

Commerce Committee

Tuesday, February 24, 2026
3:00 PM – 6:00 PM
Sumner Hall (404 HOB)

Meeting Packet

Daniel Perez
Speaker

James Buchanan
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Commerce Committee

Start Date and Time: Tuesday, February 24, 2026 03:00 PM

End Date and Time: Tuesday, February 24, 2026 06:00 PM

Location: Sumner Hall (404 HOB)

Duration: 3.00 hrs

Consideration of the following bill(s):

CS/HB 175 Payment Stablecoin by Insurance & Banking Subcommittee, Barnaby, Giallombardo
CS/HB 311 Tax Credits for Contributions to Assist Homebuyers by Ways & Means Committee, Edmonds
CS/HB 741 Department of Commerce by Housing, Agriculture & Tourism Subcommittee, Owen
CS/HB 839 Unlicensed Practice of Engineering by Industries & Professional Activities Subcommittee, Melo
CS/HB 883 Protected Cell Captive Insurance Companies by Insurance & Banking Subcommittee, Fabricio
CS/HB 943 Citizens Property Insurance Corporation by Insurance & Banking Subcommittee, Redondo
CS/CS/HB 951 One-cent Piece by Insurance & Banking Subcommittee, Ways & Means Committee, McFarland, Overdorf
CS/HB 989 Motor Vehicle Manufacturers, Importers, and Distributors and Franchised Motor Vehicle Dealers by Industries & Professional Activities Subcommittee, Yeager
CS/HB 1039 Establishment and Administration of a State Cryptocurrency Reserve by Insurance & Banking Subcommittee, Snyder, Weinberger
CS/HB 1075 Utilities by Intergovernmental Affairs Subcommittee, Sirois, Oliver
CS/CS/CS/HB 1093 Vertiports by Transportation & Economic Development Budget Subcommittee, Ways & Means Committee, Economic Infrastructure Subcommittee, Spencer, Alvarez, J.
CS/CS/HB 1177 Spaceport Operations and Space Florida by Transportation & Economic Development Budget Subcommittee, Ways & Means Committee, Sirois
HB 1217 Prohibited Governmental Policies Regulating Greenhouse Gas Emissions by Snyder, Jacques
CS/HB 1233 Transportation by Economic Infrastructure Subcommittee, Griffitts, Conerly
CS/HB 1311 Legal Tender by Insurance & Banking Subcommittee, Bankson
CS/HB 1387 State Economic Development Contracts by Housing, Agriculture & Tourism Subcommittee, Overdorf
CS/HB 1389 Affordable Housing by Housing, Agriculture & Tourism Subcommittee, Redondo
CS/HB 1415 Use of Digital Currency by the Department of Financial Services by Insurance & Banking Subcommittee, Holcomb, Giallombardo
CS/HB 1451 Utility Services by Economic Infrastructure Subcommittee, Busatta
CS/HB 1461 Advanced Nuclear Reactors by Economic Infrastructure Subcommittee, Miller, Gentry
CS/CS/HB 1481 Housing for Veterans by Intergovernmental Affairs Subcommittee, Housing, Agriculture & Tourism Subcommittee, Rosenwald, Daley
CS/CS/HB 1521 Domestic Animals by Budget Committee, Industries & Professional Activities Subcommittee, Weinberger

NOTICE FINALIZED on 02/20/2026 4:17PM 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.

BILL #: CS/HB 175	**COMPANION BILL:** CS/SB 314 (Burton)
TITLE: Payment Stablecoin	**LINKED BILLS:** None
SPONSOR(S): Barnaby and Giallombardo	**RELATED BILLS:** None

Committee References

Insurance & Banking
17 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:
The bill creates a regulatory framework for payment stablecoin issuers, pursuant to the federal Guiding and Establishing National Innovation for U.S. Stablecoins Act. The bill requires issuers to register with and obtain approval from the Office of Financial Regulation, as well as comply with prudential requirements. The bill requires the Office of Financial Regulation to certify to the federal Stablecoin Certification Review Committee that the state regulatory regime is substantially similar to the federal regulatory regime.

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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Payment Stablecoin

Effective January 1, 2027, the bill creates a state-level regulatory framework for payment stablecoin issuers, pursuant to the federal Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act")[1]. (Sections 1-12).

The bill defines "qualified payment stablecoin issuer" as an entity established under the laws of a state and approved by the Office of Financial Regulation ("OFR") to issue payment stablecoin. (Section 1).

The bill defines "payment stablecoin" as a digital asset[2] that:

- Is meant to be used for payments or settling transactions.
- The issuer of which:
  - Must be ready to convert or redeem it for a fixed amount of money.[3]
  - Represents, or creates a reasonable expectation that the value of the digital asset will remain stable against a fixed amount of money. (Section 1).

The bill provides that the term "payment stablecoin" does not include:

- A national currency.[4]

[1] 12. U.S.C. 5901et seq.
[2] The bill defines "digital asset" as any digital representation of value that is recorded on a cryptographically secured digital ledger.
[3] E.g. 1 United States Dollar for 1 stablecoin.
[4] Such as United States Dollars or other government-issued money.

- Deposits.[5]
- Securities.[6] (Section 1).

Money services businesses

Effective January 1, 2027, the bill expands the definition of money services business to include qualified payment stablecoin issuers, thereby incorporating payment stablecoin issuers into Florida's regulatory framework for money services businesses. However, unlike other money services businesses, the bill does not require licensure of payment stablecoin issuers and instead requires said issuers to apply for and obtain a registration from the OFR. (Sections 1-4).

The bill updates an existing prohibition on unlicensed activity for money services businesses to also cover operating as a payment stablecoin issuer without required registration. (Section 4).

The bill amends the Florida Control of Money Laundering in Money Services Business Act[7] to include payment stablecoins, requiring issuers to comply with its provisions and subjecting them to enforcement for violations. The bill also requires state qualified payment stablecoin issuers to comply with any anti-money laundering regulation provided in the GENIUS Act. (Section 3).

Registration requirements

Effective January 1, 2027, the bill creates part V of ch. 560, F.S., entitled "Payment Stablecoin Issuers" that establishes regulation of issuers of payment stablecoin. (Section 5).

The bill prohibits engaging in the activity of a qualified payment stablecoin issuer prior to applying for and obtaining an approval of registration from OFR. The bill requires OFR to provide the applicant with written notice of OFR's approval or denial of the application for registration. (Section 6).

Registration applications

Effective January 1, 2027, the bill requires applicants seeking registration as a qualified payment stablecoin issuer to submit an application to OFR that includes:

- The applicant's legal name, any fictitious or trade names, and physical and mailing addresses.
- The date and state of formation, if applicable.
- For each control person,[8] their name, identification number (such as social security number, alien identification number, or taxpayer identification number), business and residential addresses, and employment history for the past 5 years.
- A description of the applicant's organizational structure, including any parent or subsidiary entities and whether any are publicly traded.
- The name and mailing address of the registered agent in the state.
- An attestation that the applicant has documented and implemented blockchain analytics policies and procedures to prevent transfers to wallet addresses linked to known criminal activity, and that these controls are integrated into the applicant's compliance program.
- Any other information required by Florida statute or the Financial Services Commission ("Commission") rule. (Section 7).

