:** None |

**Committee References**

| | | |
|---|---|---|
| Industries & Professional Activities<br>13 Y, 2 N, As CS | ➤ State Administration Budget<br>11 Y, 0 N | ➤ Commerce |

## SUMMARY


**Effect of the Bill:**
The bill makes provisions in public construction contracts which waive, release, or extinguish certain rights of the contractor void if the delay is due to the acts or omissions of the awarding body; directs the Florida Building Commission, in consultation with the Department of Business and Professional Regulation, to create a uniform commercial building permit application to be used throughout the state; and directs local enforcement agencies to reduce permit fees for plans review or building inspection services when an owner or contractor retains a private provider for those purposes.

**Fiscal or Economic Impact:**
The bill may have a negative fiscal impact of $150,000 on state government, however there are sufficient agency resources to cover this, an indeterminate negative fiscal impact on local governments, and a positive fiscal impact on the private sector.



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

**Public Construction Contracts**
The bill revises Florida law governing public procurement to void and render unenforceable any provision in a public construction contract which purports to waive, release or extinguish the rights of a contractor to recover costs, damages, or equitable adjustments, or obtain a time extension, for delays in performance of the contract when the delays are caused by the awarding body[1] or its agents, employees or persons working on its behalf. These provisions apply to all public construction contracts entered into on or after July 1, 2026. (Section 1)

However, the bill specifically does not void a provision that requires notice of a delay by the party claiming the delay; provisions for liquidated damages for a delay caused by the contractor or its subcontractors, agents or employees; or provisions related to arbitration or other procedures designed to settle contract disputes. (Section 1)

**Uniform Commercial Building Code Forms**
The bill directs the Florida Building Commission (Commission), in consultation with the Department of Business and Professional Regulation (DBPR), to create a uniform commercial building permit application to be used, unmodified, statewide. The application must, at a minimum, including the name and contact information of the

[1] For state contracts, awarding body is an agency or department. For local government contracts, the awarding body is the governing body of a county, a municipality, a special district, or any other political subdivision of the state. S. 287.05701(1), F.S.

property owner; the name, license number, and contact information of the contractor; the address and parcel identification number of the construction project; the project type and occupancy classification under the Florida Building Code; a description of the construction project, including whether the project is a new construction or an alteration, an addition, or a repair; the total square footages and declared value of the construction project; the architect or engineer of record, if applicable; the identification of any private provider services, if used. (Section 2)

The bill directs the Commission, in consultation with the DBPR, to create additional standardized forms to be used statewide relating to specific trades that may be present on a project. The trades may include but are not limited to electric, HVAC, plumbing, and water and sewer. A local enforcement agency may require these supplemental trade-specific forms depending on the scope of the project. The use of supplemental forms must be standardized and used statewide and may not expand the timelines for plans to be reviewed and permits issued. A local enforcement agency may also require additional documentation or plans reasonably necessary to demonstrate compliance with the Florida Building Code or local zoning ordinances, but the additional documents or plans may not alter the form, content, or substance of the uniform commercial building application. In addition, local enforcement agencies must allow relevant reviews to take place simultaneously. (Section 2)

The bill directs the Commission to make the uniform commercial building permit application available on its website and to all local enforcement agencies by July 1, 2027. (Section 2)

The bill defines "commercial construction project" as "the construction, alteration, or repair of a building or structure that is primarily intended for business, industrial, institutional, or mercantile use and is not classified as residential under the Florida Building Code." (Section 3)

**Permit Fees**

The bill directs local enforcement agencies to reduce permit fees for plans review or building inspection services for a commercial construction contract when an owner or contractor retains a private provider for those purposes. The local enforcement agency must reduce the fees for those services by at least 50 percent if part of the work is contracted to a private provider, and by at least 75 percent if the private provider is retained for all of that work. If the local enforcement agency does not reduce the fees appropriately, the bill prohibits the collection of any fees for the commercial construction project. (Section 3)

**Effective Date**

The effective date of the bill is July 1, 2026. (Section 4)

**RULEMAKING:**

The bill requires the Commission, in consultation with DBPR, to create a uniform commercial building permit application.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

Requiring the Commission, in consultation with DBPR, to create a uniform commercial building permit application may have a negative fiscal impact on the Commission and DBPR. The Commission estimates $150,000 for the completion of these tasks, which includes the collection and review of building permit applications currently in use throughout the state.[2] Additionally, there may be costs associated with the development of specific criteria for both the uniform building permit application and trade-specific forms in order to create electronic standardized forms.[3]

[2] Department of Business and Professional Regulation, Agency Analysis of 2026 House Bill 405, pp. 5-6 (Jan. 6, 2026).
[3] *Id.*

Based on DBPR's budget reversions, there should be sufficient funding to implement the bill. The contracted services appropriation category in the Compliance and Enforcement budget entity, within the Professional Regulation Program, has a five-year reversion average of $210,882, and a three-year average of $139,587.

The chart below shows the amount of budget reverted from Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

| FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|---|
| $284,407 | $351,242 | $157,149 | $153,280 | $108,333 |

The bill will have an indeterminant negative fiscal impact on DBPR. Reducing local government permit fees will reduce DBPR surcharges for local building permits, which fund the activities of the Commission, DBPR's Building Code Compliance and Mitigation Program, and the Florida Fire Prevention Code informal interpretations.

LOCAL GOVERNMENT:

The bill will have an indeterminant negative fiscal impact on local governments. The bill reduces local government permit fees. Such fees must be used solely for carrying out the local government's responsibilities in enforcing the Building Code.

PRIVATE SECTOR:

The bill will reduce permit fees for contractors who use private providers.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

Competitive Solicitation of Construction Services

Current law specifies the procedures to be followed in the procurement of construction services for public property and publicly owned buildings.[4] The Department of Management Services (DMS) is responsible for establishing by rule procedures:[5]

- For determining the qualifications and responsibility of potential bidders prior to advertising for and receiving bids for building construction contracts.
- For awarding each state agency construction project to the lowest qualified bidder.
- To govern negotiations for construction contracts and contract modifications when such negotiations are determined to be in the best interest of the state.
- For entering into performance-based contracts for the development of public facilities when those contracts are determined to be in the best interest of the state.

State contracts for construction projects that are projected to cost in excess of $200,000 must be competitively bid.[6] A county, municipality, special district, or other political subdivision seeking to construct or improve a public building must competitively bid the project if the estimated cost is in excess of $300,000.[7]

Public Works Projects

A "public works project" is an activity that is paid for with any state-appropriated funds and that consists of the construction, maintenance, repair, renovation, remodeling, or improvement of a building, road, street, sewer, storm drain, water system, site development, irrigation system, reclamation project, gas or electrical distribution

[4] *See* ch. 255, F.S.
[5] S. 255.29, F.S.
[6] *See* s. 255.0525, F.S.; *see also* R. 60D-5.002 and 60D-5.0073, F.A.C.
[7] S. 255.20(1), F.S. For electrical work, local governments must competitively bid projects estimated to cost over $75,000.

system, gas or electrical substation, or other facility, project, or portion thereof owned in whole or in part by any political subdivision.[8]

## Florida Building Code

In 1974, Florida adopted legislation requiring all local governments to adopt and enforce a minimum building code that would ensure that Florida's minimum standards were met. Local governments could choose from four separate model codes. The state's role was limited to adopting all or relevant parts of new editions of the four model codes. Local governments could amend and enforce their local codes, as they desired.[9]

In 1992, Hurricane Andrew demonstrated that Florida's system of local codes did not work. Hurricane Andrew easily destroyed those structures that were allegedly built according to the strongest code. The Governor eventually appointed a study commission to review the system of local codes and make recommendations for modernizing the system. The 1998 Legislature adopted the study's commission recommendations for a single state building code and enhanced the oversight role of the state over local code enforcement. The 2000 Legislature authorized implementation of the Florida Building Code (Building Code), and that first edition replaced all local codes on March 1, 2002.[10] The current edition of the Building Code is the eighth edition, which is referred to as the 2023 Florida Building Code.[11]

Chapter 553, part IV, F.S., is known as the "Florida Building Codes Act" (Act). The purpose and intent of the Act is to provide a mechanism for the uniform adoption, updating, interpretation, and enforcement of a single, unified state building code. The Building Code must be applied, administered, and enforced uniformly and consistently from jurisdiction to jurisdiction.[12]

The Florida Building Commission (Commission) was created to implement the Building Code. The Commission, which is housed within the Department of Business and Professional Regulation (DBPR), is a 19-member technical body made up of design professionals, contractors, and government experts in various disciplines covered by the Building Code. The Commission reviews several International Codes published by the International Code Council,[13] the National Electric Code, and other nationally adopted model codes to determine if the Building Code needs to be updated and adopts an updated Building Code every three years.[14]

## Building Permits

Local governments have the power to inspect all buildings, structures, and facilities within their jurisdiction in protection of the public's health, safety, and welfare.[15] Every local government must enforce the Florida Building Code and issue building permits.[16]

A building permit is an official document or certificate issued by the local building official that authorizes performance of a specific activity.[17] It is unlawful for a person, firm, or corporation to construct, erect, alter, repair, secure, or demolish any building without first obtaining a building permit from the local enforcement agency or from such persons as may, by resolution or regulation, be directed to issue such permit.[18]

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[8] S. 255.0992(1)(b), F.S.
[9] The Florida Building Commission Report to the 2006 Legislature, *Florida Department of Community Affairs,* p. 4, http://www.floridabuilding.org/fbc/publications/2006_Legislature_Rpt_rev2.pdf (last visited Jan. 15, 2026).
[10] *Id.*
[11] Florida Building Commission Homepage, https://floridabuilding.org/c/default.aspx (last visited Jan. 15, 2026).
[12] *See* s. 553.72(1), F.S.
[13] The International Code Council (ICC) is an association that develops model codes and standards used in the design, building, and compliance process to "construct safe, sustainable, affordable and resilient structures." International Code Council, *About the ICC*, https://www.iccsafe.org/about/who-we-are/ (last visited Jan. 22, 2026).
[14] S. 553.73(7)(a), F.S.
[15] S. 553.72, F.S.
[16] Ss. 125.01(1)(bb), 125.56(1), and 553.80(1), F.S.
[17] S. 468.603, F.S.; s. 202 of the Eighth edition of the Florida Building Code.
[18] Ss. 125.56(4)(a) and 553.79(1), F.S.

Current law requires local governments to post their building permit applications, including a list of all required attachments, drawings, and documents for each application, on its website. However, other than fire alarm building permit applications, local governments are not required to have uniform building permit applications, and they are free to create their own applications with their own requirements.[19]

Any construction work that requires a building permit also requires plans and inspections to ensure the work complies with the Florida Building Code. The Florida Building Code requires certain building, electrical, plumbing, mechanical, and gas inspections. Construction work may not be done beyond a certain point until it passes an inspection. Generally speaking, a permit for construction work that passes the required inspections are considered completed or closed.[20]

Building Code Fees

A local government may charge reasonable fees as set forth in a schedule of fees adopted by the enforcing agency for the issuance of a building permit.[21] Such fees must be used solely for carrying out the local government's responsibilities in enforcing the Building Code.[22] Enforcing the Building Code includes the direct costs and reasonable indirect costs associated with training, review of building plans, building inspections, re-inspections, building permit processing, and fire inspections.[23] Local governments must post all building permit and inspection fee schedules on their website.[24]

Local governments are only allowed to collect building permit fees that are sufficient to cover their costs in enforcing the Building Code. When providing a schedule of reasonable fees, the total estimated annual revenue derived from fees, and the fines and investment earnings related to the fees, may not exceed the total estimated annual costs of allowable activities. Any unexpended balances must be carried forward to future years for allowable activities or must be refunded at the discretion of the local government. A local government may not carry forward an amount exceeding the average of its operating budget, not including reserve amounts, for enforcing the Building Code for the previous 4 fiscal years.[25]

DBPR Surcharges

Current law requires all local governments to assess and collect a 1 percent surcharge on any building permit issued by their enforcement agency for the purpose of enforcing the Building Code. The local jurisdictions collect the assessment and remit the surcharge to DBPR to fund the activities of the Commission, DBPR's Building Code Compliance and Mitigation Program, and the Florida Fire Prevention Code informal interpretations.[26]

Current law also requires all local governments to assess and collect a separate 1.5 percent surcharge on any building permit issued by their enforcement agency for the purpose of enforcing the Building Code. The local governments collect the assessment and remit the surcharge to DBPR, where it is divided equally to fund the activities of the Building Code Administrators and Inspectors Board (BCAIB) and the Florida Homeowners' Construction Recovery Fund.[27]

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[19] Ss. 553.79(1) and 553.7921, F.S.
[20] Section 110 of Eighth Edition of the Florida Building Code.
[21] S. 553.80 F.S.
[22] *Id.*
[23] S. 553.80(7)(a)1., F.S.
[24] Ss.125.56 (4)(c) and 166.222(2), F.S.
[25] S. 553.80(7)(a), F.S.
[26] S. 553.721, F.S.
[27] S. 468.631, F.S.; the Florida Homeowners' Construction Recovery Fund is used to compensate homeowners who have suffered a covered financial loss at the hands of state-licensed general, building and residential contractors. Claims are filed with DBPR, who reviews for completeness and statutory eligibility. DBPR then presents the claim to the Construction Industry Licensing Board for review. S. 489.1401(2), F.S.

Local government building departments are permitted to retain 10 percent of the amount of the surcharges they collect to fund participation by their agencies in the national and state building code adoption processes and to provide education related to enforcement of the Building Code.[28]

Private Providers

Private providers and their duly authorized representatives are able to approve building plans and perform building code inspections as long as the plans approval and building inspections are within the scope of the provider's or representative's license.

A "private provider" is defined as a person licensed as a building official, engineer, or architect. Additionally, the term includes licensed building inspectors and plans examiners who perform inspections for additions and alterations that are limited to 1,000 square feet or less in residential buildings.[29]

An owner or contractor must notify a local government that the owner or contract hired a private provider to perform building code inspection services, including single-trade inspections. If an owner or contractor retains a private provider for purposes of plans review or building inspection services, the local jurisdiction must reduce the permit fee by the amount of cost savings realized by the local enforcement agency for not having to perform such services. Such reduction may be calculated on a flat fee or percentage basis, or any other reasonable means by which a local enforcement agency assesses the cost for its plans review or inspection services. A local government may not charge a fee for building inspections when an owner or contractor uses a private provider but may charge a "reasonable administrative fee." A "reasonable administrative fee" must be based on the cost that is actually incurred by the local government, including the labor cost of the personnel providing the service, or the cost attributable to the local government for the clerical and supervisory assistance required, or both. [30]

**OTHER RESOURCES:**

Department of Business & Professional Regulation

Florida Building Commission

Florida Building Code

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[28] Ss. 468.631 and 553.721, F.S.
[29] S. 553.791(1)(n), F.S.
[30] *Id.*

# BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 13 Y, 2 N, As CS | 12/2/2025 | Anstead | Miralia |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Revised the definition for "body" to include "awarding body."<br>• Created a definition for "concurrent delay" to mean "two or more unrelated delays by the awarding body or its agents or employees, or any person acting on its behalf, and the contractor or its subcontractors or suppliers that happen at the same time or overlap in time, each of which on its own would have delayed the contractor's performance of a public construction contract.<br>• Added "deny" and "restrict" to the list of provisions that could impact a contractor's rights to recover costs.<br>• Included "supplier" with "subcontractor".<br>• Added "waive", "release" and "extinguish" to the list of provisions that could impact a contractor's right to a time extension.<br>• Specified that supplemental forms must be created by the Commission in consultation with DBPR.<br>• Changed the supplemental forms from types of commercial construction to trade-specific.<br>• Specified that a local enforcement agency may require supplemental forms based on project scope.<br>• Changed the date that the uniform commercial building permit application must be completed and available to local enforcement agencies to July 1, 2027. | | | |
| State Administration Budget Subcommittee | 11 Y, 0 N | 1/14/2026 | Topp | Murphy |
| Commerce Committee | | | Anstead | Miralia |

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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 commercial construction projects; creating s. 287.05702, F.S.; defining the terms "awarding body" and "concurrent delay"; providing that provisions contained in public construction contracts which purport to waive, release, deny, restrict, or extinguish certain rights of a contractor are void and unenforceable under specified circumstances; providing construction; providing severability; providing applicability; creating s. 553.789, F.S.; requiring the Florida Building Commission, in consultation with the Department of Business and Professional Regulation, to create a uniform commercial building permit application; requiring such application to include certain information and be accepted statewide; prohibiting such application from being modified; requiring the commission, in consultation with the department, to create standardized trade-specific forms to be used statewide; authorizing local enforcement agencies to require supplemental trade-specific forms or additional documentation or plans for certain projects; providing requirements for such supplemental forms; requiring local enforcement agencies to allow reviews to take place simultaneously; requiring the commission to

electronically publish on its website and make available to local enforcement agencies and applicants such application by a specified date; amending s. 553.791, F.S.; defining the term "commercial construction project"; requiring local enforcement agencies to reduce permit fees for commercial construction projects by certain percentages under certain circumstances; prohibiting local enforcement agencies from collecting any fees for commercial construction projects under certain circumstances; providing construction; providing an effective date.

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

**Section 1. Section 287.05702, Florida Statutes, is created to read:**

287.05702 Public construction contract provisions barring delay or time extensions declared void.—

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

(a) "Awarding body" has the same meaning as in s. 287.05701(1).

(b) "Concurrent delay" means two or more unrelated delays by the awarding body or its agents or employees, or any person acting on its behalf, and the contractor or its subcontractors or suppliers that happen at the same time or overlap in time,

each of which on its own would have delayed the contractor's performance of a public construction contract.

(2) A provision contained in a public construction contract which purports to waive, release, deny, restrict, or extinguish a contractor's right to recover his or her costs, damages, or equitable adjustments, or to obtain a time extension, for delays in performing such contract, either on his or her own behalf or on behalf of a subcontractor or supplier, is void and unenforceable as against public policy to the extent the awarding body caused the delay through its own acts or omissions or by the acts or omissions of its agents or employees, or any person acting on its behalf.

(3) A provision contained in a public construction contract which purports to waive, release, deny, restrict, or extinguish a contractor's right to a time extension for a concurrent delay is void and unenforceable as against public policy to the extent the awarding body contributed to the delay through its own acts or omissions or by the acts or omissions of its agents or employees, or any person acting on its behalf.