[5] A deposit is money or funds held by a bank or savings association that the bank is obligated to repay to the customer. *See* 12 U.S.C. 1813(l).
[6] E.g. notes, stocks and bonds. S. 517.021, F.S., 15 U.S.C. 77b, 15 U.S.C. 78c, and 15 U.S.C. 80a-2.
[7] The Florida Control of Money Laundering in Money Services Businesses Act ("Act") requires money services businesses to maintain records of certain financial transactions and file reports with OFR. Money services businesses who violate the Act can face administrative penalties, fines, and criminal charges. S. 560.123, F.S.
[8] The term "control person" includes key employees of a money service business, such as a president, high ranking officers, and certain shareholders. *See* S. 560.103, F.S.

The bill requires applicants to provide any information needed to correct application deficiencies within a timeframe to be set by Commission rule. (Section 7).

Registrants must report any changes to the information in their initial application or application amendments within 30 days of the change taking effect. (Section 7).

Registrations must be renewed annually by December 31 of the year before expiration. To renew, a registrant must either submit updated application information if changes have occurred or an affidavit confirming that no information has changed since the prior year. (Section 7).

A renewal registration becomes effective on the date OFR approves the application for registration. If a registrant fails to submit a renewal application within 60 days after the registration becomes inactive, the registration expires. Once expired, the issuer must submit a new registration application and receive a new registration from OFR before conducting business in this state. (Section 7).

OFR may deny an initial or renewal application if a control person of the registrant or the registrant has engaged in unlawful business practices or has been convicted or found guilty of, or pled guilty or nolo contendere to crimes involving dishonest dealing, fraud, acts of moral turpitude, or other acts showing an inability to engage lawfully as a qualified payment stablecoin issuer. OFR must deny a renewal application that fails to comply with the application requirements for a new registration. (Section 7).

Any false statement in a registration application renders the registration void. A void registration does not provide a defense against prosecution for violations of ch. 560, F.S. (Section 7).

Financial institutions

Effective January 1, 2027, the bill creates a regulatory framework within Florida's financial institutions codes, allowing trust companies to issue payment stablecoin. The regulatory framework for trusts company payment stablecoin issuers is substantially similar to the regulation of money services business payment stablecoin issuers, such that the two types of issuers must comply with all of the same requirements except that trust companies are not required to register as issuers since they are already regulated under Florida's financial institutions codes.[9] (Section 12).

The bill provides that a qualified payment stablecoin issuer has the same meaning as it applies to money services businesses and also specifies that the term does not include an insured depository institution[10], an uninsured national bank, a federal branch of a foreign bank[11], or a subsidiary[12] of such entities.[13] (Section 12).

[9] Ch. 658, F.S.

[10] The bill defines "insured depository institution" as any bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation or a credit union insured by the National Credit Union Administration Board.

[11] The bill defines "federal branch of a foreign bank" as a branch of a foreign bank established and operating under 12 U.S.C. 3102.

[12] The bill defines "subsidiary" as a company that is owned or controlled directly or indirectly by another company and includes any service corporation owned in whole or in part by an insured depository institution or any subsidiary of such a service corporation.

[13] Because the definition of a state qualified payment stablecoin issuer in the GENIUS Act excludes insured depository institutions and all state banks and credit unions are insured, the bill does not include a state regulatory regime of banks or credit unions as issuers. Section 658.38, F.S., requires all state banks to maintain insurance from the Federal Deposit Insurance Corporation. Section 657.033, F.S., requires credit union to obtain and maintain insurance of accounts through the National Credit Union Administration.

Limitation on payment stablecoin activities

Effective January 1, 2027, the bill provides that unless licensed as a money services business or chartered as a financial institution, a qualified payment stablecoin issuer may engage only in the following activities:

- Issue payment stablecoins.
- Redeem payment stablecoins.
- Manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with federal law and the laws of this state.
- Undertake other activities that directly support any of the activities described above. (Section 8).

Minimum prudential requirements

Effective January 1, 2027, the bill requires payment stablecoin issuers to comply with the requirements of the GENIUS Act, including the following:

Reserve requirements

- Maintain identifiable reserves equal to at least 100% of outstanding payment stablecoins.
- Permissible reserves include:
  - U.S. coin or currency or funds held at a Federal Reserve Bank.
  - Demand deposits or insured shares at an insured depository institution, subject to federal limits.
  - U.S. treasury bills, notes, or bonds with maturities of 93 days or less.
  - Overnight repurchase or reverse repurchase agreements backed by short-term U.S. Treasuries, subject to federal standards and overcollateralization requirements.
  - Securities issued by a federally registered investment company or other registered government money market fund, and that are invested solely in permitted reserve assets.
  - Other similarly liquid federal government-issued asset approved by the primary federal payment stablecoin regulator, in consultation with OFR.
  - Certain permitted reserves in tokenized form, if compliant with applicable laws. (Sections 9 and 12).

Redemption Policies and Consumer Disclosures

- Publicly disclose a redemption policy with clear procedures for timely redemption of payment stablecoins.
- Clearly disclose all fees associated with purchasing or redeeming payment stablecoins.
  - Fee changes require at least seven days' prior notice to consumers. (Sections 9 and 12).

Restrictions on Use of Reserves

- Comply with federal prohibitions on pledging, rehypothecating[14], or reusing reserve assets, except as permitted for:
  - Satisfying margin obligations related to permitted reserve investments.
  - Satisfying obligations associated with custodial services.
  - Liquidity management to meet redemption demands, including limited use of Treasury-backed repurchase agreements, subject to clearance from a clearing agency or prior approval from OFR. (Sections 9 and 12).

Reserve transparency and reporting

- Publish a monthly reserve report on the issuer's website showing:
  - The total number of outstanding payment stablecoins.
  - The amount, composition, average maturity and custody location of reserve assets. (Sections 9 and 12).

[14] Rehypothecating occurs when an institution reuses required reserve assets that are meant to back customer obligations for the institution's own borrowing, lending, or investment purposes.

Audits, Certifications, and Supervision

- Retain a registered public accounting firm[15] to conduct a monthly examinations of reserve reports.
- Submit monthly certifications to OFR, signed by the issuer's chief executive officer and chief financial officer, attesting to the accuracy of reserve reports.
- Comply with federal and state requirements relating to capital, liquidity, and risk management.
- Use only custodians or safekeepers that comply with the GENIUS Act.
- Comply with all other federal requirements and implementing regulations under the GENIUS Act. (Sections 9 and 12).

The bill prohibits payment stablecoin issuers from engaging in the following conduct:

Anti-competitive and Tying Practices

- Conditioning access to payment stablecoin services on the purchase of unrelated products or services, or on agreements not to use competitors' products, unless authorized by federal law. (Sections 9 and 12).

Deceptive Naming and Marketing

- Using names or marketing that imply association with or endorsement by the U.S. Government.
- Marketing payment stablecoins in a way that would lead a reasonable person to believe they are U.S. legal tender or government-backed. (Sections 9 and 12).

Interest or Yield Payments

- Paying interest or other yield solely for holding or using a payment stablecoin, unless expressly authorized by federal law. (Sections 9 and 12).

Exemptions

Effective January 1, 2027, the bill exempts licensed money services businesses such as payment instrument sellers, foreign currency exchangers, check cashers, or money transmitters from registering as a qualified payment stablecoin issuer, as long as their total outstanding stablecoin issuance does not exceed $10 billion. However, these licensees still must comply with the bill's other requirements for qualified payment stablecoin issuers. (Section 6).