(4) This section may not be construed to render void or unenforceable a provision of a public construction contract which:

(a) Requires notice of a delay by the party claiming the delay;

(b) Allows an awarding body to recover liquidated damages

for a delay caused by the acts or omissions of the contractor or his or her subcontractors, agents, or employees; or

(c) Provides for arbitration or any other procedure designed to settle contract disputes.

(5) If a public construction contract contains a provision that is void and unenforceable under this section, the provision must be severed from the contract and the remaining provisions remain in full force and effect.

(6) This section applies to all public construction contracts entered into on or after July 1, 2026.

**Section 2. Section 553.789, Florida Statutes, is created to read:**

553.789 Uniform commercial building permit application.—

(1) The commission, in consultation with the department, shall create a uniform commercial building permit application. The uniform commercial building permit application must, at a minimum, require all of the following information:

(a) The name and contact information of the property owner.

(b) The name, license number, and contact information of the contractor.

(c) The address and parcel identification number of the construction project.

(d) The project type and occupancy classification under the Florida Building Code.

(e) A description of the construction project, including whether the project is new construction or an alteration, an addition, or a repair.

(f) The total square footage and the declared value of the construction project.

(g) The architect or engineer of record, if applicable.

(h) The identification of any private provider services if used pursuant to s. 553.791.

(2) The uniform commercial building permit application must be accepted statewide and may not be modified.

(3) The commission, in consultation with the department, shall create additional trade-specific forms for trades that are often present on a project, including, but not limited to, electric, HVAC, plumbing, and water and sewer. Such forms must be standardized and used statewide.

(4) A local enforcement agency may require supplemental trade-specific forms based on the scope of the project. The use of such supplemental forms may not expand the applicable timelines during which plans must be reviewed and permits must be issued.

(5) A local enforcement agency may require additional documentation or plans reasonably necessary to demonstrate compliance with the Florida Building Code or local zoning ordinances. Such additional documentation or plans may not alter the format, content, or substance of the uniform commercial

building permit application.

(6) A local enforcement agency must allow reviews to take place simultaneously.

(7) The commission shall electronically publish on its website and make available to all local enforcement agencies and applicants the uniform commercial building permit application by July 1, 2027.

**Section 3. Paragraphs (e) through (s) of subsection (1) of section 553.791, Florida Statutes, are redesignated as paragraphs (f) through (t), respectively, paragraph (b) of subsection (17) is amended, a new paragraph (e) is added to subsection (1), and paragraph (d) is added to subsection (2), to read:**

553.791 Alternative plans review and inspection.—

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

(e) "Commercial construction project" means the construction, alteration, or repair of a building or structure that is primarily intended for business, industrial, institutional, or mercantile use and is not classified as residential under the Florida Building Code.

(2)

(d) If an owner or a contractor retains a private provider for purposes of plans review or building inspection services for a commercial construction project, the local enforcement agency must reduce the permit fee by at least 50 percent of the portion

of the permit fee attributable to plans review or building inspection services, as applicable. If an owner or a contractor retains a private provider for all required plans review and building inspection services, the local enforcement agency must reduce the total permit fee by at least 75 percent of the amount otherwise charged for such services. If a local enforcement agency does not reduce its fees by at least the percentages provided in this paragraph, the local enforcement agency forfeits the ability to collect any fees for the commercial construction project. This paragraph does not prohibit a local enforcement agency from reducing its fees in excess of the percentages provided in this paragraph.

(17)

(b) A local enforcement agency, local building official, or local government may establish, for private providers, private provider firms, and duly authorized representatives working within that jurisdiction, a system of registration to verify compliance with the licensure requirements of paragraph (1)(o) ~~(1)(n)~~ and the insurance requirements of subsection (18).

**Section 4.** This act shall take effect July 1, 2026.



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

**COMMERCE COMMITTEE**

**HB 405 by Rep. Griffitts**
**Commercial Construction Projects**

**AMENDMENT SUMMARY**
**January 27, 2026**

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**Amendment #782825 by Griffitts (Strike-all):**

- Relocates and clarifies the section related to the unenforceability of certain contract provisions related to delays for public works projects.
- Defines "commercial construction project" in the Florida Building Codes Act.
- Provides the Florida Building Commission rulemaking authority for the creation of the uniform building permit application and for supplemental forms.
- Clarifies that the surcharge local governments are required to assess on permit fees will be based on the reduced fee if the fees are reduced due to the use of a private provider.
- Clarifies that permit fees must be based on the costs incurred by the local enforcement agency in reviewing, processing, and administering the permit.
- Adds a limitation to the ability of local governments to impose glazing requirements on commercial or mixed-use new development or restorations.

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: Industries & Professional Activities Subcommittee

Representative Griffitts offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

**Section 1. Section 255.0994, Florida Statutes, is created to read:**

255.0994 Public works projects; unenforceability of certain contract provisions regarding delays.

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

(a) "Concurrent delays" means two or more unrelated delays in the contractor's performance of a contract for a public works project that happen at the same time or overlap in time, each of which on its own would have delayed the contractor's performance.

(b) "Governmental entity" has the same meaning as in s. 255.0993(1).

(c) "Public works project" has the same meaning as in s. 255.0992(1).

(2) Except as otherwise required by federal or state law, a governmental entity that contracts for a public works project may not take the following actions:

(a) Enforce any contract provisions that would eliminate or limit the contractor's right to receive compensation for damages and increased costs, equitable adjustments, and time extensions due to a delay in performance of the contract, either on its own behalf or on behalf of a subcontractor or supplier, to the extent the delay was caused in whole or in part by the acts or omissions of the governmental entity or of any agent, employee, or person acting on its behalf.

(b) Enforce any contract provisions that would eliminate or limit the contractor's right to receive time extensions due to concurrent delays, either on its own behalf or on behalf of a subcontractor or supplier, if at least one of those delays was caused in whole or in part by the acts or omissions of the governmental entity or of any agent, employee, or person acting on its behalf.

(3) This section may not be construed to render unenforceable a provision of a contract for a public works project that:

(a) Requires the party claiming a delay to give notice of the acts or omissions giving rise to the delay.

(b) Provides for arbitration or any other procedure designed to settle contract disputes.

(4) If a contract for a public works project contains a provision that is unenforceable under this section, the provision must be severed from the contract and the remaining provisions remain in full force and effect.

(5) This section applies to any contract for a public works project entered into on or after July 1, 2026.

**Section 2. Subsections (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), and (12) of section 553.71, Florida Statutes, are renumbered as subsections (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), and (13), respectively, and subsection (2) is added to that section, to read:**

553.71 Definitions.—As used in this part, the term:

(2) "Commercial construction project" means the construction, alteration, or repair of a building or structure that is primarily intended for business, industrial, institutional, or mercantile use and is not classified as residential under the Florida Building Code.

**Section 3. Section 553.789, Florida Statutes, is created to read:**

553.789 Uniform commercial building permit application.—

(1) By December 31, 2027, the commission shall adopt pursuant to ss. 120.536(1) and 120.54 a uniform commercial building permit application to be used statewide for commercial construction projects. The application must include at a minimum the following information:

(a) The name and contact information of the property owner.

(b) The name, license number, and contact information of the contractor if known at the time of application.

(c) The address and parcel identification number of the construction project.

(d) The project type and occupancy classification under the Florida Building Code.

(e) A description of the construction project, including whether the project is new construction or an alteration, an addition, or a repair.

(f) The total square footage and the declared value of the construction project.

(g) The architect or engineer of record, if applicable.

(h) The identification of any private provider services if used pursuant to s. 553.791.

(2) The commission shall adopt pursuant to ss. 120.536(1) and 120.54 additional trade-specific forms for trades that are often present on a project, including, but not limited to, electric, HVAC, plumbing, and water and sewer.

(3) A local enforcement agency must accept the uniform commercial building permit application and other standardized forms as adopted by the commission. However, a local enforcement agency may require additional documentation or plans reasonably necessary for the applicant to demonstrate compliance with the Florida Building Code or local zoning ordinances.

**Section 4. Paragraph (b) is amended and paragraph (d) is added to subsection (2) of section 553.791, Florida Statutes, to read:**

553.791 Alternative plans review and inspection.

(2)

(b) If an owner or contractor retains a private provider for purposes of plans review or building inspection services, the local jurisdiction must reduce the permit fee by the amount of cost savings realized by the local enforcement agency for not having to perform such services. Such reduction may be calculated on a flat fee or percentage basis, or any other reasonable means by which a local enforcement agency assesses the cost for its plans review or inspection services. The local jurisdiction must include the applicable reduction in the permit fee on its schedule of fees which is posted on its website. The local jurisdiction may not charge fees for plans review or building inspections if the fee owner or contractor hires a private provider to perform such services; however, the local jurisdiction may charge a reasonable administrative fee, which

shall be based on the cost that is actually incurred, including the labor cost of the personnel providing the service, by the local jurisdiction or attributable to the local jurisdiction for the clerical and supervisory assistance required, or both. The local jurisdiction shall specify the services covered by the administrative fee on its website.

(d) If an owner or a contractor retains a private provider for purposes of plans review or building inspection services for a commercial construction project, the local enforcement agency must reduce the permit fee by at least 25 percent of the portion of the permit fee attributable to plans review or building inspection services, as applicable. If an owner or a contractor retains a private provider for all required plans review and building inspection services, the local enforcement agency must reduce the total permit fee by at least 50 percent of the amount otherwise charged for such services. If a local enforcement agency does not reduce its fees by at least the percentages provided in this paragraph, the local enforcement agency forfeits the ability to collect any fees for the commercial construction project. The surcharge required by s. 553.721 shall be calculated based on the reduced permit fee. This paragraph does not prohibit a local enforcement agency from reducing its fees in excess of the percentages provided in this paragraph.

**Section 5. Paragraph (g) of subsection (1) of section 553.79, Florida Statutes, is added, and paragraph (a) of subsection (24) is amended, to read:**

553.79 Permits; applications; issuance; inspections.

(1)(a) After the effective date of the Florida Building Code adopted as herein provided, it shall be unlawful for any person, firm, corporation, or governmental entity to construct, erect, alter, modify, repair, or demolish any building within this state without first obtaining a permit therefor from the appropriate enforcing agency or from such persons as may, by appropriate resolution or regulation of the authorized state or local enforcing agency, be delegated authority to issue such permits, upon the payment of such reasonable fees adopted by the enforcing agency. The enforcing agency is empowered to revoke any such permit upon a determination by the agency that the construction, erection, alteration, modification, repair, or demolition of the building for which the permit was issued is in violation of, or not in conformity with, the provisions of the Florida Building Code. Whenever a permit required under this section is denied or revoked because the plan, or the construction, erection, alteration, modification, repair, or demolition of a building, is found by the local enforcing agency to be not in compliance with the Florida Building Code, the local enforcing agency shall identify the specific plan or project features that do not comply with the applicable codes,

identify the specific code chapters and sections upon which the finding is based, and provide this information to the permit applicant. A plans reviewer or building code administrator who is responsible for issuing a denial, revocation, or modification request but fails to provide to the permit applicant a reason for denying, revoking, or requesting a modification, based on compliance with the Florida Building Code or local ordinance, is subject to disciplinary action against his or her license pursuant to s. 468.621(1)(i). Installation, replacement, removal, or metering of any load management control device is exempt from and shall not be subject to the permit process and fees otherwise required by this section.

(b) A local enforcement agency shall post each type of building permit application, including a list of all required attachments, drawings, or other requirements for each type of application, on its website. A local enforcement agency must post and update the status of every received application on its website until the issuance of the building permit. Completed applications, including payments, attachments, drawings, or other requirements or parts of the completed permit application, must be able to be submitted electronically to the appropriate building department. Accepted methods of electronic submission include, but are not limited to, e-mail submission of applications in Portable Document Format or submission of applications through an electronic fill-in form available on the

building department's website or through a third-party submission management software. Completed applications, including payments, attachments, drawings, or other requirements or parts of the completed permit application, may also be submitted in person in a nonelectronic format, at the discretion of the building official.

(c) A local government that issues building permits may send a written notice of expiration, by e-mail or United States Postal Service, to the owner of the property and the contractor listed on the permit, no less than 30 days before a building permit is set to expire. The written notice must identify the permit that is set to expire and the date the permit will expire.

(d) A local enforcement agency must allow requests for inspections to be submitted electronically to the local enforcement agency's appropriate building department. Acceptable methods of electronic submission include, but are not limited to, e-mail or fill-in form available on the website of the building department or through a third-party submission management software or application that can be downloaded on a mobile device. Requests for inspections may be submitted in a nonelectronic format, at the discretion of the building official.

(e) A local enforcement agency must post its procedures for processing, reviewing, and approving submitted building permit applications on its website.

(f) A local government may not require a contract between a builder and an owner, any copies of such contract, or any associated document, including, but not limited to, letters of intent, material costs lists, labor costs, or overhead or profit statements, for the issuance of a building permit or as a requirement for the submission of a building permit application.

(g) Permit fees imposed by a local enforcement agency must be limited to the actual and reasonable costs incurred in reviewing, processing, and administering the permit and may not be based on industry standards, market rates, or comparable retail pricing. Such fees must be proportional to the work performed reviewing, processing, and administering the permit.

(24)(a) A political subdivision of this state may not adopt or enforce any ordinance or impose any building permit or other development order requirement that:

1. Contains any building, construction, or aesthetic requirement or condition that conflicts with or impairs corporate trademarks, service marks, trade dress, logos, color patterns, design scheme insignia, image standards, or other features of corporate branding identity on real property or improvements thereon used in activities conducted under chapter 526 or in carrying out business activities defined as a

franchise by Federal Trade Commission regulations in 16 C.F.R. ss. 436.1, et. seq.; or

2. Imposes any requirement on the design, construction, or location of signage advertising the retail price of gasoline in accordance with the requirements of ss. 526.111 and 526.121 which prevents the signage from being clearly visible and legible to drivers of approaching motor vehicles from a vantage point on any lane of traffic in either direction on a roadway abutting the gas station premises and meets height, width, and spacing standards for Series C, D, or E signs, as applicable, published in the latest edition of Standard Alphabets for Highway Signs published by the United States Department of Commerce, Bureau of Public Roads, Office of Highway Safety.

3. Imposes a glazing requirement which results in the glazing of more than 15 percent of the surface area of the primary façade for the first ten feet above the ground floor on a proposed commercial or mixed-use new construction or restoration project. No glazing requirement shall be imposed or enforced on any façade other than the primary façade, and no glazing requirement shall be imposed or enforced on any portion of the primary façade higher than the first ten feet above the ground floor. For purposes of this subsection, "primary façade" shall mean the single building side housing the primary entrance to the building; and "glazing" shall mean the installation of transparent or translucent materials, including glass or similar

substances, in windows, doors, or storefronts, and includes any requirement to add actual or faux windows to a building façade.

**Section 6.** This act shall take effect July 1, 2026.

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

Remove everything before the enacting clause and insert:
An act relating to commercial construction projects; creating s. 255.0994, F.S.; providing definitions; rendering unenforceable certain contract provisions regarding delays in the performance of a contract for a public works project; amending s. 553.71, F.S.; creating a definition for "commercial construction project"; creating s. 553.789, F.S.; requiring the Florida Building Commission to create a uniform permit application; requiring the application to include certain information; authorizing the commission to adopt rules to create supplemental forms; providing requirements for local enforcement agencies; amending s. 553.791; relating to local government fee schedules; setting percentages for local government building permit fee reduction when private providers are used; amending s. 553.79, F.S.; requiring local enforcement agencies to base permit fees on the costs incurred by the local enforcement agency in reviewing, processing, and administering the permit; limiting a political subdivision of the state's ability to impose a glazing requirement on a commercial or mixed-use new construction or

restoration project; defining terms; 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 487 | **COMPANION BILL:** SB 586 (Smith) |
| **TITLE:** Repair of Mobility Devices | **LINKED BILLS:** None |
| **SPONSOR(S):** Eskamani and Valdés | **RELATED BILLS:** None |

**Committee References**

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

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Commerce

## SUMMARY


**Effect of the Bill:**
The bill establishes the "Right to Repair Act for Mobility Devices" in Florida, which requires original equipment manufacturers (OEMs) to provide documentation, embedded software, firmware, parts, and tools for servicing mobility devices to independent repair providers or device owners, clarifies that OEMs are not required to disclose trade secrets and protects existing arrangements between authorized repair providers and OEMs, limits the liability of OEMs and authorized repair providers for damages they cause during service, and makes violations a deceptive and unlawful trade practice. The Act applies to mobility devices sold or used on or after July 1, 2026.

**Fiscal or Economic Impact:**
None



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

The bill establishes the "Right to Repair Act for Mobility Devices" in Florida. (Section 2)

**Definitions**
The bill provides the following definitions:

- "**Authorized repair provider**" means an individual or a business that has an arrangement with the original equipment manufacturer (OEM) under which the OEM grants to the individual or business a license to use a trade name, service mark, or other proprietary identifier for the purposes of servicing a mobility device under the name of the OEM, or other arrangement with the OEM to offer such services on behalf of the OEM. An OEM that services its own mobility device, and that does not have an arrangement with an unaffiliated individual or business, must be considered an authorized repair provider with respect to mobility devices.
- "**Documentation**" means a manual, diagram, reporting output, service code description, schematic diagram, security code, password, or any other guidance or information used in servicing a mobility device.
- "**Embedded software**" means programmable instructions provided on firmware delivered with an electronic component of a mobility device or with any part for the purpose of restoring or improving operation of the mobility device or part and includes all relevant patches and fixes that the OEM makes to a mobility device or to any part for the purpose of restoring or improving the mobility device or part.
- "**Fair and reasonable terms**" means making available documentation, tools, or parts as follows:
    - Documentation must be made available by the OEM 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.
    - Tools must be made available by the OEM at no charge:

        - Without requiring authorization or Internet access for use or operation.
        - Without imposing impediments to access or use.
        - In a manner that does not impair the efficient and cost-effective performance of any such service and ensures that full functionality of digital electronic equipment is enabled.
            - However, if a tool is requested in physical form, a charge may be included for the reasonable, actual costs of preparing and sending the tool.
    - Parts must be made available by the OEM, either directly or through an authorized repair provider, to an independent repair provider or owner at costs and terms that are equivalent to the most favorable costs and terms under which an OEM offers the parts to an authorized repair provider, and that:
        - Accounts for a discount, rebate, delivery method, functionality, rights of use, incentive preference, or
        - Any additional cost or impediment the OEM imposes on an authorized repair provider.
        - Does not condition or impose a substantial obligation or restriction that is not reasonably necessary for enabling the independent repair provider or owner to service a mobility device.
        - Is not conditioned upon an arrangement with the OEM.
- "**Firmware**" means a software program or set of instructions programmed on a mobility device or a part to allow a mobility device or a part to communicate with itself or with other computer hardware.
- "**Independent repair provider**" means an individual or business operating in this state engaged in servicing mobility devices, which is unaffiliated with an OEM.
- "**Mobility device**" means equipment designed for people with a mobility disability, including power wheelchairs, manual wheelchairs, mobility scooters, and power assist devices for manual wheelchairs.
- "**OEM**" means an individual or a business that is engaged in manufacturing, selling, leasing, or supplying new mobility devices.
- "**Owner**" means an individual or business that owns or leases a mobility device purchased or used in this state.
- "**Part**" means any replacement part, either new or used, made available by an OEM to service a mobility device manufactured by or on behalf of, sold, or otherwise supplied by the OEM.
- "**Service**," "**services**," or "**servicing**" means any activity related to the diagnosis, maintenance, or repair of a mobility device or a part thereof.
- "**Tool**" means any software, hardware, or other apparatus used for the service of a mobility device, including, but not limited to, software or any other mechanism that programs a new part, calibrates functionality, or performs any other function required to return the mobility device to its fully functional condition, which includes any updates.
- "**Trade secret**" has the same meaning as in s. 688.002, F.S. (Section 3)

**Repair Requirements**

The bill requires that for the purpose of servicing mobility devices and parts sold in this state, OEMs must make available to an independent repair provider or owner of the OEM's mobility device on fair and reasonable terms, any documentation, embedded software, firmware, parts, and tools, that are necessary to service such mobility devices and parts, including any updates. (Section 4)

The bill requires the documentation, embedded software, firmware, parts, and tools to be made available either directly by the OEM or by an authorized repair provider. (Section 4)

The bill requires OEMs to also make available to an independent repair provider or owner on fair and reasonable terms through appropriate secure release systems any special documentation, embedded software, firmware, tools, and parts required to access and reset the lock or function when disabled in the course of diagnosis, maintenance, or repair of the mobility device. (Section 4)

**Violations**
The bill makes violations of the Right to Repair Act for Mobility Devices punishable under the Florida Deceptive and Unfair Trade Practices Act. (Section 5)

**Limitations**
The bill specifies that the Right to Repair Act for Mobility Devices does not:

- Require an OEM to divulge a trade secret to an independent service provider or owner.
- Alter the terms of an arrangement between an authorized repair provider and an OEM, including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an OEM and pursuant to such arrangement. However, any terms that waive, avoid, restrict, or limit the OEM's obligation to comply with this part are void.
- Make an OEM and an authorized repair provider liable for any damage or injury caused by an independent repair provider or owner to a mobility device that occurs during the course of service. (Section 6)

**Prospective Application**
The bill applies to mobility devices sold or in use on or after July 1, 2026. (Section 7)

**Effective Date**
The effective date of the bill is July 1, 2026. (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:**

### Right-to-Repair

Many products, ranging from cars and appliances to wheelchairs, use proprietary tools and parts.[1] According to reports, consumers are being told by certain companies that their warranty will be void if the consumer attempts to repair their equipment or add an aftermarket part. The Federal Trade Commission (FTC) has attempted to address this issue. Most recently, in 2024, the FTC sent warning letters to several businesses that were requiring consumers to use certain parts or service providers "to keep their warranties intact." The FTC warned that these practices restrict consumers' right-to-repair and are thereby prohibited by the Magnuson-Moss Warranty Act,[2] a law that governs consumer product warranties, gave the companies 30 days to correct any violations, and warned the companies that failure to correct the violations may result in FTC enforcement actions.[3]

### Mobility Devices

Millions of Americans rely on wheelchairs due to impaired mobility.[4] According to the Centers for Disease Control and Prevention, "one in four U.S. adults has a disability that impacts major life activities, including 40 percent of adults age 65 and older... The most common disability type – mobility, or serious difficulty walking or climbing

[1] Thorin Klosowski, *What You Should Know About Right to Repair*, New York Times (July 15, 2021), https://www.nytimes.com/wirecutter/blog/what-is-right-to-repair/ (last visited Dec. 1, 2025).
[2] 5 U.S.C. § 2301 et seq.
[3] Federal Trade Commission, *FTC Warns Companies to Stop Warranty Practices That Harm Consumers' Right to Repair* (July 3, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/07/ftc-warns-companies-stop-warranty-practices-harm-consumers-right-repair (last visited Jan. 1, 2026).
[4] Danielle M. Taylor, U.S. DEPT. OF COM., *Americans With Disabilities: 2014*, https://www.census.gov/content/dam/Census/library/publications/2018/demo/p70-152.pdf (last visited Dec. 1, 2025) (citing more than 5.5 million wheelchair users).

stairs – affects one in seven adults."[5] In Florida, approximately 14 percent of residents report having a disability, with the most common type being a mobility disability.[6] Studies also indicate that the use of mobility devices like wheelchairs provides independence to users who may otherwise have difficulty with physical functioning.[7]

Wheelchair repairs impact over 50 percent of wheelchair users and often result in individuals stranded at home or missing a medical appointment.[8] One survey of wheelchair users found that a result of wheelchair breakdown, out-of-pocket repair costs ranged from $50-$620.[9]

To address the costs and delays associated with repairs, right-to-repair laws allow consumers to repair their own products instead of using the OEM for service. In general, right-to-repair laws include the tools, parts, software or instructions OEMs must provide to independent repairers and owners.[10]

## 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.[11] The FDUTPA is based on federal law.[12]

The Office of the State Attorney (SAO) or the Department of Legal Affairs (DLA) may bring FDUTPA actions, if it serves the public interest, on behalf of consumers or governmental entities.[13] The SAO may enforce FDUTPA violations occurring in its jurisdiction. The 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.[14] Consumers may also file suit through private actions.[15]

DLA and the SAO have powers to investigate FDUTPA claims, which include:[16]

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[5] Catherine A. Okoro, PhD, et al., Centers for Disease Control and Prevention, *Prevalence of Disabilities and Health Care Access by Disability Status and Type Among Adults — United States, 2016*, https://www.cdc.gov/mmwr/volumes/67/wr/mm6732a3.htm?s_cid=mm6732a3_w (last visited Dec. 1, 2025).
[6] Stacker, 352today, *These are the most prevalent disabilities in Florida*, https://352today.com/news/257752-these-are-the-most-prevalent-disabilities-in-florida/ (last visited Dec. 2, 2025).
[7] 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 Dec. 2, 2025).
[8] *Id.*
[9] 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 Dec. 2, 2025).
[10] 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 Dec. 2, 2025).
[11] Chapter 73-124, L.O.F.; s. 501.202, F.S., F.S.
[12] 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). "With the federal Uniform Deceptive Trade Practices Act, as its model, the Florida Legislature enacted FDUTPA in 1973. The Legislature has amended FDUTPA several times during the intervening decades, ' however, and the Act is now unique in the extent to which it references federal consumer-protection law."
[13] 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 Dec. 2, 2025).
[14] S. 501.203(2), F.S.
[15] S. 501.211, F.S.
[16] S. 501.206(1), F.S.

- 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.[17]

## Trade Secrets

The Florida Uniform Trade Secrets Act (FUTSA) protects confidential business information that has economic value and is kept secret through reasonable efforts.[18] It prohibits the misappropriation[19] of trade secrets through improper means, such as theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means.[20] If a trade secret is misappropriated, the owner can seek remedies including injunctions[21] to stop the misuse, damages[22] to cover losses and unjust enrichment, and, in cases of willful and malicious misappropriation, exemplary damages.[23]

The FUTSA defines "trade secrets" as information, including a formula, pattern, compilation, program, device, method, technique, or process that:[24]

- Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and
- Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

**RECENT LEGISLATION:**

| YEAR | BILL #/SUBJECT | HOUSE/*SENATE* SPONSOR(S) | OTHER INFORMATION |
|---|---|---|---|
| 2025 | HB 311 - Repair of Motorized Wheelchairs | Eskamani/ *Smith* | The bill passed the House but died in the Senate. |

[17] Ss. 501.207, 501.208, 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.
[18] Chapter 688, F.S.
[19] S. 688.002(2), F.S.
[20] S. 688.002(1), F.S.
[21] S. 688.003, F.S.
[22] S. 688.004(1), F.S.
[23] S. 688.004(2), F.S.
[24] S. 688.002(4), F.S.

# BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Industries & Professional Activities Subcommittee | 15 Y, 0 N, As CS | 12/11/2025 | Anstead | Thompson |
| THE CHANGES ADOPTED BY THE COMMITTEE: | • Added definitions for "embedded software," "firmware," "mobility device," and "service."<br>• Clarified that OEMs must make available "embedded software" and "firmware."<br>• Clarified that OEMs make certain items available to independent repair providers "or" owners of such equipment. | | | |
| 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 repair of mobility devices; creating part XIV of ch. 559, F.S., entitled "Repair of Mobility Devices"; 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 original equipment manufacturers to make available documentation, embedded software, firmware, parts, and tools required to service mobility devices and parts of such devices; requiring original equipment manufacturers of mobility devices with electronic security locks to make available any special documentation, embedded software, firmware, parts, and tools required to access and reset the locks when disabled in the course of service; 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 original equipment manufacturers are not required to divulge trade secrets; providing that the act does not alter the terms of an arrangement between an authorized repair provider and an original equipment manufacturer; providing an exception; limiting the liability of original equipment manufacturers and authorized repair

providers 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, Florida Statutes, is created and entitled "Repair of Mobility Devices."

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

559.971 Short title.-This part may be cited as the "Right to Repair Act for Mobility Devices."

**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 servicing a mobility device 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 services its own mobility device, and that does not have an arrangement with an unaffiliated individual or business, is an authorized repair provider with respect to mobility devices.

(2) "Documentation" means a manual, diagram, reporting output, service code description, schematic diagram, security code, password, or any other guidance or information used in servicing a mobility device.

(3) "Embedded software" means programmable instructions provided on firmware delivered with an electronic component of a mobility device or with any part for the purpose of restoring or improving operation of the mobility device or part and includes all relevant patches and fixes that the original equipment manufacturer makes to a mobility device or to any part for the purpose of restoring or improving the mobility device or part.

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

(a) Documentation must be 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 must be made available by the original equipment manufacturer at no charge:

1. Without requiring authorization or Internet access for use or operation.

2. Without imposing impediments to access or use.

3. In a manner that does not impair the efficient and cost-effective performance of any such service and ensures that full functionality of digital electronic equipment is enabled.

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

(c) Parts must be made available by the original equipment manufacturer, either directly or through an authorized repair provider, to an independent repair provider or owner 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:

a. Any discount, rebate, delivery method, functionality, rights of use, incentive, preference; or

b. Any additional cost or impediment the original equipment manufacturer imposes on an authorized repair provider.

2. Does not condition or impose a substantial obligation or restriction that is not reasonably necessary for enabling the independent repair provider or owner to service a mobility device.

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

(5) "Firmware" means a software program or set of instructions programmed on a mobility device or a part to allow a mobility device or a part to communicate with itself or with other computer hardware.

(6) "Independent repair provider" means an individual or business operating in this state engaged in servicing mobility devices, which is unaffiliated with an original equipment manufacturer.

(7) "Mobility device" means equipment designed for people with a mobility disability, including power wheelchairs, manual wheelchairs, mobility scooters, and power assist devices for manual wheelchairs.

(8) "Original equipment manufacturer" means an individual or business that is engaged in manufacturing, selling, leasing, or supplying new mobility devices.

(9) "Owner" means an individual or business that owns or leases a mobility device purchased or used in this state.

(10) "Part" means any replacement part, either new or used, made available by an original equipment manufacturer to service a mobility device manufactured by or on behalf of, sold, or otherwise supplied by the original equipment manufacturer.

(11) "Service," "services," or "servicing" means any activity related to the diagnosis, maintenance, or repair of a mobility device or a part thereof.

(12) "Tool" means any software, hardware, or other

apparatus used for the service of a mobility device, including, but not limited to, software or any other mechanism that programs a new part, calibrates functionality, or performs any other function required to return the mobility device to its fully functional condition, which includes any updates.

(13) "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 the purpose of servicing mobility devices and parts of mobility devices that are sold or used in this state, an original equipment manufacturer must make available to any independent repair provider or owner of the original equipment manufacturer's mobility device, on fair and reasonable terms, any documentation, embedded software, firmware, parts, and tools that are necessary to service such mobility devices and parts, including any updates to documentation, embedded software, firmware, parts, and tools. The documentation, embedded software, firmware, parts, and tools must be made available either directly by the original equipment manufacturer or by 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 independent repair provider or owner, on fair and reasonable terms, any special

documentation, embedded software, firmware, tools, and parts required to access and reset the lock or function when disabled in the course of servicing the mobility device. The documentation, embedded software, firmware, parts, and tools 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 independent service provider or an owner of the original equipment manufacturer's mobility device.

(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 terms that waive, avoid, restrict, or limit the original equipment manufacturer's obligation to comply with this part are void.

(3) An original equipment manufacturer and an authorized repair provider are not liable for any damage or injury caused by an independent repair provider or owner to a mobility device that occurs during the course of service of a mobility device.

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

559.976 Applicability.—This part applies with respect to mobility devices sold or in use on or after July 1, 2026.

**Section 8.** This act shall take effect July 1, 2026.

# 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 505 | **COMPANION BILL:** SB 198 (Rouson) |
| **TITLE:** Virtual Currency Kiosks | **LINKED BILLS:** None |
| **SPONSOR(S):** Owen and Daley | **RELATED BILLS:** None |

**Committee References**

| | | |
|---|---|---|
| Insurance & Banking<br>18 Y, 0 N | ➤ | Commerce |

## SUMMARY


**Effect of the Bill:**
The bill requires the owner or operator of virtual currency kiosks to warn customers of the risk of fraud. The bill limits kiosk transactions for new customers to $2,000 per day and for existing customers to $10,500 per day. The bill requires the owner or operator of virtual currency kiosks to provide customers with a receipt containing contact information for the owner or operator, transaction details, a statement of the owner's or operator's liability, and the owner's or operator's refund policy. The bill requires the owner or operator to issue a refund within 72 hours under certain conditions. The bill permits the Financial Services Commission to adopt rules.

**Fiscal or Economic Impact:**
The bill has an indeterminate impact on the private sector and state government.



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

### Disclosure requirement

The bill requires the owner or operator of a virtual currency kiosk to clearly display a disclosure on the kiosk screen before a customer may initiate a virtual currency transaction. The disclosure must state:

> "WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER. IF YOU HAVE BEEN DIRECTED TO THIS MACHINE BY SOMEONE CLAIMING TO BE A GOVERNMENT AGENT, BILL COLLECTOR, LAW ENFORCEMENT OFFICER, OR ANYONE YOU DO NOT KNOW PERSONALLY, STOP THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW ENFORCEMENT." (Section 1).

The bill defines a "virtual currency kiosk" as an electronic terminal that acts as a mechanical agent of the owner or operator, enabling the owner or operator to facilitate the exchange of virtual currency for fiat currency[1] or other virtual currency on behalf of a customer. (Section 1).

### Transaction limits

The bill prohibits owners or operators of virtual currency kiosks from allowing new customers to transact more than $2,000 per calendar day and from allowing existing customers to transact more than $10,500 per calendar day. These limits apply regardless of whether the customer engages in a single transaction or multiple transactions. (Section 1).

[1] "Fiat currency" refers to government-issued legal tender, such as the United States Dollar. Modern Treasury, *What is Fiat Money?* https://www.moderntreasury.com/learn/what-is-fiat-money (last visited Jan. 21, 2026).

The bill defines "new customer" as a customer who has transacted with the owner or operator of a virtual currency kiosk for less than 7 days. The bill defines "existing customer" as a customer who has transacted with the owner or operator of a virtual currency kiosk for 7 or more days. (Section 1).

**Receipt requirement**

The bill requires the owner or operator of virtual currency kiosks to provide customers with electronic receipts, which must include the following information:

- Name and contact information of the owner or operator, including a toll-free telephone number;
- Date, time, value, and type of the transaction;
- Transaction hash and each wallet used;
- Total fee charged;
- Exchange rate, if applicable;
- Statement of the owner's or operator's liability, if any, for non-delivery or delayed delivery of the currency; and
- Refund policy of the owner or operator. (Section 1).

The bill defines "transaction hash" as a unique identifier consisting of a string of characters which provides a verifiable record that a transaction has been confirmed and added to the blockchain.[2] (Section 1).

The bill defines "wallet" as hardware or software that enables customers to store and use digital currency. (Section 1).

**Refund requirement**

The bill requires the owner or operator of virtual currency kiosks to issue a full refund for a customer's first virtual currency transaction within 72 hours if all of the following conditions are met:

- The customer transferred the virtual currency to a wallet outside of the United States;
- The customer contacts both the owner or operator of the virtual currency kiosk and a law enforcement or governmental agency regarding the fraudulent nature of a transaction within 60 days; and
- The customer provides proof of fraud, such as a police report or notarized affidavit. (Section 1).

**Effective date**

The bill provides an effective date of January 1, 2027. (Section 2).

**RULEMAKING:**

The bill authorizes the Financial Services Commission to adopt rules to implement the bill.

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

There is an indeterminate impact on state government, to the extent that the Financial Services Commission may incur costs to promulgate rules.

[2] The bill defines "blockchain" as a mathematically secured, chronological, decentralized, distributed, and digital ledger or database that consists of records of transactions that cannot be altered retroactively.

PRIVATE SECTOR:

There is an indeterminate impact on the private sector. This bill may reduce the financial losses associated with virtual currency kiosk scams. However, virtual currency kiosk businesses may incur additional expenditures to comply with the bill's provisions.