The bill exempts trust companies that issue payment stablecoins with a consolidated total outstanding issuance of $10 billion or less from registration as a qualified payment stablecoin issuer but does require such company to comply with the bill's other provisions for qualified payment stablecoin issuers. (Section 12).

The bill also exempts the following transactions from its provisions:

- Direct transfers of payment stablecoins between two individuals acting on their own behalf, for lawful purposes, without an intermediary.
- Transfers between an account in the U.S. and an account that is abroad as long as both accounts are owned by the same individual and under the same parent company.
- Transactions using software or hardware wallets that facilitates an individual's own custody of payment stablecoins. (Sections 6 and 12).

Transition to federal oversight

Effective January 1, 2027, the bill requires state regulated payment stablecoin issuers to comply with the GENIUS Act's requirement for state regulated issuers to have a total outstanding issuance not exceeding $10 billion. The bill

[15] "Registered public accounting firm" means a public accounting firm registered with the Public Company Accounting Oversight Board.

provides that unless a federal waiver is granted, a payment stablecoin issuer whose total outstanding payment stablecoin issuance reaches $10 billion must do one of the following:

- Within 360 days of reaching the threshold, transition to the applicable federal regulatory framework jointly administered by OFR and the U.S. Office of the Comptroller of the Currency; or
- Stop issuing new payment stablecoins once the threshold is reached until total issuance falls below $10 billion. (Sections 6 and 12).

If a federal waiver is obtained under the GENIUS Act, the issuer remains subject to state regulation, with OFR retaining sole responsibility for supervision, unless supervision is shared jointly[16] with the U.S. Office of the Comptroller of the Currency. (Sections 6 and 12).

The bill also allows OFR to enter into agreements with the appropriate federal regulator for joint supervision of qualified payment stablecoin issuers. (Sections 6 and 12).

State certification

Effective upon becoming law, the bill provides that within 20 days after the federal Stablecoin Certification Review Committee ("Committee") begins accepting certifications, or within 20 days after the bill becomes a law (whichever is later), OFR must submit an initial certification to the Committee, as is required by the GENIUS Act in for the state to regulate payment stablecoin issuers.[17] (Section 10)

The initial certification must attest that the state regulatory regime for payment stablecoins is substantially similar to the requirements of the GENIUS Act. (Section 10)

The bill requires OFR to comply with the requirements of the GENIUS Act and submit annual follow-up certifications confirming the continued accuracy of the initial submission by the annual deadline set by the U.S. Secretary of the Treasury. (Sections 10 and 12).

Effective date

Except as otherwise provided, the bill provides an effective date of January 1, 2027. (Section 13).

RULEMAKING:

The bill requires the Commission to adopt rules to administer the payment stablecoin framework. The bill also requires the Commission to adopt rules relating to capital, liquidity, and risk management which are consistent with the GENIUS Act. The bill permits the Commission to adopt rules establishing standards for the conduct, supervision, examination, and regulation of qualified payment stablecoin issuers, including requirements relating to reserves, customer-asset protection, reporting, and compliance, in order to meet the minimum requirements established by the Stablecoin Certification Review Committee.

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:

The bill may have an indeterminate fiscal impact on the state government, to the extent that OFR incurs costs to promulgate rules and enforce the bill's provisions.

[16] 12 U.S.C. 5901.
[17] 12 U.S.C. 5901.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector, to the extent that stablecoin issuers incur costs to comply with the bill's requirements. The bill may also lead to an expansion of the stablecoin market in Florida.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Virtual currency

Virtual currency is a digital asset that functions as a medium of exchange but lacks legal tender status.[18] In some environments, virtual currency operates like "real" currency[19] (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).[20] 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. [21]

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).[22] 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.[23] 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.[24] Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric "public keys" rather than by personal names.[25] Virtual currency wallets are interfaces that store and transfer virtual currency.[26]

Stablecoin

Stablecoins are a type of virtual currency designed to maintain a stable value by pegging the value to a national currency or other assets.[27] As of February 2026, the total market cap for stablecoins is approximately $296 billion.[28] The top three stablecoins in terms of market cap are Tether (USDT), USDC (USDC), and USDS (USDS).[29]

The GENIUS Act

On July 18, 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 ("GENIUS Act") was signed into law, establishing the first regulatory framework for payment stablecoin issuers.[30]

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[18] S. 560.103(36), F.S.
[19] Often referred to as "fiat" currency.
[20] IRS, *Digital assets*, https://www.irs.gov/filing/digital-assets (last visited Feb. 5, 2026).
[21] *Id.*
[22] 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 Feb. 5, 2026).
[23] *Id.*
[24] *Id.*
[25] *Id.*
[26] 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 Feb. 5, 2026).
[27] Congressional Research Service, *Stablecoins: Background and Policy Issues*, https://www.congress.gov/crs-product/IF11968. (last visited Feb. 5, 2026).
[28] Forbes, *Top Stablecoins Coins Today by Market Cap,* https://www.forbes.com/digital-assets/categories/stablecoins/ (last visited Feb. 6, 2026).
[29] *Id.*
[30] 12. U.S.C. ss. 5901-5916.

The GENIUS Act takes effect on the earlier of January 18, 2027 or 120 days after the specified federal payment stablecoin regulators issue any final implementing regulations.[31]

The GENIUS Act defines "payment stablecoin" as a digital asset[32] meeting the following requirements:

- Is meant to be used for payments or settling transactions.
- The issuer of which:
  - Must be ready to convert or redeem it for a fixed amount of money.[33]
  - Represents, or creates a reasonable expectation that the value of the digital asset will remain stable against a fixed amount of money.[34]

Under the GENIUS Act, only permitted payment stablecoin issuers ("PPSIs") may issue a payment stablecoin in the United States.[35] Beginning July 18, 2028, it will be unlawful for digital asset service providers to offer or sell a payment stablecoin in the United States, unless the provider is a PPSI or a foreign payment stablecoin issuer meeting certain conditions.[36]

The GENIUS Act establishes three types of PPSIs, all of which must be formed in the United States:

- a subsidiary of an insured depository institution;[37]
- a federal qualified payment stablecoin issuer; or
- a state qualified stablecoin issuer.[38]

PPSIs must comply with various requirements under the GENIUS Act, such as:

- Maintaining identifiable reserves backing the outstanding payment stablecoins on at least a one- to-one basis comprising on specified types of reserves, such as U.S. coin and currency.[39]
- Publishing the monthly composition of the issuer's reserve on its website, including the average maturity and custody location of each reserve category.
- Having monthly reserve reports examined by a registered public accounting firm and attested to by the issuer's chief executive officer and chief financial officer.[40]
- Publicly disclosing the issuer's redemption policy which must establish clear procedures for timely redemption of payment stablecoins and clearly disclosing all fees[41] associated with purchasing or redeeming payment stablecoins.[42]
- Not engaging in tying practices that condition access to payment stablecoin services on the purchase of unrelated products or services, or on agreements not to use competitors' products, unless authorized by federal law.