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

### Virtual Currency

Virtual currency is a digital representation of value that functions as a medium of exchange but lacks legal tender status.[3] In some environments, virtual currency operates like "real" currency[4] (i.e., the coin and paper money of the United States or of any other country that is designated as legal tender, circulates, and is customarily used and accepted as a medium of exchange in the country of issuance).[5] Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is referred to as "convertible" virtual currency. [6] Bitcoin is one example of a convertible virtual currency, as it can be digitally traded between users and can be purchased for, or exchanged into, U.S. dollars, Euros, and other real or virtual currencies.[7]

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).[8] To transfer an asset on a blockchain, the transferor uses an alphanumeric code known only to the transferor (a private key) to create a request that the network software validate a new ledger entry, which assigns control of the asset to the recipient.[9] Once the network has validated this transfer, the ledger is updated and the recipient may transfer the asset to another recipient using their own private key.[10] Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric ''public keys'' rather than by personal names.[11] Virtual currency wallets are interfaces that store and transfer virtual currency.[12]

### Virtual Currency Kiosks

Virtual currency kiosks are physical ATM-like machines that allow users to buy or exchange virtual currency.[13] Virtual currency kiosks generate revenue for their owner or operator through the collection of fees and are generally located in businesses such as convenience stores, gas stations, cafes, and supermarkets.[14]

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[3] S. 560.103(36), F.S.
[4] Often referred to as "fiat" currency.
[5] IRS, *Digital assets*, https://www.irs.gov/filing/digital-assets (last visited Dec. 1, 2025).
[6] *Id.*
[7] *Id.*
[8] Office of the Federal Register, National Archives and Records Administration, *Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets*, GovInfo, (Dec. 23, 2020), https://www.govinfo.gov/app/details/FR-2020-12-23/2020-28437/summary (last visited Dec. 1, 2025).
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] FinCEN, *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, (May 9, 2019), https://www.fincen.gov/system/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf (last visited Dec. 1, 2025).
[13] FinCEN, *Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity*, (Aug. 4, 2025), https://www.fincen.gov/system/files/2025-08/FinCEN-Notice-CVCKIOSK.pdf (last visited Dec. 1, 2025).
[14] FTC, *Bitcoin ATMs: A payment portal for scammers*, ("FTC Report") (Sept. 3, 2024), https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/09/bitcoin-atms-payment-portal-scammers (last visited Dec. 1, 2025).

To engage in a transaction, a customer enters the address of the virtual wallet that will receive the purchased virtual currency.[15] The address could be the customer's own virtual wallet, or that of a third party.[16] The wallet address is usually embedded in a quick-response (QR) code, which is a barcode that can be scanned and read with a kiosk camera.[17] The customer then inserts cash or a debit or credit card into the machine to finalize the transaction.[18]

As of December 2025, there are reportedly 37 operators and a total of 3,150 kiosks in Florida.[19]

According to the Office of Financial Regulation (OFR), the Federal Bureau of Investigation and Federal Trade Commission have received Florida-based complaints involving virtual currency kiosk fraud, totaling well over $33 million in alleged victim losses between January 2020 and December 2025.[20]

**State Regulation**

The OFR is responsible for all activities of the Financial Services Commission relating to the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry.[21] The Division of Consumer Finance within OFR licenses and regulates various aspects of the non-depository financial services industries, including money services businesses.[22]

A money services business is, "any person located in or doing business in this state, from this state, or into this state from locations outside this state or country who acts as a payment instrument seller, foreign currency exchanger, check casher, or money transmitter."[23] Money services businesses must be licensed with OFR.[24] Payment instruments do not include virtual currency.[25] However, money transmitters include those who for the purpose of acting as an intermediary, receive or transmit virtual currency.[26] Thus, the owner or operator of a virtual currency kiosk may constitute a money services business if it acts as a money transmitter.

Florida does not have a separate regulatory regime for virtual currency kiosk businesses. If the kiosk only conducts direct peer-to-peer transactions, meaning the owner or operator sells virtual currency from its own inventory directly to customers without a third party, then the owner or operator does not require licensure.[27] However, if the kiosk acts as an intermediary, meaning it facilitates the transmission of funds from one party to a third party, then the kiosk may act as a money transmitter, and thus the owner or operator would constitute a money services business and would need a license from OFR.[28]

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[15] FinCEN, *Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity*, (Aug. 4, 2025), https://www.fincen.gov/system/files/2025-08/FinCEN-Notice-CVCKIOSK.pdf (last visited Dec. 1, 2025).
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] Coin ATM Radar, *Bitcoin ATMs in Florida*, available at https://coinatmradar.com/state/10/bitcoin-atm-florida/ (last visited Dec. 2, 2025).
[20] Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).
[21] S. 20.121(3)(a)2., F.S.
[22] Office of Financial Regulation, *Division of Consumer Finance*, https://flofr.gov/divisions-offices/division-of-consumer-finance (last visited Dec. 2, 2025).
[23] S. 560.103(23), F.S.
[24] S. 560.125, F.S.
[25] S. 560.103(29), F.S.
[26] S. 560.103(24), F.S.
[27] Florida Office of Financial Regulation, Biennial Report December 2024, p. 32, available at https://flofr.gov/docs/default-source/documents/biennial-report-2024.pdf?sfvrsn=4030c57c_1 (last visited Dec. 2, 2025).
[28] *Id.*

**Federal Regulation**

The Financial Crimes Enforcement Network (FinCEN), a bureau of the United States Department of Treasury, is responsible for safeguarding the financial system from illegal use, combatting money laundering and related crimes, and promoting national security.[29] Unless an exception applies, a money services business must register with FinCEN.[30] Under federal law, money services businesses include persons who provide money transmission services.[31] Money transmission involves the "acceptance of currency, funds, or other value that substitutes for currency and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means" or "any other person engaged in the transfer of funds."[32] According to OFR, virtual currency kiosk businesses that are not required to register with OFR as a money services business would still need to register with FinCEN.[33]

Virtual currency kiosks that engage in money transmission are considered money services businesses under the Bank Secrecy Act which must comply with registration and reporting requirements.[34] Notwithstanding these requirements, limited information on virtual currency kiosks is collected, which has made it difficult for federal agencies such as FinCEN to identify and track virtual currency kiosks.[35] The United States Government Accountability Office (GAO) reports that only 164 of the estimated 297 kiosk operators in the United States were registered.[36]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 18 Y, 0 N | 12/9/2025 | Brackett | Highsmith |
| Commerce Committee | | | Hamon | Highsmith |

[29] 31 U.S.C. §. 310.
[30] 31 C.F.R. §. 1022.380(a).
[31] 31 C.F.R. §. 1010.100(ff)(5).
[32] 31 CFR §. 1010.100(ff)(5)(i)(A).
[33] Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).
[34] FinCEN, *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, (May 9, 2019), https://www.fincen.gov/system/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf (last visited Dec. 1, 2025).
[35] *Id.*
[36] The GAO, *Virtual Currencies Additional Information Could Improve Federal Agency Efforts to Counter Human and Drug Trafficking [Reissued with Revisions Feb. 7, 2022]*, GAO-22-105462, Published: Dec. 8, 2021, Publicly Released: Jan. 10, 2022, available at https://www.gao.gov/products/gao-22-105462 (last visited Dec. 1, 2025).

A bill to be entitled

An act relating to virtual currency kiosks; creating s. 560.215, F.S.; defining terms; requiring an owner or operator of a virtual currency kiosk to ensure that a specified disclosure is displayed before a customer initiates a virtual currency kiosk transaction; prohibiting an owner or operator of a virtual currency kiosk from permitting new and existing customers from transacting more than a specified amount per calendar day; requiring an owner or operator of a virtual currency kiosk to provide a customer with a specified electronic receipt upon completion of a virtual currency transaction; requiring an owner or operator of a virtual currency kiosk to issue a full refund under certain circumstances; authorizing the Financial Services Commission to adopt rules; providing an effective date.

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

**Section 1. Section 560.215, Florida Statutes, is created to read:**

560.215 Requirements for virtual currency kiosks.—

(1) For the purpose of this section, the term:

(a) "Blockchain" means a mathematically secured,



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

chronological, decentralized, distributed, and digital ledger or database that consists of records of transactions that cannot be altered retroactively.

(b) "Existing customer" means a customer who has transacted with the owner or operator of a virtual currency kiosk for 7 or more days.

(c) "New customer" means a customer who has transacted with the owner or operator of a virtual currency kiosk for fewer than 7 days.

(d) "Transaction hash" means a unique identifier consisting of a string of characters which provides a verifiable record that a transaction has been confirmed and added to the blockchain.

(e) "Virtual currency kiosk" means an electronic terminal that acts as a mechanical agent of the owner or operator, enabling the owner or operator to facilitate the exchange of virtual currency for fiat currency or other virtual currency on behalf of a customer.

(f) "Virtual currency kiosk transaction" means the process in which a customer uses a virtual currency kiosk to exchange virtual currency for fiat currency or other virtual currency. A transaction begins at the point at which the customer is able to initiate a transaction after the customer is given the option to select the type of transaction or account and does not include any of the screens that display the required terms and

conditions, disclaimers, or attestations.

(g) "Wallet" means hardware or software that enables customers to store and use virtual currency.

(2) Before a customer may initiate a virtual currency kiosk transaction, the owner or operator of the virtual currency kiosk must ensure that the virtual currency kiosk clearly and conspicuously displays the following disclosure on the screen:

WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER. IF YOU HAVE BEEN DIRECTED TO THIS MACHINE BY SOMEONE CLAIMING TO BE A GOVERNMENT AGENT, BILL COLLECTOR, LAW ENFORCEMENT OFFICER, OR ANYONE YOU DO NOT KNOW PERSONALLY, STOP THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW ENFORCEMENT.

(3) The owner or operator of a virtual currency kiosk may not permit a new customer to transact more than $2,000 per calendar day, whether through a single transaction or multiple transactions. The owner or operator of a virtual currency kiosk may not permit an existing customer to transact more than $10,500 per calendar day, whether through a single transaction or multiple transactions.

(4) Upon completion of a virtual currency transaction, the owner or operator of a virtual currency kiosk must provide the

customer with an electronic receipt that includes all of the following:

(a) The name and contact information of the owner or operator, including a toll-free telephone number.

(b) The date, time, value, and type of the transaction.

(c) The transaction hash and each wallet used.

(d) The total fee charged.

(e) The exchange rate, if applicable.

(f) A statement of the owner's or operator's liability, if any, for nondelivery or delayed delivery of the currency.

(g) The refund policy of the owner or operator.

(5) The owner or operator of a virtual currency kiosk must issue a full refund within 72 hours to a customer for the customer's first virtual currency transaction if all of the following conditions are met:

(a) The customer transferred virtual currency to a wallet or exchange located outside the United States.

(b) Within 60 days, the customer contacts both the owner or operator of the virtual currency kiosk and a law enforcement or governmental agency regarding the fraudulent nature of the transaction.

(c) The customer provides proof of fraud, such as a police report or a notarized affidavit.

(6) The commission may adopt rules to administer this section.

**Section 2.** This act shall take effect January 1, 2027.



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

## COMMERCE COMMITTEE

## HB 505 by Rep. Owen and Rep. Daley
## Virtual Currency Kiosks

## AMENDMENT SUMMARY
## January 26, 2026

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**Amendment #476503 by Rep. Owen (strike-all):**

- Provides that an owner or operator of a virtual currency kiosk is a money transmitter and therefore must obtain a money transmitter license from the Office of Financial Regulation.
- Exempts owners and operators of virtual currency kiosks from money transmitter license application fees and license renewal fees if they are solely engaged in the business of owning or operating virtual currency kiosks.
- Removes the provision requiring owners and operators of virtual currency kiosks to refund the full amount of a customer's first transaction, in the event that it was fraudulent, and replaces it with a requirement for owners and operators to refund transaction fees charged for all fraudulent transactions.
- Changes the effective date from January 1, 2027, to July 1, 2026.

**Amendment #454065 to Amendment #476503 by Rep. McFarland (line 84):**

- Requires owners or operators of virtual currency kiosks to provide customers with a printed receipt in addition to the electronic receipt.
- Requires receipts to include an email address for the owner or operator of a virtual currency kiosk as well as a website link.
- Lowers the transaction limits for new customers from $2,000 to $500 and for existing customers from $10,500 to $1,000.
- Requires owners or operators of virtual currency kiosks to provide customers with a refund of transaction fees or costs within 72 hours of being contacted by the customer, provided that the customer contacts the owner or operator of the virtual currency kiosk within 60 days after the transaction and provides a case or incident report number issued by the Office of Financial Regulation, a law enforcement agency, or a prosecutorial agency.

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 Owen offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

**Section 1. Subsection (24) of section 560.103, Florida Statutes, is amended to read:**

560.103 Definitions.—As used in this chapter, the term:

(24) "Money transmitter" means a corporation, limited liability company, limited liability partnership, or foreign entity qualified to do business in this state which receives currency, monetary value, a payment instrument, or virtual currency for the purpose of acting as an intermediary to transmit currency, monetary value, a payment instrument, or virtual currency from one person to another location or person by any means, including transmission by wire, facsimile,

electronic transfer, courier, the Internet, or through bill payment services or other businesses that facilitate such transfer within this country, or to or from this country. The term includes: ~~only~~

(a) An intermediary that has the ability to unilaterally execute or indefinitely prevent a transaction.

(b) An owner or operator of a virtual currency kiosk, as defined in s. 560.215(1), regardless of whether the owner or operator of a virtual currency kiosk is acting in an intermediary or peer-to-peer capacity.

**Section 2. Subsection (4) is added to section 560.143, Florida Statutes, to read:**

560.143 Fees; exemptions.—

(4) EXEMPTIONS FROM FEES FOR OWNERS OR OPERATORS OF VIRTUAL CURRENCY KIOSKS.—An owner or operator of a virtual currency kiosk, as defined in s. 560.215(1), licensed as a money transmitter is exempt from any license application fees or license renewal fees required under this chapter if engaged solely in the business of owner or operator of a virtual currency kiosk.

**Section 3. Section 560.215, Florida Statutes, is created to read:**

560.215 Requirements for virtual currency kiosks.—

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

(a) "Blockchain" means a mathematically secured, chronological, decentralized, distributed, and digital ledger or database that consists of records of transactions that cannot be altered retroactively.

(b) "Existing customer" means a customer who has transacted with the owner or operator of a virtual currency kiosk for 7 or more days.

(c) "New customer" means a customer who has transacted with the owner or operator of a virtual currency kiosk for less than 7 days.

(d) "Transaction hash" means a unique identifier consisting of a string of characters which provides a verifiable record that a transaction has been confirmed and added to the blockchain.

(e) "Virtual currency kiosk" means an electronic terminal that acts as a mechanical agent of the owner or operator, enabling the owner or operator to facilitate the exchange of virtual currency for fiat currency or other virtual currency on behalf of a customer.

(f) "Virtual currency kiosk transaction" means the process in which a customer uses a virtual currency kiosk to exchange virtual currency for fiat currency or other virtual currency. A transaction begins at the point at which the customer is able to initiate a transaction after the customer is given the option to select the type of transaction or account and does not include

any of the screens that display the required terms and conditions, disclaimers, or attestations.

(g) "Wallet" means hardware or software that enables customers to store and use virtual currency.

(2) Before a customer may initiate a virtual currency kiosk transaction, the owner or operator of the virtual currency kiosk must ensure that the virtual currency kiosk clearly and conspicuously displays the following disclosure on the screen:

WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER. IF YOU HAVE BEEN DIRECTED TO THIS MACHINE BY SOMEONE CLAIMING TO BE A GOVERNMENT AGENT, BILL COLLECTOR, LAW ENFORCEMENT OFFICER, OR ANYONE YOU DO NOT KNOW PERSONALLY, STOP THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW ENFORCEMENT.

(3) The owner or operator of a virtual currency kiosk may not permit a new customer to transact more than $2,000 per calendar day, whether through a single transaction or multiple transactions. The owner or operator of a virtual currency kiosk may not permit an existing customer to transact more than $10,500 per calendar day, whether through a single transaction or multiple transactions.

(4) Upon completion of a virtual currency kiosk transaction, the owner or operator of a virtual currency kiosk must provide the customer with an electronic receipt that includes all of the following:

(a) The name and contact information of the owner or operator, including a toll-free telephone number.

(b) The date, time, value, and type of the transaction.

(c) The transaction hash and each wallet used.

(d) The total fee charged.

(e) The exchange rate, if applicable.

(f) A statement of the owner's or operator's liability, if any, for nondelivery or delayed delivery of the currency.

(g) The refund policy of the owner or operator.

(5) Within 72 hours after a customer's request, the owner or operator of a virtual currency kiosk must issue to the customer a full refund of any transaction fees charged by the owner or operator in connection with the customer's virtual currency kiosk transaction if all of the following conditions are met:

(a) Within 60 days after the virtual currency kiosk transaction, the customer contacts both the owner or operator of the virtual currency kiosk and a law enforcement or governmental agency regarding the fraudulent nature of the transaction.

(b) The customer provides proof of fraud, such as a police report or a notarized affidavit.

(6) The commission may adopt rules to administer this section.

**Section 4.** This act shall take effect July 1, 2026.

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

Remove everything before the enacting clause and insert:

A bill to be entitled

An act relating to virtual currency kiosks; amending s. 560.103, F.S.; revising the definition of the term "money transmitter" to include owners and operators of virtual currency kiosks; amending s. 560.143, F.S.; exempting owners and operators of virtual currency kiosks from license application fees and license renewal fees; creating s. 560.215, F.S.; defining terms; requiring an owner or operator of a virtual currency kiosk to ensure that a specified disclosure is displayed before a customer initiates a virtual currency kiosk transaction; prohibiting an owner or operator of a virtual currency kiosk from permitting new and existing customers to transact more than a specified amount per calendar day; requiring an owner or operator of a virtual currency kiosk to provide a customer with a specified electronic receipt upon completion of a virtual currency kiosk transaction;

requiring an owner or operator of a virtual currency kiosk to issue a full refund of transaction fees under certain circumstances; authorizing the Financial Services Commission to adopt rules; providing an effective date.

Amendment No.

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 McFarland offered the following:

**Amendment to Amendment (476503) by Representative Owen (with title amendment)**

Remove lines 84-114 of the amendment and insert:

not permit a new customer to transact more than $500 per calendar day, whether through a single transaction or multiple transactions. The owner or operator of a virtual currency kiosk may not permit an existing customer to transact more than $1,000 per calendar day, whether through a single transaction or multiple transactions.

(4) Upon completion of a virtual currency kiosk transaction, the owner or operator of a virtual currency kiosk must provide the customer with an electronic and paper receipt that includes all of the following:

(a) The name and contact information of the owner or operator, including a toll-free telephone number and an email address.

(b) The date, time, value, and type of the transaction.

(c) The transaction hash and each wallet used.

(d) The total fee charged.

(e) The exchange rate, if applicable.

(f) A statement of the owner's or operator's liability, if any, for nondelivery or delayed delivery of the currency.

(g) The refund policy of the owner or operator.

(h) A website address where the customer can initiate a refund request.

(5) The owner or operator of a virtual currency kiosk must issue a full refund to the customer of any transaction fees or costs within 72 hours of being contacted by the customer, as long as the customer contacts the owner or operator of the virtual currency kiosk within 60 days after the virtual currency kiosk transaction and provides a case or incident report number issued by a law enforcement agency, prosecutorial agency, or the office.

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

Remove lines 138-141 of the amendment and insert:

customer with a specified electronic and paper receipt upon completion of a virtual currency kiosk transaction; requiring an owner or operator of a virtual currency kiosk to issue a full refund of transaction fees or costs under

**HB 645**

# 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 645 | **COMPANION BILL:** SB 772 (Burgess) |
| **TITLE:** Limited Agent Licenses | **LINKED BILLS:** None |
| **SPONSOR(S):** Smith | **RELATED BILLS:** None |

**Committee References**

Insurance & Banking
16 Y, 0 N
➤
Commerce

## SUMMARY

**Effect of the Bill:**
The bill expands the scope of limited agent licenses to include eyewear insurance, explicitly covering both smart glasses and non-electronic eyewear. The bill also extends claims processing exemptions specifically for portable electronic device insurance claims to eyewear insurance claims.

**Fiscal or Economic Impact:**
The bill may have an indeterminate fiscal impact on the state and private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill expands the scope of practice for portable electronics insurance limited agent licenses by allowing such limited agent licensees to sell eyewear insurance. (Section 1)

The bill defines "eyewear" to include "smart glasses" and "nonelectronic eyewear." The bill also defines "nonelectronic eyewear" to encompass "prescription and nonprescription eyeglasses and sunglasses." (Section 1)

The bill includes limited agent license applicants for eyewear insurance in the current examination exemption for limited agent applicants. The bill also includes such applicants in the current knowledge, experience, and instruction exemption for limited agent applicants. As such, applicants for limited agent licenses for eyewear insurance will not have to pass an exam or have prior knowledge, experience, or instruction as a condition for licensure. (Section 2 and 3)

The bill expands claims processing exemptions for portable electronic device insurance claims to also include eyewear insurance claims. (Section 4)

The bill provides an effective date of July 1, 2026. (Section 5)

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

There may be an indeterminate fiscal impact on the Department of Financial Services associated with the administration and regulation of limited agent licenses for eyewear insurance.

PRIVATE SECTOR:

The bill may have an indeterminate impact on the insurance marketplace by authorizing the offering of a new insurance product recognized under state law.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

Limited Agent Licenses

Limited agent licenses are insurance licenses that allow an individual or business to sell, solicit, or service only specific, limited classes of insurance, rather than the full range of insurance products.[1] The Department of Financial Services currently issues limited agent licenses for the following insurance types: [2]

- motor vehicle physical damage and mechanical breakdown;
- industrial fire or burglary;
- travel;
- motor vehicle rental;
- credit;
- crop hail and multiple-peril crop;
- in-transit and storage personal property;
- portable electronics; and
- preneed funeral agreement.

Applicants for limited agent licenses for portable electronics insurance, travel, motor vehicle rental, credit, or in-transit and storage of personal property are not required to pass a written examination as a condition of licensure.[3] Additionally, applicants for these limited agent insurance licenses are not subject to knowledge, experience, or instructional requirements as a condition of licensure.[4] Portable electronic insurance limited agent licensees are also exempt from fingerprinting requirements.[5]

Definition of Portable Electronic Devices

"Portable electronics" are defined as personal, self-contained, easily transportable, battery-operated electronic devices used for communication, viewing, listening, recording, gaming, computing or global positioning. The term includes, but is not limited to, cellular or satellite phones, pagers, personal global positioning units, portable computers, portable audio -listening devices, video-viewing or recording equipment, digital cameras, video camcorders, portable gaming systems, docking stations, automatic answering devices, and other similar devices with their accessories and service related to the use of such devices.[6]

Portable Electronics Insurance Limited Agent Licenses

Portable electronics insurance limited agent licenses authorize the sale, solicitation, and servicing of property or inland marine insurance that specifically provides coverage for the loss, theft, mechanical failure, malfunction or damage of portable electronic devices.[7]

Licensure may only be issued to employees or authorized representatives of licensed general lines agents,[8] or the lead business location of a retail vendor who sells portable electronics insurance and has a contract with a general lines agent.[9]

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[1] S. 626.321(1), F.S.
[2] S. 626.321, F.S.
[3] S. 626.221(2)(b), F.S.
[4] S. 626.732(7), F.S.
[5] *Id*.
[6] S. 626.321(1)(h), F.S.
[7] *Id.*
[8] "General lines agent" means an agent authorized to transact any one or more of the following insurances: property, casualty, surety, health, or marine. *See* S. 626.311(7), F.S. They also may sell portable electronics insurance at licensed agency locations without a separate license. S. 626.321(1)(h), F.S.
[9] S. 626.321(1)(h), F.S.

Employees and authorized representatives of licensed vendors may sell or offer portable electronics insurance without obtaining individual insurance agent licenses, provided that sales occur at licensed locations or properly appointed branch locations.[10]

Sales must be directly supervised by the issuing insurer or by a general lines agent appointed by the insurer. Additionally, the issuing insurer or appointed general lines agent must provide oversight of the training program for individuals engaged in soliciting insurance products.[11]

Individuals who are not licensed may not receive commissions based on insurance products sales. However, licensees may incorporate incidental compensations for insurance product sales into a broader employee compensation structure that also includes salary or wages and compensation for noninsurance product sales.[12]

At each point of sale, the licensee is required to make written consumer disclosures available to all prospective clients, which may also describe related service warranties or incidental benefits.[13] Written, mandatory disclosures to consumers must: [14]

- notify that coverage may duplicate insurance under homeowners, renters, or other polices;
- clarify that insurance coverage is not a condition of purchasing or leasing a portable electronic or related service;
- summarize policy terms, including the insurer, deductibles, key coverage benefits and trigger;
- provide an outline of the claims process, including any requirements or associated fees; and
- provide a statement of the consumer's right to cancel coverage at any time with a refund of unearned premium.[15]

Licensees are authorized to bill and collect premiums. When insurance coverage is included with the purchase or lease of portable electronic devices, the licensee must clearly disclose that coverage is included and separately disclose the stand-alone premium cost. When coverage is optional, the premium must be separately itemized at sale. Collected premiums must be tracked, remitted to the insurer or supervising entity within 60 days, and treated as trust funded held for the insurer. Licensees may be compensated for billing and collection activities.[16]

Portable Electronics Insurance Claims Processing Exemptions

Generally, individuals need a license to handle insurance claims. However, individuals processing portable electronics insurance claims do not need an individual license if they only collect or enter claims information, work for a licensed insurance business, or are supervised by a licensed insurance adjuster[17]or agent. No more than 25 unlicensed individuals can be supervised by any one licensed adjuster or agent.[18] A Canadian resident cannot obtain a Florida nonresident adjuster license to handle portable electronics claims unless they have already obtained an adjuster's license in another U.S. state.[19]

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[10] "Branch location" means any physical location in Florida at which a licensee offers its products or services for sale. A location may be authorized to transact insurance under the associated lead business location licensee. A portable electronics insurance limited agent license is required if the location is not otherwise licensed to transact insurance. S. 626.321(1)(h), F.S.

[11] S. 626.321(1)(h), F.S.

[12] *Id*.

[13] *Id.*

[14] *Id*.

[15] Policy terms provide the framework for coverage modification or termination. Required notices and correspondences can be delivered electronically if proof of transmission is maintained and customers are informed that providing an email address constitutes consent to electronic delivery. S. 626.321(1)(h), F.S.

[16] S. 626.321(1)(h), F.S.

[17] "Adjuster" means a public adjuster defined in s. 626.854, F.S. or an all-lines adjuster as defined in s. 626.8548, F.S.. S. 626.015(2), F.S.

[18] S. 626.8685(1), F.S.

[19] S. 626.8685(2), F.S.

Unlicensed individuals can use an automated claims adjudication system[20] for portable electronic claims, given that system is only used by licensed or supervised individuals, compliant with all Florida insurance code claim payment requirements, and certified as compliant by a licensed adjuster who is an officer of the business entity.[21]

Eyewear Insurance vs. Current Insurance Marketplace Options

There is currently no statutory or regulatory framework establishing "eyewear insurance" as a licensed insurance product in Florida.[22] Products marketed as such are limited warranties or protection plans provided by the retailer or manufacturer to cover defects or accidental damage under contract terms.[23] As such, products do not have the regulatory status, obligations, or consumer protections of true insurance products.

Vision insurance is designed to cover routine eye care exams and corrective eyewear.[24] While coverage can vary by plan, most plans include coverage for routine eye exams, allowances for eyeglass frames and/or prescription lenses every 1-2 years, and allowances for contact lenses. Vision insurance typically excludes eligibility for non-prescriptive eyeglasses, contact lenses, sunglasses, and reading glasses.[25]

Smart Glasses

Early research in wearable computing and optics took place in the early 1990s, with researchers developing head-mounted devices that are largely credited to be the foundational work for smart glasses. The first widely recognized smart glasses were released in 2013 as wearable tech with a heads-up display, voice control, and camera.[26]

The following years have led to the development of prescriptive and nonprescriptive eyewear that can enable augmented reality overlays, calls, video conferencing, and sending/receiving messages through microphones, speakers, and Bluetooth or Wi-fi, photo and video capture through high resolution cameras, real-time digital streaming, voice recognition controls, and AI assistance, among other features.[27]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 16 Y, 0 N | 1/14/2026 | Brackett | Veigle |
| Commerce Committee | | | Hamon | Veigle |

[20] "Automated claims adjudication system" means a preprogrammed computer system designed to fully, electronically resolve claims. *See* s. 626.8685(1), F.S.
[21] S. 626.8685(1), F.S.
[22] *See* Ch. 626, F.S.
[23] *See* Ch. 501, F.S.
[24] Dawson, C., *Medical Insurance vs. Vision Insurance*, St. Lucie Eye, (September 25, 2024), https://www.stlucieeye.com/medical-insurance-vs-vision-insurance/ (last visited January 7, 2026).
[25] Peralta, S., *Vision Insurance: A guide to plans, costs, and benefits*. All About Vision, (September 9, 2025), https://www.allaboutvision.com/vision-insurance/coverage-benefits/what-is-vision-insurance (last visited January 7, 2026).
[26] Kelley, S., *The Future of Wearables: What Are Smart Glasses?* All About Vision, (November 11, 2025), https://www.allaboutvision.com/eyewear/specialty/smart-glasses/ (last visited January 7, 2026).
[27] Sotech, *What Do Smart Glasses Actually Do?* (August 14, 2025), https://www.sotech-vision.com/What-Do-Smart-Glasses-Actually-Do-id49482696.html? (last visited January 7, 2026).

A bill to be entitled

An act relating to limited agent licenses; amending s. 626.321, F.S.; renaming "portable electronics insurance" as "portable electronics and eyewear insurance" to include eyewear for purposes of insurance coverages and licenses; defining the term "eyewear"; removing the obsolete definition of the term "portable electronics transaction"; amending ss. 626.221, 626.732, and 626.8685, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

**Section 1. Paragraph (h) of subsection (1) and subsection (4) of section 626.321, Florida Statutes, are amended to read:**

626.321 Limited licenses and registration.—

(1) The department shall issue to a qualified applicant a license as agent authorized to transact a limited class of business in any of the following categories of limited lines insurance:

(h) Portable electronics and eyewear insurance.—License for property insurance or inland marine insurance that covers only loss, theft, mechanical failure, malfunction, or damage for portable electronics and eyewear.

1. The license may be issued only to:

a. Employees or authorized representatives of a licensed general lines agent; or

b. The lead business location of a retail vendor that sells portable electronics and eyewear insurance. The lead business location must have a contractual relationship with a general lines agent.

2. Employees or authorized representatives of a licensee under subparagraph 1. may sell or offer for sale portable electronics and eyewear coverage without being subject to licensure as an insurance agent if:

a. Such insurance is sold or offered for sale at a licensed location or at one of the licensee's branch locations if the branch location is appointed by the licensed lead business location or its appointing insurers;

b. The insurer issuing the insurance directly supervises or appoints a general lines agent to supervise the sale of such insurance, including the development of a training program for the employees and authorized representatives of vendors that are directly engaged in the activity of selling or offering the insurance; and

c. At each location where the insurance is offered, brochures or other written materials that provide the information required by this subparagraph are made available to all prospective customers. The brochures or written materials

may include information regarding portable electronics and eyewear insurance, service warranty agreements, or other incidental services or benefits offered by a licensee.

3. Individuals not licensed to sell portable electronics and eyewear insurance may not be paid commissions based on the sale of such coverage. However, a licensee who uses a compensation plan for employees and authorized representatives which includes supplemental compensation for the sale of noninsurance products, in addition to a regular salary or hourly wages, may include incidental compensation for the sale of portable electronics and eyewear insurance as a component of the overall compensation plan.

4. Brochures or other written materials related to portable electronics and eyewear insurance must:

a. Disclose that such insurance may duplicate coverage already provided by a customer's homeowners insurance policy, renters insurance policy, or other source of coverage;

b. State that enrollment in insurance coverage is not required in order to purchase or lease portable electronics and eyewear or services;

c. Summarize the material terms of the insurance coverage, including the identity of the insurer, the identity of the supervising entity, the amount of any applicable deductible and how it is to be paid, the benefits of coverage, and key terms and conditions of coverage, such as whether portable electronics

and eyewear may be repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or equipment;

d. Summarize the process for filing a claim, including a description of how to return portable electronics and eyewear and the maximum fee applicable if the customer fails to comply with equipment return requirements; and

e. State that an enrolled customer may cancel coverage at any time and that the person paying the premium will receive a refund of any unearned premium.

5. A licensed and appointed general lines agent is not required to obtain a portable electronics and eyewear insurance license to offer or sell portable electronics and eyewear insurance at locations already licensed as an insurance agency, but may apply for a portable electronics and eyewear insurance license for branch locations not otherwise licensed to sell insurance.

6. A portable electronics and eyewear license authorizes the sale of individual policies or certificates under a group or master insurance policy. The license also authorizes the sale of service warranty agreements covering only portable electronics and eyewear to the same extent as if licensed under s. 634.419 or s. 634.420.

7. A licensee may bill and collect the premium for the purchase of portable electronics and eyewear insurance provided

that:

a. If the insurance is included with the purchase or lease of portable electronics or eyewear or related services, the licensee clearly and conspicuously discloses that insurance coverage is included with the purchase. Disclosure of the stand-alone cost of the premium for same or similar insurance must be made on the customer's bill and in any marketing materials made available at the point of sale. If the insurance is not included, the charge to the customer for the insurance must be separately itemized on the customer's bill.

b. Premiums are incidental to other fees collected, are maintained in a manner that is readily identifiable, and are accounted for and remitted to the insurer or supervising entity within 60 days of receipt. Licensees are not required to maintain such funds in a segregated account.

c. All funds received by a licensee from an enrolled customer for the sale of the insurance are considered funds held in trust by the licensee in a fiduciary capacity for the benefit of the insurer. Licensees may receive compensation for billing and collection services.

8. Notwithstanding any other provision of law, the terms for the termination or modification of coverage under a policy of portable electronics and eyewear insurance are those set forth in the policy.

9. Notice or correspondence required by the policy, or

otherwise required by law, may be provided by electronic means if the insurer or licensee maintains proof that the notice or correspondence was sent. Such notice or correspondence may be sent on behalf of the insurer or licensee by the general lines agent appointed by the insurer to supervise the administration of the program. For purposes of this subparagraph, an enrolled customer's provision of an electronic mail address to the insurer or licensee is deemed to be consent to receive notices and correspondence by electronic means if a conspicuously located disclosure is provided to the customer indicating the same.

10. The fingerprinting requirements in s. 626.171(4) do not apply to licenses issued to qualified entities under this paragraph.

11. A branch location that sells portable electronics and eyewear insurance may, in lieu of obtaining an appointment from an insurer or warranty association, obtain a single appointment from the associated lead business location licensee and pay the prescribed appointment fee under s. 624.501 if the lead business location has a single appointment from each insurer or warranty association represented and such appointment applies to the lead business location and all of its branch locations. Branch location appointments shall be renewed 24 months after the initial appointment date of the lead business location and every 24 months thereafter. Notwithstanding s. 624.501, the renewal

fee applicable to such branch location appointments is $30 per appointment.

12. For purposes of this paragraph:

a. "Branch location" means any physical location in this state at which a licensee offers its products or services for sale.

b. "Eyewear" means smart glasses and nonelectronic eyewear. As used in this sub-subparagraph, the term "nonelectronic eyewear" includes prescription and nonprescription eyeglasses and sunglasses.

c.~~b.~~ "Portable electronics" means personal, self-contained, easily carried by an individual, battery-operated electronic communication, viewing, listening, recording, gaming, computing or global positioning devices, including cell or satellite phones, pagers, personal global positioning satellite units, portable computers, portable audio listening, video viewing or recording devices, digital cameras, video camcorders, portable gaming systems, docking stations, automatic answering devices, and other similar devices and their accessories, and service related to the use of such devices.

~~c. "Portable electronics transaction" means the sale or lease of portable electronics or a related service, including portable electronics insurance.~~

(4) Except as otherwise expressly provided, a person applying for or holding a limited license is subject to the same

applicable requirements and responsibilities that apply to general lines agents in general if licensed as to motor vehicle physical damage and mechanical breakdown insurance, industrial fire insurance or burglary insurance, motor vehicle rental insurance, credit insurance, crop hail and multiple-peril crop insurance, in-transit and storage personal property insurance, or portable electronics and eyewear insurance; or as apply to life agents or health agents in general, as applicable, if licensed as to travel insurance.

**Section 2. Paragraph (b) of subsection (2) of section 626.221, Florida Statutes, is amended to read:**

626.221 Examination requirement; exemptions.—

(2) However, an examination is not necessary for any of the following:

(b) An applicant for a limited license as agent for travel insurance, motor vehicle rental insurance, credit insurance, in-transit and storage personal property insurance, or portable electronics and eyewear insurance under s. 626.321.

**Section 3. Subsection (7) of section 626.732, Florida Statutes, is amended to read:**

626.732 Requirement as to knowledge, experience, or instruction.—

(7) This section does not apply to an individual holding only a limited license for travel insurance, motor vehicle rental insurance, credit insurance, in-transit and storage

personal property insurance, or portable electronics and eyewear insurance.