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[31] S.1582 - 119th Congress (2025-2026): GENIUS Act, S.1582, 119th Cong. (2025), https://www.congress.gov/bill/119th-congress/senate-bill/1582, (last visited Feb. 5, 2026).
[32] The GENIUS Act defines "digital asset" as any digital representation of value that is recorded on a cryptographically secured distributed ledger.
[33] E.g. 1 United States Dollar for 1 stablecoin.
[34] 12 U.S.C. 5901. A payment stablecoin does not include a national currency, deposits as defined in 12 U.S.C. 1813 or securities.
[35] 12 U.S.C. 5902.
[36] *Id.*
[37] A "subsidiary" is any company which is owned or controlled directly or indirectly by another company. The term includes any service corporation owned in whole or in part by an insured depository institution or any subsidiary of such a service corporation. An "insured depository institution" is any bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation pursuant to this chapter. *See* 12 U.S.C. 5901 and 12 U.S.C. 1813.
[38] The term "state qualified payment stablecoin issuer" means an entity that is legally established under the laws of a state and approved to issue payment stablecoins by a state payment stablecoin regulator.
[39] 12 U.S.C. 5903(a)(2) prohibits the required reserves from being pledged, rehypothecated, or reused by the permitted payment stablecoin issuer except for as provided in the GENIUS Act.
[40] 12 U.S.C. 5903.
[41] Fee changes require at least seven days' prior notice to consumers.
[42] 12 U.S.C. 5903.

- Not using deceptive names or marketing that imply association with or endorsement by the U.S. Government.
- Not paying interest or other yield solely for holding or using a payment stablecoin.[43]

The GENIUS Act creates a tiered oversight model between federal and state authorities. The GENIUS Act permits states to regulate certain payment stablecoin issuers[44] if:

- The state has a regulatory regime that is substantially similar to the federal regime.
- The state stablecoin regulation submits a certification to the Stablecoin Certification Review Committee ("Committee") attesting that the state-level regulatory regime meets the criteria for substantial similarity.
    - The Committee is comprised of the Secretary of the Treasury, who serves as the Chair, as well as the Chair of the Board of Governors of the Federal Reserve System and the Chair of the Federal Deposit Insurance Corporation.
    - The GENIUS Act requires the Committee to approve or deny a state certification within 30 days after receipt. If the Committee denies the certification, the denial must contain detailed information describing the reasons for the denial. If denied, a state is permitted to resubmit the certification after making any necessary changes.
- The state submits additional certifications to the Committee confirming the accuracy of the initial certification.[45]

A state issuer that has consolidated total outstanding issuance of less than $10 billion may choose to be regulated under a state-level regulatory regime. A state issuer that reaches the $10 billion threshold must either comply with a specified transition to the federal regulatory framework or cease issuing new payment stablecoins until the consolidated total outstanding issuance is below $10 billion.

The federal regulator may issue a waiver to allow a state issuer who exceeds the $10 billion threshold to remain supervised solely by the state regulator. If a state complies with certain requirements, such as establishing a regulatory regime for the supervision of digital assets or payment stablecoins before the 90-day period ending on the date of the enactment of the Act, then the state issuer is presumptively approved for a waiver.[46]

The GENIUS Act requires designated federal regulators[47] to implement rules and regulations for implementing the GENIUS Act, including rules establishing principles for determining whether a state-level regulatory regime is substantially similar to the federal regulatory framework.[48] As of February 2026, said rules and regulations have not been implemented.

State law

The Financial Services Commission ("Commission") is an executive agency within the Department of Financial Services and is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.[49] 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.[50]

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[43] *Id.*

[44] The GENIUS Act provides that a state qualified payment stablecoin issuer means an entity that (A) is legally established under the laws of a State and approved to issue payment stablecoins by a state payment stablecoin regulator; and (B) is not an uninsured national bank chartered by the Comptroller pursuant to title LXII of the Revised Statutes, a Federal branch, an insured depository institution, or a subsidiary of such national bank, Federal branch, or insured depository institution. 12 U.S.C. 5901.

[45] 12 U.S.C. 5901.

[46] 12 U.S.C. 5903(d).

[47] The federal regulators include the U.S. Treasury, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

[48] 12 U.S.C. 5903.

[49] S. 20.121(3), F.S.

[50] S. 20.121(3)(a)2., F.S.

The Division of Consumer Finance within OFR licenses and regulates various aspects of the non-depository financial services industries, including money services businesses.[51]

The Bureau of Bank Regulation, which is within OFR's Division of Financial Institutions, examines and regulates state-chartered commercial banks, as well as trust companies, trust departments, and international bank offices.[52] Florida has dual oversight of the banking system, such that financial institutions are regulated by both state and federal agencies.[53]

Money services businesses

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."[54] Money services businesses must be licensed with OFR.[55]

Trust companies

In Florida, the Florida Financial Institutions Codes govern all state-authorized and state-chartered banks, trust companies, and related entities.[56] A trust company is a financial institution other than a bank or state or federal association, that is authorized by lawful authority to act as a fiduciary.[57] To create a trust company, persons must apply for and obtain approval from OFR.[58]

[51] Office of Financial Regulation, *Division of Consumer Finance*, Division of Consumer Finance (last visited Feb. 5, 2026).
[52] Office of Financial Regulation, *Division of Financial Institutions*, Division of Financial Institutions (last visited Feb. 5, 2026).
[53] *Id.*
[54] S. 560.103(23), F.S.
[55] S. 560.125, F.S.
[56] Section 655.005(1)(k), F.S., states that the Financial Institutions Codes includes: Ch. 655, F.S., financial institutions generally; Ch. 657, F.S., credit unions; Ch. 658, F.S., banks and trust companies; Ch. 660, F.S., trust business; Ch. 662, F.S., family trust companies; Ch. 663, F.S., international banking; Ch. 665, F.S., relating to associations; and Ch. 667, F.S., savings banks.
[57] S. 658.12, F.S.
[58] S. 658.19, F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	17 Y, 0 N, As CS	2/11/2026	Brackett	Highsmith
THE CHANGES ADOPTED BY THE COMMITTEE:	• Created a regulatory framework for payment stablecoin issuers. • Expanded the definition of money services businesses to include payment stablecoin issuers, thereby subjecting such issuers to existing regulatory and enforcement provisions for money services businesses. • Required payment stablecoin issuers to obtain a registration from OFR. • Exempted licensed money services businesses and trust companies with a total outstanding issuance of less than $10 billion from registering as a payment stablecoin issuer. • Created requirements for payment stablecoin issuers relating to reserve assets, redemption policies, public disclosures, and reporting. • Required payment stablecoin issuers who exceed $10 billion in total outstanding issuance to transition to federal regulation. • Prohibited conduct such as tying arrangements, deceptive names, and paying interest or yield solely in connection with stablecoins. • Required OFR to submit a certification to the federal Stablecoin Certification Review Committee within a specified timeframe. • Required the Commission to adopt rules to administer the payment stablecoin framework. • Required the Commission to adopt rules relating to capital, liquidity, and risk management which are consistent with the GENIUS Act. • Permitted the Commission to adopt rules establishing standards for the conduct, supervision, examination, and regulation of qualified payment stablecoin issuers.			
Commerce Committee			Hamon	Highsmith