**Section 4. Section 626.8685, Florida Statutes, is amended to read:**

626.8685 Portable electronics and eyewear insurance claims; exemption; licensure restriction.—

(1) This part does not apply to any individual who collects claims information from, or furnishes claims information to, insureds or claimants, and who conducts data entry, including entering data into an automated claims adjudication system, provided that the individual is an employee of a business entity licensed under this chapter, or its affiliate, and no more than 25 such persons are under the supervision of one licensed independent adjuster or licensed agent who is exempt from licensure pursuant to s. 626.862. For purposes of this subsection, the term "automated claims adjudication system" means a preprogrammed computer system designed for the collection, data entry, calculation, and final resolution of portable electronics and eyewear insurance claims that:

(a) May be used only by a licensed independent adjuster, licensed agent, or supervised individual operating pursuant to this subsection;

(b) Must comply with all claims payment requirements of the insurance code; and

(c) Must be certified as compliant with this subsection by a licensed independent adjuster that is an officer of a licensed business entity under this chapter.

(2) Notwithstanding any other provision of law, a resident of Canada may not be licensed as a nonresident independent adjuster for purposes of adjusting portable electronics insurance and eyewear claims unless the person has successfully obtained an adjuster's license in another state.

**Section 5.** This act shall take effect July 1, 2026.

**COMMERCE COMMITTEE**

**HB 645 by Rep. Smith**
**Limited Agent Licenses**

**AMENDMENT SUMMARY**
**January 27, 2026**

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**Amendment 594875 by Rep. Smith (strike-all):**

- Broadens the definition of “portable electronics” to include devices powered by energy sources other than batteries, and include devices capable of health and activity monitoring and navigation.
- Clarifies that portable electronic or eyewear insurance licensees may sell coverage for portable electronics and eyewear insurance, but are not required to sell both coverages.

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 Smith offered the following:

**Amendment (with title amendment)**

Remove everything after the enacting clause and insert:

**Section 1. Paragraph (h) of subsection (1) and subsection (4) of section 626.321, Florida Statutes, are amended to read:**

626.321 Limited licenses and registration.—

(1) The department shall issue to a qualified applicant a license as agent authorized to transact a limited class of business in any of the following categories of limited lines insurance:

(h) Portable electronics or eyewear insurance.—License for property insurance or inland marine insurance that covers only loss, theft, mechanical failure, malfunction, or damage for portable electronics or eyewear. Such license allows a licensee

to sell or offer for sale coverage for both portable electronics and eyewear, but does not require a licensee to sell or offer for sale both types of coverages.

1. The license may be issued only to:

a. Employees or authorized representatives of a licensed general lines agent; or

b. The lead business location of a retail vendor that sells portable electronics or eyewear insurance. The lead business location must have a contractual relationship with a general lines agent.

2. Employees or authorized representatives of a licensee under subparagraph 1. may sell or offer for sale portable electronics or eyewear coverage without being subject to licensure as an insurance agent if:

a. Such insurance is sold or offered for sale at a licensed location or at one of the licensee's branch locations if the branch location is appointed by the licensed lead business location or its appointing insurers;

b. The insurer issuing the insurance directly supervises or appoints a general lines agent to supervise the sale of such insurance, including the development of a training program for the employees and authorized representatives of vendors that are directly engaged in the activity of selling or offering the insurance; and

c. At each location where the insurance is offered, brochures or other written materials that provide the

information required by this subparagraph are made available to all prospective customers. The brochures or written materials may include information regarding portable electronics or eyewear insurance, service warranty agreements, or other incidental services or benefits offered by a licensee.

3. Individuals not licensed to sell portable electronics or eyewear insurance may not be paid commissions based on the sale of such coverage. However, a licensee who uses a compensation plan for employees and authorized representatives which includes supplemental compensation for the sale of noninsurance products, in addition to a regular salary or hourly wages, may include incidental compensation for the sale of portable electronics or eyewear insurance as a component of the overall compensation plan.

4. Brochures or other written materials related to portable electronics or eyewear insurance must:

a. Disclose that such insurance may duplicate coverage already provided by a customer’s homeowners insurance policy, renters insurance policy, or other source of coverage;

b. State that enrollment in insurance coverage is not required in order to purchase or lease portable electronics or eyewear or services;

c. Summarize the material terms of the insurance coverage, including the identity of the insurer, the identity of the supervising entity, the amount of any applicable deductible and how it is to be paid, the benefits of coverage, and key terms

and conditions of coverage, such as whether portable electronics or eyewear may be repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or equipment;

d. Summarize the process for filing a claim, including a description of how to return portable electronics or eyewear and the maximum fee applicable if the customer fails to comply with equipment return requirements; and

e. State that an enrolled customer may cancel coverage at any time and that the person paying the premium will receive a refund of any unearned premium.

5. A licensed and appointed general lines agent is not required to obtain a portable electronics and eyewear insurance license to offer or sell portable electronics or eyewear insurance at locations already licensed as an insurance agency, but may apply for a portable electronics and eyewear insurance license for branch locations not otherwise licensed to sell insurance.

6. A portable electronics and eyewear insurance license authorizes the sale of individual policies or certificates under a group or master insurance policy. The license also authorizes the sale of service warranty agreements covering only portable electronics or eyewear to the same extent as if licensed under s. 634.419 or s. 634.420.

7. A licensee may bill and collect the premium for the purchase of portable electronics or eyewear insurance provided

that:

a. If the insurance is included with the purchase or lease of portable electronics or eyewear or related services, the licensee clearly and conspicuously discloses that insurance coverage is included with the purchase. Disclosure of the stand-alone cost of the premium for same or similar insurance must be made on the customer's bill and in any marketing materials made available at the point of sale. If the insurance is not included, the charge to the customer for the insurance must be separately itemized on the customer's bill.

b. Premiums are incidental to other fees collected, are maintained in a manner that is readily identifiable, and are accounted for and remitted to the insurer or supervising entity within 60 days of receipt. Licensees are not required to maintain such funds in a segregated account.

c. All funds received by a licensee from an enrolled customer for the sale of the insurance are considered funds held in trust by the licensee in a fiduciary capacity for the benefit of the insurer. Licensees may receive compensation for billing and collection services.

8. Notwithstanding any other provision of law, the terms for the termination or modification of coverage under a policy of portable electronics or eyewear insurance are those set forth in the policy.

9. Notice or correspondence required by the policy, or otherwise required by law, may be provided by electronic means

if the insurer or licensee maintains proof that the notice or correspondence was sent. Such notice or correspondence may be sent on behalf of the insurer or licensee by the general lines agent appointed by the insurer to supervise the administration of the program. For purposes of this subparagraph, an enrolled customer's provision of an electronic mail address to the insurer or licensee is deemed to be consent to receive notices and correspondence by electronic means if a conspicuously located disclosure is provided to the customer indicating the same.

10. The fingerprinting requirements in s. 626.171(4) do not apply to licenses issued to qualified entities under this paragraph.

11. A branch location that sells portable electronics or eyewear insurance may, in lieu of obtaining an appointment from an insurer or warranty association, obtain a single appointment from the associated lead business location licensee and pay the prescribed appointment fee under s. 624.501 if the lead business location has a single appointment from each insurer or warranty association represented and such appointment applies to the lead business location and all of its branch locations. Branch location appointments shall be renewed 24 months after the initial appointment date of the lead business location and every 24 months thereafter. Notwithstanding s. 624.501, the renewal fee applicable to such branch location appointments is $30 per appointment.

12. For purposes of this paragraph:

a. "Branch location" means any physical location in this state at which a licensee offers its products or services for sale.

b. "Eyewear" means smart glasses and nonelectronic eyewear. As used in this sub-subparagraph, the term "nonelectronic eyewear" includes prescription and nonprescription eyeglasses and sunglasses.

c.~~b.~~ "Portable electronics" means equipment that is personal, self-contained, easily carried, by an individual; has electrical, digital, magnetic, wireless, electromagnetic, or similar capabilities; and operates using batteries, rechargeable power sources, or other energy sources. The term includes equipment used for communication, data processing, viewing, listening, recording, gaming, computing, navigation, household, health or activity monitoring, or similar uses and may also incorporate features responsive to user input or environmental conditions ~~personal, self-contained, easily carried by an individual, battery-operated electronic communication, viewing, listening, recording, gaming, computing or global positioning devices, including cell or satellite phones, pagers, personal global positioning satellite units, portable computers, portable audio listening, video viewing or recording devices, digital cameras, video camcorders, portable gaming systems, docking stations, automatic answering devices, and other similar devices and their accessories, and service related to the use of such~~

~~devices~~.

~~c. "Portable electronics transaction" means the sale or lease of portable electronics or a related service, including portable electronics insurance.~~

(4) Except as otherwise expressly provided, a person applying for or holding a limited license is subject to the same applicable requirements and responsibilities that apply to general lines agents in general if licensed as to motor vehicle physical damage and mechanical breakdown insurance, industrial fire insurance or burglary insurance, motor vehicle rental insurance, credit insurance, crop hail and multiple-peril crop insurance, in-transit and storage personal property insurance, or portable electronics or eyewear insurance; or as apply to life agents or health agents in general, as applicable, if licensed as to travel insurance.

**Section 2. Paragraph (b) of subsection (2) of section 626.221, Florida Statutes, is amended to read:**

626.221 Examination requirement; exemptions.—

(2) However, an examination is not necessary for any of the following:

(b) An applicant for a limited license as agent for travel insurance, motor vehicle rental insurance, credit insurance, in-transit and storage personal property insurance, or portable electronics or eyewear insurance under s. 626.321.

**Section 3. Subsection (7) of section 626.732, Florida Statutes, is amended to read:**

626.732 Requirement as to knowledge, experience, or instruction.—

(7) This section does not apply to an individual holding only a limited license for travel insurance, motor vehicle rental insurance, credit insurance, in-transit and storage personal property insurance, or portable electronics or eyewear insurance.

**Section 4. Section 626.8685, Florida Statutes, is amended to read:**

626.8685 Portable electronics or eyewear insurance claims; exemption; licensure restriction.—

(1) This part does not apply to any individual who collects claims information from, or furnishes claims information to, insureds or claimants, and who conducts data entry, including entering data into an automated claims adjudication system, provided that the individual is an employee of a business entity licensed under this chapter, or its affiliate, and no more than 25 such persons are under the supervision of one licensed independent adjuster or licensed agent who is exempt from licensure pursuant to s. 626.862. For purposes of this subsection, the term "automated claims adjudication system" means a preprogrammed computer system designed for the collection, data entry, calculation, and final resolution of portable electronics or eyewear insurance claims that:

(a) May be used only by a licensed independent adjuster, licensed agent, or supervised individual operating pursuant to

this subsection;

(b) Must comply with all claims payment requirements of the insurance code; and

(c) Must be certified as compliant with this subsection by a licensed independent adjuster that is an officer of a licensed business entity under this chapter.

(2) Notwithstanding any other provision of law, a resident of Canada may not be licensed as a nonresident independent adjuster for purposes of adjusting portable electronics insurance or eyewear claims unless the person has successfully obtained an adjuster's license in another state.

**Section 5.** This act shall take effect July 1, 2026.

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

Remove everything before the enacting clause and insert:

A bill to be entitled

An act relating to limited agent licenses; amending s. 626.321, F.S.; renaming "portable electronics insurance" as "portable electronics or eyewear insurance" to include eyewear for purposes of insurance coverage and licenses; providing construction; defining the term "eyewear"; revising the definition of the term "portable electronics"; deleting the obsolete definition of the term "portable electronics transaction"; amending ss. 626.221, 626.732, and 626.8685, F.S.; conforming provisions to

changes made by the act; providing an effective date.

**HB 1399**

# 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 1399 | **COMPANION BILL:** None |
| **TITLE:** Property Insurance Affiliates | **LINKED BILLS:** None |
| **SPONSOR(S):** Berfield | **RELATED BILLS:** None |

**Committee References**

Insurance & Banking
17 Y, 0 N
➤
Commerce

## SUMMARY


**Effect of the Bill:**
The bill increases regulatory oversight of financial transactions between property insurers and their affiliates. Specifically, the bill requires:

- Property insurers to submit documentation to the Office of Insurance Regulation (OIR) demonstrating that all payments to affiliates are fair and reasonable. The bill also provides factors for OIR to determine whether those transactions are fair and reasonable.
- OIR to review and approve dividends and pledges of capitals or assets from property insurers to their affiliates.
- All agreements between property insurers and their affiliates to include a termination clause and provides that they may not exceed three years without review and reapproval by OIR.
- Property insurers to notify OIR at least 30 days before pledging capital or assets to an affiliate, and OIR may prohibit those arrangements if not in the insurer's best interest.
- Affiliates of property insurers to register with OIR before doing business in the state.

The bill gives OIR the authority to:

- Require affiliates to refund improper transfers back to property insurers.
- Consider transactions between property insurers and affiliates as part of the rate review process.
- Impose penalties for violations of the bill.

**Fiscal or Economic Impact:**
The bill may have an indeterminate fiscal impact on state government and the private sector.



JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY


## ANALYSIS

**EFFECT OF THE BILL:**

**Affiliate Transactions**
The bill creates a framework for the oversight of affiliates and their transactions with property insurers. (Section 1).

The bill defines the term "affiliate" as an entity that engages in the business of insurance that controls or is controlled by an insurer through ownership of voting securities, shared management, or participation in management. The definition also explicitly includes attorneys in fact and managing general agents (MGAs). (Sections 1, 2, and 3).

The bill requires property insurers to submit documentation to the Office of Insurance Regulation (OIR) demonstrating that all fees, commissions, or payments to affiliates are fair and reasonable. OIR must evaluate whether the transactions are fair and reasonable based on the following factors:

- the actual cost of each service being provided by the affiliate;
- the relative financial condition of the property insurer and the affiliate;
- the level of debt and how the debt is serviced;
- the amount of the dividends paid by the property insurer and the affiliate and for what purpose;
- whether the terms of the written contract benefit the property insurer and are in the best interest of the policyholders or subscribers; and
- any other information the office reasonably requires in making the determination. (Section 1).

The bill requires all contracts between property insurers and their affiliates to include a termination clause that automatically ends the contract after three years. The contract may be extended, subject to approval by OIR. (Section 1).

The bill grants OIR the authority to restrict fund transfers from all or specific property insurers to affiliates during a declared state of emergency. Any order restricting transfer of funds between property insurers and their affiliates may not exceed 60 days, but may be extended by OIR. (Section 1).

The bill provides that property insurers may not issue dividends to their affiliates without prior approval by OIR. Dividends must be fair and reasonable, and they may not be made for the purpose of manipulating the property insurer's financial position. Additionally, a property insurer may only issue dividends if it is solvent. (Section 2).

The bill requires property insurers to provide notice to OIR at least 30 days before a pledge of capital or assets to an affiliate for a loan or financial obligation. The bill grants OIR the authority to reject the pledge if not in the best interest of the financial condition of the property insurer. (Section 2).

**Registration**

The bill creates a registration process for property insurance affiliates. Before transacting the business of insurance in the state, an affiliate of a property insurer must register with OIR. As part of the application for registration, the affiliate must submit the following information and documents to OIR:

- a statement of duties the affiliate is expected to perform on behalf of the property insurer, and the lines of insurance for which the applicant is to be authorized to act;
- all basic organizational documents of the affiliate;
- the names, addresses, official positions, and professional qualifications of the individuals employed or retained by the affiliate who are responsible for managing the affairs of the property insurer;
- an independent background report detailing the involvement of the individuals employed or retained by the affiliate who are responsible for managing the affairs of the property insurer;
- a self-disclosure of any administrative, civil, or criminal complaints related to the insurance laws of any state. (Section 3).

Affiliates must renew the registration annually. OIR may not charge a fee for the registration or the renewal of the registration. (Section 3).

The bill provides grounds for denial of a registration, as well as revocation, suspension, or nonrenewal of a registration, as well as the imposition of fines of up to $10,000. These grounds include:

- any cause for which OIR would have denied the application for registration if the office had known about it;
- violation of any provision of the Florida Insurance Code;
- using the affiliate registration to circumvent any of the requirements or prohibitions of the Florida Insurance Code;
- any of the individuals who are responsible for managing the affairs of the affiliate being found guilty or pleading nolo contendere to a felony in this state or any other state relating to the business of insurance;

- knowingly employing an individual in a managerial capacity or in a capacity dealing with the public who is under an order of revocation by either OIR or the Department of Financial Services (DFS);
- engaging in unfair methods of competition or in unfair or deceptive acts or practices while conducting business under the affiliate registration;
- knowingly aiding, assisting, procuring, advising, or abetting any person in the violation of or in the attempt to violate a provision of the Florida Insurance Code or any order of OIR, DFS, or the Financial Services Commission (FSC);
- receiving a fee, commission, or other financial consideration or payment that violates the requirements of the bill;
- failing to renew the registration annually; and
- failing to refund to an insurer a fee, commission, or other financial consideration or payment as required by the bill. (Section 3).

The bill makes it a first degree misdemeanor to do business as an affiliate without a registration for the first offense. For a second or subsequent offense, acting as an affiliate without a registration is a third degree felony. (Section 3).

The registration requirement for affiliates of property insurers goes into effect on January 1, 2027. (Section 3).

**Rate Review**

The bill requires OIR to consider the profits, revenues, and investment income of any affiliate which are attributable to materially related to the insurer's business in this state as part of property insurers' rate filings. Additionally, OIR may deem a property insurer's filed rates excessive if they do not reflect the profits, revenues, and investment income of any affiliate which are attributable or materially related to the insurer's business in the state. (Section 4).

**Enforcement Authority**

The bill grants OIR the authority to impose penalties for violations of the bill's requirements, including administrative fines of up to $10,000 for each violation, as well as suspension or revocation of the insurer's license. Additionally, if OIR determines that a payment or dividend made by a property insurer to an affiliate is not fair and reasonable, the affiliate must refund the improper payment to the insurer. (Sections 1 and 2).

**Effective Date**

Except as otherwise provided, the bill provides an effective date of July 1, 2026. (Section 5).

**RULEMAKING:**

The bill requires OIR to adopt forms, processes, and rules necessary to implement OIR's oversight of transactions, dividends, and pledges of capital or assets between property insurers and their affiliates. (Sections 1 and 2). OIR is also granted rulemaking authority to adopt forms, processes, and rules for affiliates to obtain and renew their registration and for the regulation, investigation, and discipline of affiliates. (Section 3).

***Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.***

**FISCAL OR ECONOMIC IMPACT:**

STATE GOVERNMENT:

There is an indeterminate fiscal impact to state government. To the extent that the bill requires OIR to oversee financial transactions between property insurers and their affiliates to ensure they are fair and reasonable, review contract renewals, proposed dividends, and process applications for registrations there may be an indeterminate fiscal impact to the office.

PRIVATE SECTOR:

There may be an indeterminate fiscal impact to property insurers, who have affiliates, to ensure compliance with the provisions of the bill.

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

**Office of Insurance Regulation**

The Office of Insurance Regulation (OIR) regulates all activities relating to insurers and other risk bearing entities, including licensing, rates, policy forms, marked conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision.[1] OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each authorized insurer in the state.[2]

As part of that process, insurers must make available all records relating to the subject of the examination.[3] OIR is also authorized to carry out market conduct examinations to determine compliance with the Florida Insurance Code.[4]

**Affiliates**

Affiliates are defined in the Florida Insurance code as entities that exercise control over or are directly or indirectly controlled by the insurer through:[5]

- equity ownership of voting securities;
- common managerial control; or
  collusive participation by the management of the insurer and affiliate in the management of the insurer or the affiliate.

**Managing General Agents (MGAs)**

An MGA is a specialized type of insurance affiliate that has underwriting authority from an insurer.[6] MGAs can perform certain functions that insurers typically handle, including binding coverage, underwriting and pricing, agent appointments, and claims adjusting and settlement.[7] An MGA may be an affiliate of an insurer.

A currently effective producer license and an MGA appointment is required to perform MGA services.[8] Insurers are required to notify DFS and OIR in writing within 30 days of appointing or terminating an MGA.[9] This notice must include:[10]

- a statement of duties the MGA applicant is expected to perform for the insurer;
- the lines of insurance for which the MGA applicant will be authorized to act; and
- any other information DFS or OIR may request from the insurer.

Insurers are required to review their books and records quarterly to determine if any of their producers have become a managing general agent.[11]

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[1] S. 20.121(3)(a), F.S.
[2] S. 624.316(1)(a), F.S.
[3] S. 624.318(2), F.S.
[4] S. 624.3161, F.S.
[5] S. 624.10(1), F.S.
[6] S. 626.015(16)(a), F.S., *see also*, International Risk Management Institute, https://www.irmi.com/term/insurance-definitions/managinggeneral-agent (last visited Jan. 9, 2026).
[7] *See supra* note 2.
[8] S. 626.112(5), F.S.
[9] S. 626.7454(5), F.S.
[10] *Id*.
[11] S. 626.7454(6), F.S.

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.[12] OIR's examination authority extends to MGAs.[13] As part of the examination process, all persons being examined must make available to OIR the accounts, records, documents, files, information, assets, and matters in their possession or control that relate to the subject of the examination.[14]

As part of an examination, OIR reviews contracts between insurers and MGAs, so that it can determine how much an insurer is paying its MGA and what services the insurer is receiving for the fee it pays. The scope of the examination of an insurer's affiliates in a holding company system is limited to information reasonably necessary to ascertain an insurer's financial condition.

## Attorneys in Fact

A reciprocal insurance exchange is an insurance enterprise where subscribers enter into direct agreements with each other, pledging to contribute proportionally to cover losses experienced by fellow members.[15] The customers, known as subscribers, sign an agreement authorizing an agent to act as their attorney in fact for the purpose of insurance.[16] The attorney in fact is usually a management company, and they are authorized to sign contracts on behalf of all subscribers.[17]

## Payments to Affiliates

Each insurer doing business in Florida that pays a fee, commission, or other financial consideration or payment to any affiliate is required to provide, upon request, any information OIR deems necessary. The fee, commission, or other financial consideration or payment to any affiliate must be fair and reasonable.[18]

In determining whether the fee, commission, or other financial consideration or payment is fair and reasonable, current law does not dictate which factors OIR must consider and only explicitly lists the actual cost of the service being provided.[19]

Affiliate Fee Analysis Draft Report

In February of 2025, the *Tampa Bay Times* published a draft report commissioned by OIR analyzing fees paid by insurers to their affiliates during the 2017-2019 period.[20] The draft report claimed that while the 53 insurers assessed reported $61 million in net income, their affiliates reported $14 billion in income.[21]

The draft report included the following observations and recommendations: [22]

- Requiring all managing general agent agreements to be reviewed and updated. This recommendation stemmed from some agreements being more than a decade old and not including the appropriate language to address data security, access, ownership, and control – particularly in the event of regulatory

[12] S. 624.316(1)(a), F.S.
[13] *Id*. S. 626.7452, F.S.
[14] S. 624.318(2), F.S.
[15] Andrew Verstein, *Enterprise Without Entities*, 116 MICH. L. REV. 247, 249 (2017), https://repository.law.umich.edu/cgi/viewcontent.cgi?params=/context/mlr/article/1672/&path_info=Enterprise_Without_Entities_revised_first_page.pdf.
[16] *Id*. at 264.
[17] *Id*. at 251.
[18] S. 624.424(13), F.S.
[19] *Id.*
[20] Lawrence Mower, *Florida Insurance Companies Steered Money to Investors while Claiming Losses, Study Says*, Tampa Bay Times, (Feb. 22, 2025), https://www.tampabay.com/news/florida-politics/2025/02/22/florida-insurance-profits-desantis-regulation-investors-crisis/ (last visited Jan. 9, 2026).
[21] Jan Moenck, *Affiliated Fee Analysis Executive Summary*, (Mar. 31, 2022), https://www.documentcloud.org/documents/25540452-affiliated-fee-analysis-executive-summary/ (last visited Jan. 9, 2026), at 4.
[22] *Id.* at 5-6.

proceedings. Additionally, some of the reviewed contracts included premium-based compensation rates exceeding 25 percent, and the parties had not revisited or reviewed those provisions since the contracts were signed.

- Requiring insurers to provide documentation and financial projections that demonstrate that the proposed fees in the agreement are fair and reasonable to the insurer.
- The report flagged fee forgiveness and capital contributions and noted that while the MGA model in Florida is a common way for insurers to attract capital, it can also be used to circumvent insurer dividend requirements.
- The report noted that several insurers did not provide all the information necessary to assess whether fees paid to MGAs and other affiliates were reasonable, therefore it recommended to OIR conducting limited scope examinations to review these transactions.

The draft report used guidance from OIR rules in the Florida Administrative Code and from the National Association of Insurance Commissioners (NAIC) *Financial Analysis Handbook* to assess the fairness and reasonableness of fees paid by insurers to affiliates, but noted that Florida "does not have specific statutory guidance" defining the "fair and reasonable" standard for payments to affiliates.[23]

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Insurance & Banking Subcommittee | 17 Y, 0 N | | Brackett | Miguez |
| Commerce Committee | | | Hamon | Miguez |

[23] *Id*. at 1-2.

A bill to be entitled

An act relating to property insurance affiliates; creating s. 624.44101, F.S.; providing applicability; defining the term "affiliate"; requiring certain property insurers to provide to the Office of Insurance Regulation documentation demonstrating that financial considerations and payments to affiliates are fair and reasonable; requiring the office to consider certain factors to determine whether such considerations and payments are fair and reasonable; requiring property insurers to submit, and the office to review, audited financial statements; requiring contracts between property insurers and affiliates to contain certain provisions; authorizing the office to issue orders restricting fund transfers from property insurers to affiliates under specified circumstances; providing penalties; requiring affiliates to make certain refunds under certain circumstances; requiring the office to adopt forms, processes, and rules; creating s. 624.44102, F.S.; providing applicability; providing a definition; providing authority of the office over affiliate dividends; providing restrictions on and prohibitions against dividends paid by property insurers to affiliates under certain circumstances; requiring property insurers to provide

notice before pledges of capital and assets to affiliates for loans and financial obligations; providing penalties; requiring affiliates to make certain refunds under certain circumstances; requiring the office to adopt forms, processes, and rules; creating s. 624.44103, F.S.; providing applicability; providing a definition; requiring affiliates to register with the office; specifying requirements to obtain registration; requiring annual renewal; providing administrative penalties; providing criminal penalties; requiring the office to adopt forms, processes, and rules; amending s. 627.062, F.S.; revising factors and standards for the office determination whether a property insurance rate filing is excessive; providing effective dates.

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

**Section 1. Section 624.44101, Florida Statutes, is created to read:**

624.44101 Oversight of affiliate transactions.—

(1) This section applies to insurers that issue property insurance policies and their affiliates.

(2)(a) As used in this section, the term "affiliate" means an entity that engages in the business of insurance and that

exercises control over or is directly or indirectly controlled by the insurer through:

1. Equity ownership of voting securities;

2. Common managerial control as defined in s. 624.10; or

3. Participation by the management of the insurer and the affiliate in the management of the insurer or the affiliate.

(b) The term also includes an attorney in fact as defined in s. 629.011 and a managing general agent as defined in s. 626.015.

(3)(a) Each property insurer doing business in this state which pays, directly or indirectly, a fee, commission, or other financial consideration or payment to any affiliate must provide to the office documentation demonstrating that such fee, commission, or other financial consideration or payment is fair and reasonable. The office must determine whether the fee, commission, or other financial consideration or payment is fair and reasonable by considering the following factors:

1. The actual cost of each service provided by the affiliate.

2. The relative financial condition of the property insurer and the affiliate.

3. The level of debt and how that debt is serviced.

4. The amount of the dividends paid by the property insurer and the affiliates and for what purpose.

5. Whether the terms of the written contract benefit the

property insurer and are in the best interest of the policyholders or subscribers.

6. Any other information as the office reasonably requires in making the determination.

(b) For any contract with an affiliate executed on or after July 1, 2026, the property insurer must annually provide audited financial statements to the office which demonstrate any fee, commission, or other financial consideration or payment from the property insurer to the affiliate is fair and reasonable. The office must review audited financial statements to determine if the fee, commission, or other financial consideration or payment to the affiliate is fair and reasonable.

(c) Any contract between a property insurer and an affiliate executed on or after July 1, 2026, must include a termination clause that automatically terminates the contract after 3 years. An agreement between a property insurer and an affiliate may include provisions for extension, but such extension must be approved by the office before becoming effective. Any extension may not remain in effect for longer than 3 years without a review pursuant to paragraph (a) and approval by the office. If the agreement provides for extension, the agreement must clearly state that the extension is subject to approval by the office at least every 3 years.

(4)(a) During a state of emergency declared by the

Governor pursuant to chapter 252, the office may issue orders restricting fund transfers from a property insurer to an affiliate.

(b) Orders under paragraph (a) may apply to all or specified property insurers and may not exceed 60 days unless extended by the office.

(5) The office may impose penalties on a property insurer for violations of this section, including administrative fines of up to $10,000 for each violation, as well as suspension or revocation of the property insurer's license or authority to do business in this state.

(6) In addition to any penalties imposed by the office under subsection (5), the affiliate must refund the property insurer any fee, commission, or other financial consideration or payment that is determined by the office not to be fair and reasonable.

(7) The office shall adopt forms, processes, and rules necessary to implement this section.

**Section 2. Section 624.44102, Florida Statutes, is created to read:**

624.44102 Authority over affiliate dividends and loans.—

(1) This section applies to insurers that issue property insurance policies and their affiliates.

(2) As used in this section, the term "affiliate" has the same meaning as in s. 624.44101(2).

(3) The office has oversight and regulatory authority over the issuance of dividends paid to an affiliate.

(4) There may be no declaration or distribution of dividends paid to an affiliate without prior approval of the office. The office shall make a determination within 7 days after a property insurer submits all documents required by the office.

(5) Dividends may not be made for the purpose of manipulating the property insurer's financial position, and they may be made only if the property insurer is solvent.

(6) Dividends must be fair and reasonable as determined by the office in accordance with s. 624.44101(3)(a).

(7) A property insurer must provide notice to the office at least 30 days before a pledge of capital or assets to any affiliate for a loan or financial obligation. Such notice must include a description of the collateral, the nature of the obligation, and the parties involved. The office may reject and prohibit the pledge if the office determines that such financial arrangement is not in the best interest of the financial condition of the property insurer.

(8) The office may impose penalties on a property insurer for any unauthorized dividend, distribution, or pledge of capital or assets, including administrative fines of up to $10,000 for each violation, as well as suspension or revocation of the property insurer's license or authority to do business in

this state.

(9) In addition to any penalties imposed by the office under subsection (8), the affiliate must refund the property insurer any payment that is determined by the office to violate this section.

(10) The office shall adopt forms, processes, and rules necessary to approve dividends and pledges of capital or assets from property insurers to affiliates.

**Section 3. Effective January 1, 2027, section 624.44103, Florida Statutes, is created to read:**

624.44103 Affiliate registration.—

(1) This section applies to insurers that issue property insurance policies and their affiliates.

(2) As used in this section, the term "affiliate" has the same meaning as in s. 624.44101(2).

(3) Before doing business in this state, an affiliate must obtain registration from the office.

(4) To obtain registration, the affiliate must file with the office an application for registration upon a form to be adopted by the commission and furnished by the office. The office may not require an applicant to pay a fee for the registration or for filing an application for such registration. The application must include the following information and documents:

(a) A statement of duties the applicant is expected to

perform on behalf of the property insurer, and the lines of insurance for which the applicant is to be authorized to act.

(b) All basic organizational documents of the affiliate, such as the articles of incorporation, articles of association, partnership agreement, trade name certificate, trust agreement, shareholder agreement, or other applicable documents, and all amendments to those documents.

(c) The names, addresses, official positions, and professional qualifications of the individuals employed or retained by the affiliate who are responsible for the conduct of the affairs of the affiliate, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, and the principal officers in the case of a corporation or the partners or members in the case of a partnership or association of the affiliate.

(d) An independent background report as prescribed by the office detailing the involvement of the individuals employed or retained by the affiliate who are responsible for the conduct of the affairs of the affiliate, including all members of the board of directors, board of trustees, executive committee, or other governing board or committee, and the principal officers in the case of a corporation or the partners or members in the case of a partnership or association of the affiliate.

(e) A self-disclosure of any administrative, civil, or criminal complaints, settlements, or discipline of the affiliate

which relate to a violation of the insurance code or the insurance laws of any other state.

(5) Affiliate registrations must be renewed annually. The office may not require an affiliate to pay a fee for the renewal or pay a fee to file an application for such renewal.

(6) The office may, in its discretion, deny an application for, suspend, revoke, or refuse to renew an affiliate's registration; impose an administrative fine of up to $10,000 against an affiliate; and suspend or revoke the eligibility of an affiliate for registration, if the office finds any of the following applicable grounds:

(a) Any cause for which issuance of the registration could have been refused had it then existed and been known to the office.

(b) Violation of any provision of the insurance code or any other law applicable to the business of insurance in the course of doing business as an affiliate in this state.

(c) The registration is used, or to be used, to circumvent any of the requirements or prohibitions of the insurance code.

(d) Any of the individuals employed or retained by the affiliate who are responsible for the conduct of the affairs of the affiliate have been found guilty of, or having pleaded guilty or nolo contendere to, a felony in this state or any other state relating to the business of insurance or an insurance agency, without regard to whether a judgment of

conviction has been entered by the court having jurisdiction of such cases.

(e) Knowingly employing any individual in a managerial capacity or in a capacity dealing with the public who is under an order of revocation by the office or the department.

(f) In the conduct of business under the registration, engaging in unfair methods of competition or in unfair or deceptive acts or practices, prohibited under part IX of chapter 626.

(g) Knowingly aiding, assisting, procuring, advising, or abetting any person in the violation of or in the attempt to violate a provision of the insurance code or any other order or rule of the department, commission, or office.

(h) Receiving a fee, commission, or other financial consideration or payment that violates the requirements of s. 624.44101 or s. 624.44102.

(i) Receiving any dividend or pledges of capital assets for a loan or financial obligation in violation of s. 624.44101 or s. 624.44102.

(j) Failing to annually renew a registration.

(k) Failing to refund a fee, commission, or other financial consideration or payment to a property insurer under s. 624.44101(6) or s. 624.44102(9).

(7) A person who does business as an affiliate in this state without a current registration from the office commits a

misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083, for the first offense, and, for a second or subsequent offense, commits a felony of the third degree, punishable as provided in s. 775.082 or s. 775.083.

(8) The office shall adopt forms, processes, and rules necessary for affiliates to obtain and renew their registration and for the regulation, investigation, and discipline of affiliates.

**Section 4. Paragraphs (b) and (e) of subsection (2) of section 627.062, Florida Statutes, are amended to read:**

627.062 Rate standards.—

(2) As to all such classes of insurance:

(b) Upon receiving a rate filing, the office shall review the filing to determine if a rate is excessive, inadequate, or unfairly discriminatory. In making that determination, the office shall, in accordance with generally accepted and reasonable actuarial techniques, consider the following factors:

1. Past and prospective loss experience within and without this state.

2. Past and prospective expenses.

3. The degree of competition among insurers for the risk insured.

4. Investment income reasonably expected by the insurer, consistent with the insurer's investment practices, from investable premiums anticipated in the filing, plus any other

expected income from currently invested assets representing the amount expected on unearned premium reserves and loss reserves. The commission may adopt rules using reasonable techniques of actuarial science and economics to specify the manner in which insurers calculate investment income attributable to classes of insurance written in this state and the manner in which investment income is used to calculate insurance rates. Such manner must contemplate allowances for an underwriting profit factor and full consideration of investment income that produces a reasonable rate of return; however, investment income from invested surplus may not be considered.

5. The reasonableness of the judgment reflected in the filing.

6. Dividends, savings, or unabsorbed premium deposits allowed or returned to policyholders, members, or subscribers in this state.

7. The adequacy of loss reserves.

8. The cost of reinsurance. The office may not disapprove a rate as excessive solely due to the insurer having obtained catastrophic reinsurance to cover the insurer's estimated 250-year probable maximum loss or any lower level of loss.

9. Trend factors, including trends in actual losses per insured unit for the insurer making the filing.

10. Conflagration and catastrophe hazards, if applicable.

11. Projected hurricane losses, if applicable, which must

be estimated using a model or method found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology, and as further provided in s. 627.0628.

12. Projected flood losses for personal residential property insurance, if applicable, which may be estimated using a model or method, or a straight average of model results or output ranges, independently found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology and as further provided in s. 627.0628.

13. A reasonable margin for underwriting profit and contingencies.

14. The cost of medical services, if applicable.

15. For property insurance filings, the profits, revenues, and investment income of any affiliate, as defined in s. 624.44101(2), which are attributable or materially related to the insurer's business in this state.

16.~~15.~~ Other relevant factors that affect the frequency or severity of claims or expenses.