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

A bill to be entitled

An act relating to payment stablecoin; amending s. 560.103, F.S.; revising the definition of the term "money services business"; defining terms; amending s. 560.114, F.S.; revising the actions by a money services business which constitute grounds for disciplinary actions; amending s. 560.123, F.S.; revising the Florida Control of Money Laundering in Money Services Business Act to include payment stablecoins; requiring certain payment stablecoin issuers to comply with certain regulations; amending s. 560.125, F.S.; revising the prohibition regarding the business of money services businesses or deferred presentment providers; revising the circumstances relating to violations of certain provisions; creating part V of ch. 560, F.S., entitled "Payment Stablecoin Issuers"; creating s. 560.501, F.S.; prohibiting persons from engaging in the activity of a qualified payment stablecoin issuer without registering and receiving a specified notification; providing that certain money services businesses are exempt from registration requirements; specifying that certain payment stablecoins are not a security and are not subject to certain requirements; specifying that certain transactions are not regulated under certain

provisions; requiring qualified payment stablecoin issuers with consolidated total outstanding payment stablecoin issuance that reaches a specified threshold to comply with certain requirements; specifying that qualified payment stablecoin issuers are subject to certain provisions under certain circumstances; specifying that the Office of Financial Regulation remains solely responsible for supervising qualified payment stablecoin issuers or is jointly responsible with the Office of the Comptroller of the Currency for such supervision under certain circumstances; creating s. 560.502, F.S.; requiring applicants seeking to be qualified payment stablecoin issuers to submit a specified application to the office; requiring applicants to resolve deficiencies found in their applications within a certain timeframe; requiring registrants to report changes in their information within a specified timeframe; requiring registrants to renew registration annually; requiring registrants to renew registration in a specified manner; specifying that the renewal registration becomes effective on a certain date; requiring the office to approve renewal registration within a specified timeframe; specifying that failure to submit an application within a specified timeframe results in the registration

becoming expired; requiring a qualified payment stablecoin issuer with an expired registration to submit a new application to the office; providing that the office must issue a certification of registration before the qualified payment stablecoin issuer may conduct business in this state; authorizing the office to deny the prospective registrant's initial registration and registrant's renewal application under certain circumstances; requiring the office to deny the application of qualified payment stablecoin issuers under certain circumstances; specifying that any false statement in the application renders the registration void; providing construction; prohibiting registration and registration renewal fees; creating s. 560.503, F.S.; specifying that qualified payment stablecoin issuers may engage only in certain activities; creating s. 560.504, F.S.; requiring qualified payment stablecoin issuers to comply with certain requirements; prohibiting qualified payment stablecoin issuers from engaging in certain conduct; creating s. 560.505, F.S.; requiring the office to submit initial and additional certifications to a specified committee under certain circumstances; requiring the office to comply with certain requirements; creating s. 560.506, F.S.; requiring and

authorizing the Financial Services Commission to adopt specified rules; creating s. 658.997, F.S.; defining terms; specifying that certain trust companies are exempt from registration as qualified payment stablecoin issuers but are subject to certain provisions; specifying that certain payment stablecoins are not securities and are not subject to certain requirements; specifying that certain transactions are not regulated by certain provisions; requiring qualified payment stablecoin issuers with consolidated total outstanding payment stablecoin issuance that reaches a specified threshold to comply with certain requirements; specifying that qualified payment stablecoin issuers remain subject to certain provisions under certain circumstances; authorizing the office to enter into an agreement with specified regulators for joint supervision of qualified payment stablecoin issuers; specifying that the office remains solely responsible for supervising qualified payment stablecoin issuers or is jointly responsible with the Office of the Comptroller of the Currency for such supervision under certain circumstances; specifying that qualified payment stablecoin issuers may engage only in certain activities; requiring qualified payment stablecoin issuers to comply with certain

requirements; defining the term "registered public accounting firm"; prohibiting qualified payment stablecoin issuers from engaging in certain conduct; requiring that the office's initial certification and annual recertification include certain information; providing for certain rule adoption by the commission; providing effective dates.

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

Section 1. Present subsections (33), (34), and (35) and (36) through (39) of section 560.103, Florida Statutes, as amended by chapter 2025-100, Laws of Florida, are redesignated as subsections (34), (35), and (36) and (38) through (41), respectively, new subsections (33) and (37) are added to that section, and subsection (25) of that section is amended, to read:

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

(25) "Money services business" means 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, or qualified payment stablecoin issuer.

(33)(a) "Payment stablecoin" means a digital asset that

is, or is designed to be, used as a means of payment or settlement, and the issuer of which:

1. Is obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

2. Represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.

(b) The term does not include a digital asset that is any of the following:

1. A national currency. For purposes of this subparagraph, the term "national currency" means each of the following:

a. A Federal Reserve note as the term is used in the first undesignated paragraph of s. 16 of the Federal Reserve Act, 12 U.S.C. s. 411.

b. Money standing to the credit of an account with a Federal Reserve Bank.

c. Money issued by a foreign central bank.

d. Money issued by an intergovernmental organization pursuant to an agreement by two or more governments.

2. A deposit as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, including a deposit recorded using distributed ledger technology. For purposes of this subparagraph, the term "distributed ledger" means technology in

which data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

3. A security, as defined in s. 517.021; s. 2 of the Securities Act of 1933, 15 U.S.C. s. 77b; s. 3 of the Securities and Exchange Act of 1934, 15 U.S.C. s. 78c; or s. 2 of the Investment Company Act of 1940, 15 U.S.C. s. 80a-2.

(c) As used in this subsection, the term "digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger.

(37) "Qualified payment stablecoin issuer" means an entity legally established under the laws of a state and registered with the office to issue payment stablecoins.

Section 2. Paragraph (w) of subsection (1) of section 560.114, Florida Statutes, is amended to read:

560.114 Disciplinary actions; penalties.—

(1) The following actions by a money services business, authorized vendor, or affiliated party constitute grounds for the issuance of a cease and desist order; the issuance of a removal order; the denial, suspension, or revocation of a license; or taking any other action within the authority of the office pursuant to this chapter:

(w) Engaging or advertising engagement in the business of

a money services business or deferred presentment provider without a license or registration, unless exempted from licensure or registration.

Section 3. Present subsection (9) of section 560.123, Florida Statutes, is redesignated as subsection (10), a new subsection (9) is added to that section, and subsections (2), (3), and (8) of that section are amended, to read:

560.123 Florida Control of Money Laundering in Money Services Business Act.—

(2) The purpose of this section is to require the maintenance of certain records of transactions involving currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins in order to deter the use of a money services business to conceal proceeds from criminal activity and to ensure the availability of such records for criminal, tax, or regulatory investigations or proceedings.

(3) A money services business shall keep a record, as prescribed by the commission, of each financial transaction occurring in this state which it knows to involve currency, monetary value, a payment instrument, ~~or~~ virtual currency, or a payment stablecoin having a value greater than $10,000; to involve the proceeds of specified unlawful activity; or to be designed to evade the reporting requirements of this section or chapter 896. The money services business must maintain appropriate procedures to ensure compliance with this section

and chapter 896.

(a) Multiple financial transactions shall be treated as a single transaction if the money services business has knowledge that they are made by or on behalf of any one person and result in value in or value out totaling a value of more than $10,000 during any day.

(b) A money services business may keep a record of any financial transaction occurring in this state, regardless of the value, if it suspects that the transaction involves the proceeds of unlawful activity.

(c) The money services business must file a report with the office of any records required by this subsection, at such time and containing such information as required by rule. The timely filing of the report required by 31 U.S.C. s. 5313 with the appropriate federal agency shall be deemed compliance with the reporting requirements of this subsection unless the reports are not regularly and comprehensively transmitted by the federal agency to the office.

(d) A money services business, or control person, employee, or agent thereof, that files a report in good faith pursuant to this section is not liable to any person for loss or damage caused in whole or in part by the making, filing, or governmental use of the report, or any information contained therein.