(e) After consideration of the rate factors provided in paragraphs (b), (c), and (d), the office may find a rate to be excessive, inadequate, or unfairly discriminatory based upon the following standards:

1. Rates shall be deemed excessive if they are likely to produce a profit from Florida business which is unreasonably high in relation to the risk involved in the class of business

or if expenses are unreasonably high in relation to services rendered.

2. Rates shall be deemed excessive if, among other things, the rate structure established by a stock insurance company provides for replenishment of surpluses from premiums, if the replenishment is attributable to investment losses.

3. For property insurance filings, rates may be deemed excessive if they do not reflect the profits, revenues, and investment income of any affiliate, as defined in s. 624.44101(2), which are attributable or materially related to the insurer's business in this state.

4.~~3.~~ Rates shall be deemed inadequate if they are clearly insufficient, together with the investment income attributable to them, to sustain projected losses and expenses in the class of business to which they apply.

5.~~4.~~ A rating plan, including discounts, credits, or surcharges, shall be deemed unfairly discriminatory if it fails to clearly and equitably reflect consideration of the policyholder's participation in a risk management program adopted pursuant to s. 627.0625.

6.~~5.~~ A rate shall be deemed inadequate as to the premium charged to a risk or group of risks if discounts or credits are allowed which exceed a reasonable reflection of expense savings and reasonably expected loss experience from the risk or group of risks.

7.~~6.~~ A rate shall be deemed unfairly discriminatory as to a risk or group of risks if the application of premium discounts, credits, or surcharges among such risks does not bear a reasonable relationship to the expected loss and expense experience among the various risks.

The provisions of this subsection do not apply to workers' compensation, employer's liability insurance, and motor vehicle insurance.

**Section 5.** Except as otherwise expressly provided in this act, this act shall take effect July 1, 2026.

# HB 7017

# 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 7017 PCB GOS 26-10 | **COMPANION BILL:** SB 7026 |
| **TITLE:** OGSR/Trade Secrets | **LINKED BILLS:** None |
| **SPONSOR(S):** Sapp | **RELATED BILLS:** None |

**Committee References**

| Orig. Comm.: Government Operations<br>18 Y, 0 N | ➤ | Commerce | ➤ | State Affairs |
|---|---|---|---|---|

## SUMMARY

**Effect of the Bill:**
The bill saves from repeal the public record exemption for trade secrets applicable to all state and local governmental agencies. The public record exemption will repeal on October 2, 2026, if the bill does not become law.

**Fiscal or Economic Impact:**
None.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

## ANALYSIS

**EFFECT OF THE BILL:**

The bill removes the scheduled repeal date, created pursuant to the Open Government Sunset Review Act, for the public record exemption for trade secrets held by any agency subject to public record requirements. The public record exemption will repeal on October 2, 2026, if the bill does not become a law. (Section 1)

The bill removes duplicative public record exemptions relating to trade secrets held by certain agencies. (Multiple Sections)

The effective date of the bill is upon becoming a law. (Section 19)

## RELEVANT INFORMATION

**SUBJECT OVERVIEW:**

### Open Government Sunset Review Act

The Open Government Sunset Review Act (OGSR Act)[1] sets forth a legislative review process for newly created or substantially amended public record or public meeting exemptions. It requires an automatic repeal of the exemption on October 2nd of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.[2]

[1] S. 119.15, F.S.
[2] S. 119.15(3), F.S.

The OGSR Act provides that a public record or public meeting exemption may be created or maintained only if it serves an identifiable public purpose. In addition, it may be no broader than is necessary to meet one of the following purposes:

- Allow the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
- Protect sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety; however, only the identity of an individual may be exempted under this provision; or
- Protect trade or business secrets.[3]

If in reenacting an exemption that will repeal, the exemption is expanded, then a public necessity statement and a two-thirds vote for passage are required. If the exemption is reenacted with grammatical or stylistic changes that do not expand the exemption, if the exemption is narrowed, or if an exception to the exemption is created, then a public necessity statement and a two-thirds vote are not required.[4]

**Public Record Exemption under Review**

In 2021, the Legislature created a public record exemption for trade secrets held by any agency[5] subject to public record requirements.[6] The term "trade secret" is defined to mean information, including a formula, pattern, compilation, program, device, method, technique, or process that:

- Derives independent economic value from not being generally known to or readily ascertainable by others who could obtain economic value from its disclosure or use.
- Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.[7]

Current law authorizes an agency to disclose a trade secret to an officer or employee of another agency or governmental entity whose use of the trade secret is within the scope of his or her lawful duties and responsibilities.[8] Additionally, an agency employee who, while acting in good faith and in the performance of official duties, releases a record containing a trade secret is not liable, civilly[9] or criminally,[10] for such release.[11]

The 2021 public necessity statement[12] provided that the public record exemption is necessary to protect trade secret information submitted to an agency by an individual or business, as disclosure of such information to competitors would be detrimental. The statement also specified that the exemption is necessary to protect trade secret information created by an agency in furtherance of its duties and responsibilities, as disclosure of such information would impede the effective and efficient operation of the agency.[13]

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[3] S. 119.15(6)(b), F.S.

[4] Art. I, s. 24(c), FLA. CONST.

[5] "Agency" means any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency. S. 119.011(2), F.S.

[6] Ch. 2021-223, L.O.F., codified as s. 119.0715, F.S. Before the enactment of this law, trade secret exemptions were only located in program-specific provisions through the Florida Statutes. The 2021 legislation established a general exemption applicable to all agencies subject to public record requirements.

[7] *See* s. 119.0715(1), F.S.

[8] S. 119.0715(3), F.S.

[9] The Uniform Trade Secrets Act provides a cause of action for the misappropriation of trade secrets and authorizes injunctive relief and damages. A person who discloses a trade secret without authorization may be liable for both the actual loss and any unjust enrichment caused by the disclosure. *See* ss. 688.003 and 688.004, F.S.

[10] Current law makes it a third-degree felony to willfully and without authorization obtain or use a trade secret with intent to deprive the owner of its control or benefit, or to appropriate it for personal use or the use of another. S. 812.081(2), F.S. A third-degree felony is punishable by up to 5 years imprisonment and a $5,000 fine. Ss. 775.082 and 775.083, F.S.

[11] S. 119.0715(4), F.S.

[12] Art. I, s. 24(c), FLA CONST., requires each public record exemption to "state with specificity the public necessity justifying the exemption."

[13] Ch. 2021-223, L.O.F.

Pursuant to the OGSR Act, the exemption will repeal on October 2, 2026, unless reenacted by the Legislature.[14]

During the 2025 interim, House and Senate committee staff distributed questionnaires to state agencies, universities, public hospitals, counties, and municipalities regarding the public record exemption under review. In total, staff received 154 responses.[15] The vast majority of respondents indicated they were unaware of any litigation concerning the exemption, had not encountered issues interpreting or applying the exemption, and recommended the exemption be reenacted as is.

## BILL HISTORY

| COMMITTEE REFERENCE | ACTION | DATE | STAFF DIRECTOR/ POLICY CHIEF | ANALYSIS PREPARED BY |
|---|---|---|---|---|
| Orig. Comm.: Government Operations Subcommittee | 18 Y, 0 N | 1/13/2026 | Toliver | Villa |
| Commerce Committee | | | Hamon | Bunnell |
| State Affairs Committee | | | | |

[14] S. 119.0715(5), F.S.

[15] Open Government Sunset Review Questionnaire, Trade Secrets Held by an Agency, responses on file with the Government Operations Subcommittee.

A bill to be entitled

An act relating to a review under the Open Government Sunset Review Act; amending s. 119.0715, F.S., which provides an exemption from public record requirements for a trade secret held by an agency; removing the scheduled repeal of the exemption; amending ss. 287.137, 288.075, 334.049, 408.185, 409.91196, 440.108, 497.172, 501.171, 501.1735, 501.2041, 501.722, 520.9965, 548.062, 559.5558, 569.215, 627.0628, and 1004.4472; removing references to trade secrets from public records exemptions; providing an effective date.

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

**Section 1. Subsection (5) of section 119.0715, Florida Statutes, is amended to read:**

119.0715 Trade secrets held by an agency.—

~~(5) OPEN GOVERNMENT SUNSET REVIEW.—This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2026, unless reviewed and saved from repeal through reenactment by the Legislature.~~

**Section 2. Paragraph (d) of subsection (8) of section 287.137, Florida Statutes, is amended to read:**

287.137 Antitrust violations; denial or revocation of the right to transact business with public entities; denial of economic benefits.—

(8)

(d) For purposes of this subsection, the term "proprietary business information" means information that:

1. Is owned or controlled by the business;

2. Is intended to be private and is treated by the business as private because disclosure would harm the business or its business operations;

3. Has not been disclosed except as required by law or a private agreement that provides that the information will not be released to the public;

4. Is not publicly available or otherwise readily ascertainable through proper means from another source in the same configuration as received by the Attorney General; and

5. Includes~~:~~

~~a. Trade secrets as defined in s. 688.002.~~

~~b.~~ competitive interests, the disclosure of which would impair the competitive advantage of the business that is the subject of the information.

**Section 3. Paragraph (c) of subsection (1) and subsection (3) of section 288.075, Florida Statutes, are amended to read:**

288.075 Confidentiality of records.—

(1) DEFINITIONS.—As used in this section, the term:

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

~~(3) TRADE SECRETS.—Trade secrets held by an economic development agency are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.~~

**Section 4. Subsection (4) of section 334.049, Florida Statutes, is amended to read:**

334.049 Patents, copyrights, trademarks; notice to Department of State~~; confidentiality of trade secrets~~.—

~~(4) Any information obtained by the department as a result of research and development projects and revealing a method of process, production, or manufacture which is a trade secret as defined in s. 688.002, is confidential and exempt from the provisions of s. 119.07(1).~~

**Section 5. Subsection (1) of section 408.185, Florida Statutes, is amended to read:**

408.185 Information submitted for review of antitrust issues; confidentiality.—The following information held by the Office of the Attorney General, which is submitted by a member of the health care community pursuant to a request for an antitrust no-action letter shall be confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution for 1 year after the date of submission.

~~(1) Documents that reveal trade secrets as defined in s. 688.002.~~

**Section 6. Subsection (1) of section 409.91196, Florida**

**Statutes, is amended to read:**

409.91196 Supplemental rebate agreements; public records and public meetings exemption.—

(1) The rebate amount, percent of rebate, manufacturer's pricing, and supplemental rebate~~, and other trade secrets as defined in s. 688.002 that the agency has identified for use in negotiations,~~ held by the Agency for Health Care Administration under s. 409.912(5)(a)7. are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

**Section 7. Paragraph (b) of subsection (2) of section 440.108, Florida Statutes, is amended to read:**

440.108 Investigatory records relating to workers' compensation employer compliance; confidentiality.—

(2) After an investigation is completed or ceases to be active, information in records relating to the investigation remains confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution if disclosure of that information would:

~~(b) Reveal a trade secret, as defined in s. 688.002;~~

**Section 8. Subsection (4) of section 497.172, Florida Statutes, is amended to read:**

497.172 Public records exemptions; public meetings exemptions.—

~~(4) TRADE SECRETS.—Trade secrets, as defined in s. 688.002, held by the department or board, are confidential and~~

~~exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.~~

**Section 9. Paragraph (d) of subsection (11) of section 501.171, Florida Statutes, is amended to read:**

501.171 Security of confidential personal information.—

(11) PUBLIC RECORDS EXEMPTION.—

(d) For purposes of this subsection, the term "proprietary information" means information that:

1. Is owned or controlled by the covered entity.

2. Is intended to be private and is treated by the covered entity as private because disclosure would harm the covered entity or its business operations.

3. Has not been disclosed except as required by law or a private agreement that provides that the information will not be released to the public.

4. Is not publicly available or otherwise readily ascertainable through proper means from another source in the same configuration as received by the department.

5. Includes~~:~~

~~a. Trade secrets as defined in s. 688.002.~~

~~b.~~ competitive interests, the disclosure of which would impair the competitive business of the covered entity who is the subject of the information.

**Section 10. Paragraph (d) of subsection (6) of section 501.1735, Florida Statutes, is amended to read:**

501.1735 Protection of children in online spaces; public records exemption.—

(6) PUBLIC RECORDS EXEMPTION.—

(d) For purposes of this section, the term "proprietary information" means information that:

1. Is owned or controlled by the online platform.

2. Is intended to be private and is treated by the online platform as private because disclosure would harm the online platform or its business operations.

3. Has not been disclosed except as required by law or a private agreement that provides that the information will not be released to the public.

4. Is not publicly available or otherwise readily ascertainable through proper means from another source in the same configuration as received by the department.

5. Includes~~:~~

~~a. Trade secrets as defined in s. 688.002.~~

~~b.~~ competitive interests, the disclosure of which would impair the competitive advantage of the online platform who is the subject of the information.

**Section 11. Paragraph (d) of subsection (10) of section 501.2041, Florida Statutes, is amended to read:**

501.2041 Unlawful acts and practices by social media platforms.—

(10)

(d) For purposes of this subsection, the term "proprietary business information" means information that:

1. Is owned or controlled by the business;

2. Is intended to be private and is treated by the business as private because disclosure would harm the business or its business operations;

3. Has not been disclosed except as required by law or a private agreement that provides that the information will not be released to the public;

4. Is not publicly available or otherwise readily ascertainable through proper means from another source in the same configuration as received by the department; and

5. Includes~~:~~

~~a. Trade secrets as defined in s. 688.002.~~

~~b.~~ competitive interests, the disclosure of which would impair the competitive advantage of the business that is the subject of the information.

**Section 12. Paragraph (e) of subsection (4) of section 501.722, Florida Statutes, is amended to read:**

501.722 Public records exemption.—

(4) For purposes of this section, the term "proprietary information" means information that:

(e) Includes~~:~~

~~1. Trade secrets as defined in s. 688.002.~~

~~2.~~ competitive interests, the disclosure of which would

impair the competitive advantage of the controller, processor, or third party who is the subject of the information.

**Section 13. Paragraph (b) of subsection (1) of section 520.9965, Florida Statutes, is amended to read:**

520.9965 Confidentiality of information relating to investigations and examinations.—

(1)

(b) Except as necessary for the office to enforce the provisions of this chapter, a consumer complaint and other information relative to an investigation or examination shall remain confidential and exempt from s. 119.07(1) after the investigation or examination is completed or ceases to be active to the extent disclosure would:

1. Jeopardize the integrity of another active investigation or examination.

2. Reveal the name, address, telephone number, social security number, or any other identifying number or information of any complainant, customer, or account holder.

3. Disclose the identity of a confidential source.

4. Disclose investigative techniques or procedures.

~~5. Reveal a trade secret as defined in s. 688.002.~~

**Section 14. Paragraph (e) of subsection (1) of section 548.062, Florida Statutes, is amended to read:**

548.062 Public records exemption.—

(1) As used in this section, the term "proprietary

confidential business information" means information that:

(e) Concerns any of the following:

1. The number of ticket sales for a match;

2. The amount of gross receipts after a match;

~~3. A trade secret, as defined in s. 688.002;~~

3.~~4.~~ Business plans;

4.~~5.~~ Internal auditing controls and reports of internal auditors; or

5.~~6.~~ Reports of external auditors.

**Section 15. Paragraph (b) of subsection (2) of section 559.5558, Florida Statutes, is amended to read:**

559.5558 Public records exemption; investigations and examinations.—

(2)

(b) Information made confidential and exempt pursuant to this section is no longer confidential and exempt once the investigation or examination is completed or ceases to be active unless disclosure of the information would:

1. Jeopardize the integrity of another active investigation or examination.

2. Reveal the personal identifying information of a consumer, unless the consumer is also the complainant. A complainant's personal identifying information is subject to disclosure after the investigation or examination is completed or ceases to be active. However, a complainant's personal

financial and health information remains confidential and exempt.

3. Reveal the identity of a confidential source.

4. Reveal investigative or examination techniques or procedures.

~~5. Reveal trade secrets, as defined in s. 688.002.~~

**Section 16. Paragraph (a) of subsection (2) of section 569.215, Florida Statutes, is amended to read:**

569.215 Confidential records relating to tobacco settlement agreement.—

(2) As used in this section, the term "proprietary confidential business information" means information, regardless of form or characteristics, which is owned or controlled by a tobacco company that is a signatory to the settlement agreement, as amended, in the case of State of Florida v. American Tobacco Company, No. 95-1466AH, in the Circuit Court of the Fifteenth Judicial Circuit, in and for Palm Beach County, is intended to be and is treated by a tobacco company as private in that the disclosure of the information would cause harm to the company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. The term includes, but is not limited to:

~~(a) Trade secrets as defined in s. 688.002.~~

**Section 17. Paragraph (g) of subsection (3) of section 627.0628, Florida Statutes, is amended to read:**

627.0628 Florida Commission on Hurricane Loss Projection Methodology; ~~public records exemption;~~ public meetings exemption.—

(3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

(g) ~~1. A trade secret, as defined in s. 688.002, which is used in designing and constructing a hurricane or flood loss model and which is provided pursuant to this section, by a private company, to the commission, office, or consumer advocate appointed pursuant to s. 627.0613 is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.~~

1.~~2.a.~~ That portion of a meeting of the commission or of a rate proceeding on an insurer's rate filing at which a trade secret, as defined in s. 688.002, which is used in designing and constructing a hurricane or flood loss model and which is provided pursuant to this section, by a private company, to the commission, office, or consumer advocate appointed pursuant to s. 627.0613 ~~made confidential and exempt by this paragraph~~ is discussed is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution. The closed meeting must be recorded, and no portion of the closed meeting may be off the record.

2.~~b.~~ The recording of a closed portion of a meeting is exempt from s. 119.07(1) and s. 24(a), Art. I of the State

Constitution.

**Section 18. Paragraph (a) of subsection (2) and subsection (4) of section 1004.4472, Florida Statutes, are amended to read:**

1004.4472 Florida Institute for Human and Machine Cognition, Inc.; public records exemption; public meetings exemption.—

(2) The following information held by the corporation or its subsidiary is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution:

(a) Material relating to methods of manufacture or production, potential trade secrets, patentable material, ~~actual trade secrets as defined in s. 688.002~~ or proprietary information received, generated, ascertained, or discovered during the course of research conducted by or through the corporation or a subsidiary, and business transactions resulting from such research.

(4) That portion of a meeting of the corporation or a subsidiary at which information is presented or discussed which is confidential and exempt pursuant to subsection (2) or s. 119.0715 is exempt from s. 286.011 and s. 24(b), Art. I of the State Constitution.

**Section 19.** This act shall take effect upon becoming a law.