(8)(a) Except as provided in paragraph (b), a person who

willfully violates any provision of this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(b) A person who willfully violates any provision of this section, if the violation involves:

1. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value exceeding $300 but less than $20,000 in any 12-month period, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

2. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value totaling or exceeding $20,000 but less than $100,000 in any 12-month period, commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

3. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value totaling or exceeding $100,000 in any 12-month period, commits a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(c) In addition to the penalties authorized by s. 775.082, s. 775.083, or s. 775.084, a person who has been convicted of, or entered a plea of guilty or nolo contendere, regardless of adjudication, to having violated paragraph (b) may be sentenced to pay a fine of up to the greater of $250,000 or twice the

value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins, except that on a second or subsequent conviction for or plea of guilty or nolo contendere, regardless of adjudication, to a violation of paragraph (b), the fine may be up to the greater of $500,000 or quintuple the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins.

(d) A person who violates this section is also liable for a civil penalty of up to the greater of the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins involved or $25,000.

(9) A state qualified payment stablecoin issuer must comply with any anti-money laundering regulation provided in the GENIUS Act under Pub. L. No. 119-27, which includes, but is not limited to, provisions relating to economic sanctions, prevention of money laundering, customer identification, and due diligence in the Bank Secrecy Act; s. 21 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813; chapter 2 of Title I of Pub. L. No. 91-508; and subchapter II of chapter 53 of Title 31, United States Code.

Section 4. Subsection (1), paragraph (a) of subsection (5), and subsection (6) of section 560.125, Florida Statutes, are amended to read:

560.125 Unlicensed activity; penalties.—

(1) A person may not engage in the business of a money

services business or deferred presentment provider in this state unless the person is licensed, registered, or exempted from licensure or registration under this chapter. A deferred presentment transaction conducted by a person not authorized to conduct such transaction under this chapter is void, and the unauthorized person has no right to collect, receive, or retain any principal, interest, or charges relating to such transaction.

(5) A person who violates this section, if the violation involves:

(a) Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value exceeding $300 but less than $20,000 in any 12-month period, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(6) In addition to the penalties authorized by s. 775.082, s. 775.083, or s. 775.084, a person who has been convicted of, or entered a plea of guilty or nolo contendere to, having violated this section may be sentenced to pay a fine of up to the greater of $250,000 or twice the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins, except that on a second or subsequent violation of this section the fine may be up to the greater of $500,000 or quintuple the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment

stablecoins.

Section 5. Part V of chapter 560, Florida Statutes, consisting of ss. 560.501-560.506, Florida Statutes, is created and entitled "Payment Stablecoin Issuers."

Section 6. Section 560.501, Florida Statutes, is created to read:

560.501 Registration required; exemptions; transition to federal oversight.—

(1) REGISTRATION REQUIREMENT.—Unless exempted, a person may not engage in the activity of a qualified payment stablecoin issuer as authorized in s. 560.503 in this state without first registering, or renewing registration, with the office in accordance with s. 560.502 and receiving notification from the office that such person is approved as a qualified payment stablecoin issuer. The office shall give written notice to such person that the agency has approved or denied the application for registration.

(2) EXEMPTIONS.—

(a) A payment instrument seller, foreign currency exchanger, check casher, or money transmitter that is licensed as a money services business pursuant to s. 560.141 and issues payment stablecoins with a consolidated total outstanding issuance of $10 billion or less is exempt from registration as a qualified payment stablecoin issuer but is subject to ss. 560.503 and 560.504.

(b) A payment stablecoin that meets the requirements of this part is not a security and is not subject to the requirements of chapter 517.

(c) The following transactions are not regulated under this part:

1. The direct transfer of payment stablecoin between two individuals acting on their own behalf and for their own lawful purposes, without the involvement of an intermediary.

2. Any transaction involving the receipt of payment stablecoins by an individual between an account owned by the individual in the United States and an account owned by the individual abroad which are offered by the same parent company.

3. Any transaction by means of a software or hardware wallet that facilitates an individual's own custody of payment stablecoins.

(3) TRANSITION TO FEDERAL OVERSIGHT.—

(a) Unless a federal waiver is obtained, a qualified payment stablecoin issuer with a consolidated total outstanding payment stablecoin issuance that reaches the $10 billion threshold must comply with one of the following requirements:

1. Not later than 360 days after the payment stablecoin issuance reaches such threshold, transition to the applicable federal regulatory framework administered jointly by the office and the Office of the Comptroller of the Currency; or

2. Beginning on the date the payment stablecoin issuance

reaches such threshold, cease issuing new payment stablecoins until the payment stablecoin falls below the $10 billion consolidated total outstanding issuance threshold.

(b) A qualified payment stablecoin issuer remains subject to this part if a federal waiver of the transition requirements in paragraph (a) is obtained pursuant to the GENIUS Act, Pub. L. No. 119-27, and the office remains solely responsible for supervising the qualified payment stablecoin issuer, or if the office is jointly responsible with the Office of the Comptroller of the Currency to supervise the qualified payment stablecoin issuer pursuant to subparagraph (a)1. The office may enter into an agreement with the relevant primary federal payment stablecoin regulator for the joint supervision of any qualified payment stablecoin issuer.

Section 7. Section 560.502, Florida Statutes, is created to read:

560.502 Registration applications.—

(1) To apply to be a qualified payment stablecoin issuer under this part, the applicant must submit a completed registration application on forms prescribed by rule of the commission. The application must include the following information:

(a) The legal name of the applicant, including any fictitious or trade names used by the applicant in the conduct of its business, and the physical and mailing addresses of the

applicant.

(b) The date of the applicant's formation and the state in which the applicant was formed, if applicable.

(c) The name, social security number, alien identification number or taxpayer identification number, business and residence addresses, and employment history for the past 5 years for each control person.

(d) A description of the organizational structure of the applicant, including the identity of any parent or subsidiary of the applicant, and a disclosure of whether any parent or subsidiary is publicly traded.

(e) The name and mailing address of the registered agent in this state for service of process.

(f) An attestation that the applicant has developed clearly documented policies, processes, and procedures regarding the use of blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity, including the manner in which such blockchain analytics activity will integrate into its compliance controls, and that the applicant will maintain and comply with such blockchain analytics policies, processes, and procedures.

(g) Any other information as required by this chapter or commission rule.

(2) Any information needed to resolve deficiencies found in the application must be provided within a time period

prescribed by rule of the commission.

(3) A registrant shall report, on a form prescribed by rule of the commission, any change in the information contained in an initial application form or an amendment thereto within 30 days after the change is effective.

(4) A registrant must renew its registration annually on or before December 31 of the year preceding the expiration date of the registration. To renew such registration, the registrant must submit a renewal application that provides the information required in subsection (1) if there are changes in the application information, or an affidavit signed by the registrant that the information remains the same as the prior year's information.

(5) Any renewal registration made pursuant to this section becomes effective upon the date the office approves the application for registration. The office shall approve the renewal registration within a timeframe prescribed by rule.

(6) Failure to submit an application to renew a qualified payment stablecoin issuer's registration within 60 days after the registration becomes inactive will result in the registration becoming expired. If the registration is expired, a new application to register the qualified payment stablecoin issuer pursuant to subsection (1) must be submitted to the office, and a new registration must be issued by the office before the qualified payment stablecoin issuer may conduct

business in this state.

(7) If a control person of a registrant or prospective registrant has engaged in any unlawful business practice, or has been convicted or found guilty of, or pled guilty or nolo contendere to, regardless of adjudication, a crime involving dishonest dealing, fraud, acts of moral turpitude, or other acts that reflect an inability to engage lawfully in the business of a registered qualified payment stablecoin issuer, the office may deny the prospective registrant's initial registration application or the registrant's renewal application.

(8) The office shall deny the application of a qualified payment stablecoin issuer that submits a renewal application that fails to comply with subsection (1).

(9) Any false statement made by a qualified payment stablecoin issuer in an application for registration under this section renders the registration void. A void registration may not be construed as creating a defense to any prosecution for violation of this chapter.

(10) The office may not charge any registration or registration renewal fees and also may not charge any application fees to register or renew a registration.

Section 8. Section 560.503, Florida Statutes, is created to read:

560.503 Limitation on payment stablecoin activities.—Unless licensed under this chapter or chapter 655 to conduct

other financial business activities, a qualified payment stablecoin issuer may engage only in the following activities:

(1) Issue payment stablecoins.

(2) Redeem payment stablecoins.

(3) Manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with federal law and the laws of this state.

(4) Undertake other activities that directly support any of the activities described in this section.

Section 9. Section 560.504, Florida Statutes, is created to read:

560.504 Minimum prudential requirements.—

(1) In accordance with the GENIUS Act, Pub. L. No. 119-27, a qualified payment stablecoin issuer must comply with all of the following requirements:

(a) Maintain identifiable reserves backing the outstanding payment stablecoins of the qualified payment stablecoin issuer on at least a one-to-one basis, with reserves consisting of any of the following:

1. United States coin or currency or money standing to the credit of an account with a Federal Reserve Bank.

2. Funds held as demand deposits or insured shares at an insured depository institution, subject to limitations established by the Federal Deposit Insurance Corporation and the

National Credit Union Administration.

3. United States Treasury bills, notes, or bonds with a remaining maturity or issued with a maturity of 93 days or less.

4. Money received under repurchase agreements, with the qualified payment stablecoin issuer acting as a seller of securities and with an overnight maturity, which are backed by United States Treasury bills with a maturity of 93 days or less.

5. Reverse purchase agreements, with the qualified payment stablecoin issuer acting as a purchaser of securities and with an overnight maturity, which are collateralized by United States Treasury bills, notes, or bonds on an overnight basis, subject to overcollateralization in line with standard market terms that meet federal requirements in the GENIUS Act, Pub. L. No. 119-27.

6. Securities that are issued by an investment company registered under s. 8(a) of the Investment Company Act of 1940, 15 U.S.C. s. 80a-8(a), or other registered government money market fund, and that are invested solely in underlying assets described in subparagraphs 1.-5.

7. Any other similarly liquid Federal Government-issued asset approved by the primary federal payment stablecoin regulator, in consultation with the office.

8. Any reserve described in subparagraphs 1.-3. or subparagraph 6. or subparagraph 7. in tokenized form, provided that such reserves comply with all applicable laws and regulations.

(b) Publicly disclose the issuer's redemption policy, which must comply with all of the following requirements:

1. Establish clear and conspicuous procedures for timely redemption of outstanding payment stablecoins.

2. Publicly, clearly, and conspicuously disclose in plain language all fees associated with purchasing or redeeming the payment stablecoins, provided that such fees can be changed only upon not less than 7 days' prior notice to consumers.

(c) Publish on the issuer's website a monthly reserve composition of the issuer's reserve which must contain all of the following information:

1. The total number of outstanding payment stablecoins issued by the issuer.

2. The amount and composition of the reserves described in paragraph (a), including the average tenor and geographic location of custody of each category of reserve instruments.

(d) Comply with all federal prohibitions on pledging, rehypothecating, or reusing reserve assets, either directly or indirectly, except for any of the following purposes:

1. Satisfying margin obligations in connection with investments in permitted reserves under subparagraph (a)4. or subparagraph (a)5.

2. Satisfying obligations associated with the use, receipt, or provision of standard custodial services.

3. Creating liquidity to meet reasonable expectations of

requests to redeem payment stablecoins, such that reserves in the form of United States Treasury bills may be sold as purchased securities for repurchase agreements with a maturity of 93 days or less, provided that either:

a. The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

b. The qualified payment stablecoin issuer receives prior approval from the office.

(e) Engage a registered public accounting firm to conduct a monthly examination of the previous month-end reserve report. For purposes of this paragraph, the term "registered public accounting firm" means a public accounting firm registered with the Public Company Accounting Oversight Board.

(f) Submit to the office each month a certification as to the accuracy of the month-end reserve report by the qualified payment stablecoin issuer's chief executive officer and chief financial officer.

(g) Comply with any federal regulations or state rules prescribed by commission rule relating to capital, liquidity, and risk management requirements.

(h) Engage only custodians or safekeepers that comply with s. 10 of the GENIUS Act, Pub. L. No. 119-27.

(i) Comply with any other federal requirements of s. 4(a) of the GENIUS Act, Pub. L. No. 119-27, and any implementing

federal regulations.

(2) A qualified payment stablecoin issuer may not engage in any of the following conduct:

(a) Except as may be authorized under federal law, tying arrangements that condition access to stablecoin services on the purchase of unrelated products or services from such qualified payment stablecoin issuer or an agreement not to obtain products or services from a competitor.

(b) Using deceptive names, which includes, but is not limited to, any of the following:

1. Using any combination of terms relating to the United States Government, except abbreviations directly related to the currency to which a payment stablecoin is pegged, such as "USD."

2. Marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be legal tender, as described in 31 U.S.C. s. 5103, issued by the United States, or guaranteed or approved by the United States Government.

(c) Unless authorized by federal law, paying the holder of any payment stablecoin any form of interest or yield solely in connection with holding, use, or retention of such payment stablecoin.

Section 10. Effective upon becoming a law, section 560.505, Florida Statutes, is created to read:

560.505 State certification.—

(1) No later than 20 days after the federal Stablecoin Certification Review Committee begins accepting certifications or no later than 20 days after this act becomes a law, whichever is later, the office must submit an initial certification to such committee on a form prescribed by the committee attesting that the state regulatory regime meets the criteria for substantial similarity established pursuant to the GENIUS Act.

(2) No later than the date to be determined by the United States Secretary of the Treasury each year, the office must submit to the Stablecoin Certification Review Committee an additional certification that confirms the accuracy of the initial certification submitted.

(3) The office must comply with the requirements of s. 4(c)(4) of the GENIUS Act to ensure the state receives certification and annual recertification by the Stablecoin Certification Review Committee of the state regulatory regime.

Section 11. Section 560.506, Florida Statutes, is created to read:

560.506 Rulemaking authority.—The commission shall adopt rules to administer this part as required in s. 13 of the GENIUS Act, Pub. L. No. 119-27. The commission shall also adopt rules relating to capital, liquidity, and risk management which are consistent with s. 4(a)(4) of the GENIUS Act, Pub. L. No. 119-27. The commission may adopt rules establishing standards for the conduct, supervision, examination, and regulation of

qualified payment stablecoin issuers, including requirements relating to reserves, customer-asset protection, reporting, and compliance, in order to meet the minimum requirements established by the Stablecoin Certification Review Committee.

Section 12. Section 658.997, Florida Statutes, is created to read:

658.997 Qualified payment stablecoin issuers.—

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

(a) "Payment stablecoin" has the same meaning as in s. 560.103.

(b) "Qualified payment stablecoin issuer" has the same meaning as in s. 560.103. The term does not include an insured depository institution, an uninsured national bank, a federal branch of a foreign bank, or a subsidiary of such entities. For purposes of this paragraph, the term:

1. "Federal branch of a foreign bank" means a branch of a foreign bank established and operating under 12 U.S.C. s. 3102.

2. "Insured depository institution" means:

a. A bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation; or

b. A credit union insured by the National Credit Union Administration Board.

3. "Subsidiary" means a company that is owned or controlled directly or indirectly by another company and includes any service corporation owned in whole or in part by an

insured depository institution or any subsidiary of such a service corporation.

(2) EXEMPTIONS.—

(a) A trust company that is organized pursuant to this section and issues payment stablecoins with a consolidated total outstanding issuance of $10 billion or less is exempt from registration as a qualified payment stablecoin issuer but is subject to the provisions of this section.

(b) A payment stablecoin that meets the requirements of this part is not a security and is not subject to the requirements of chapter 517.

(c) The following transactions are not regulated under this part:

1. The direct transfer of payment stablecoin between two individuals acting on their own behalf and for their own lawful purposes, without the involvement of an intermediary.

2. Any transaction involving the receipt of payment stablecoin by an individual between an account owned by the individual in the United States and an account owned by the individual abroad which are offered by the same parent company.

3. Any transaction by means of a software or hardware wallet that facilitates an individual's own custody of payment stablecoin.

(3) TRANSITION TO FEDERAL OVERSIGHT.—

(a) Unless a federal waiver is obtained, a qualified

payment stablecoin issuer with a consolidated total outstanding payment stablecoin issuance that reaches the $10 billion threshold must comply with one of the following requirements:

1. Not later than 360 days after the payment stablecoin issuance reaches such threshold, transition to the applicable federal regulatory framework administered jointly by the office and the Office of the Comptroller of the Currency; or

2. Beginning on the date the payment stablecoin issuance reaches such threshold, cease issuing new payment stablecoins until the payment stablecoin falls below the $10 billion consolidated total outstanding issuance threshold.

(b) A qualified payment stablecoin issuer remains subject to this part if a federal waiver of the transition requirements in paragraph (a) is obtained pursuant to the GENIUS Act, Pub. L. No. 119-27, and the office remains solely responsible for supervising the qualified payment stablecoin issuer, or if the office is jointly responsible with the Office of the Comptroller of the Currency to supervise the qualified payment stablecoin issuer pursuant to subparagraph (a)1. The office may enter into an agreement with the relevant primary federal payment stablecoin regulator for the joint supervision of any qualified payment stablecoin issuer.

(4) LIMITATION ON PAYMENT STABLECOIN ACTIVITIES.—Unless licensed under chapter 560 or chapter 655 to conduct other financial business activities, a qualified payment stablecoin

issuer may engage only in the following activities:

(a) Issue payment stablecoins.

(b) Redeem payment stablecoins.

(c) Manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with federal law and the laws of this state.

(d) Undertake other activities that directly support any of the activities described in this section.

(5) MINIMUM PRUDENTIAL REQUIREMENTS.—

(a) In accordance with the GENIUS Act, Pub. L. No. 119-27, a qualified payment stablecoin issuer must comply with all of the following requirements:

1. Maintain identifiable reserves backing the outstanding payment stablecoins of the qualified payment stablecoin issuer on at least a one-to-one basis, with reserves consisting of any of the following:

a. United States coin or currency or money standing to the credit of an account with a Federal Reserve Bank.

b. Funds held as demand deposits or insured shares at an insured depository institution, subject to limitations established by the Federal Deposit Insurance Corporation and the National Credit Union Administration.

c. United States Treasury bills, notes, or bonds with a remaining maturity or issued with a maturity of 93 days or less.

d. Money received under repurchase agreements, with the qualified payment stablecoin issuer acting as a seller of securities and with an overnight maturity, which are backed by United States Treasury bills with a maturity of 93 days or less.

e. Reverse purchase agreements, with the qualified payment stablecoin issuer acting as a purchaser of securities and with an overnight maturity, which are collateralized by United States Treasury bills, notes, or bonds on an overnight basis, subject to overcollateralization in line with standard market terms that meet federal requirements in the GENIUS Act, Pub. L. No. 119-27.

f. Securities that are issued by an investment company registered under s. 8(a) of the Investment Company Act of 1940, 15 U.S.C. s. 80a-8(a), or other registered government money market fund, and that are invested solely in underlying assets described in sub-subparagraphs a.-e.

g. Any other similarly liquid Federal Government-issued asset approved by the primary federal payment stablecoin regulator, in consultation with the office.

h. Any reserve described in sub-subparagraphs a.-c. or sub-subparagraph f. or sub-subparagraph g. in tokenized form, provided that such reserves comply with all applicable laws and regulations.

2. Publicly disclose the issuer's redemption policy, which must comply with all of the following requirements:

a. Establish clear and conspicuous procedures for timely

redemption of outstanding payment stablecoins.

b. Publicly, clearly, and conspicuously disclose in plain language all fees associated with purchasing or redeeming the payment stablecoins, provided that such fees can be changed only upon not less than 7 days' prior notice to consumers.

3. Publish on the issuer's website a monthly reserve composition of the issuer's reserve which must contain all of the following information:

a. The total number of outstanding payment stablecoins issued by the issuer.

b. The amount and composition of the reserves described in subparagraph 1., including the average tenor and geographic location of custody of each category of reserve instruments.

4. Comply with all federal prohibitions on pledging, rehypothecating, or reusing reserve assets, either directly or indirectly, except for any of the following purposes:

a. Satisfying margin obligations in connection with investments in permitted reserves under sub-subparagraph 1.d. or sub-subparagraph 1.e.

b. Satisfying obligations associated with the use, receipt, or provision of standard custodial services.

c. Creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of United States Treasury bills may be sold as purchased securities for repurchase agreements with a maturity

of 93 days or less, provided that either:

(I) The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

(II) The qualified payment stablecoin issuer receives prior approval from the office.

5. Engage a registered public accounting firm to conduct a monthly examination of the previous month-end reserve report. For purposes of this subparagraph, the term "registered public accounting firm" means a public accounting firm registered with the Public Company Accounting Oversight Board.

6. Submit to the office each month a certification as to the accuracy of the month-end reserve report by the qualified payment stablecoin issuer's chief executive officer and chief financial officer.

7. Comply with any federal regulations or state rules prescribed by commission rule relating to capital, liquidity, and risk management requirements.

8. Engage only custodians or safekeepers that comply with s. 10 of the GENIUS Act, Pub. L. No. 119-27.

9. Comply with any other federal requirements of s. 4(a) of the GENIUS Act, Pub. L. No. 119-27, and any implementing federal regulations.

(b) A qualified payment stablecoin issuer may not engage in any of the following conduct:

1. Except as may be authorized under federal law, tying arrangements that condition access to stablecoin services on the purchase of unrelated products or services from such qualified payment stablecoin issuer or an agreement not to obtain products or services from a competitor.

2. Using deceptive names, which includes, but is not limited to, any of the following:

a. Using any combination of terms relating to the United States Government, except abbreviations directly related to the currency to which a payment stablecoin is pegged, such as "USD."

b. Marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be legal tender, as described in 31 U.S.C. s. 5103, issued by the United States, or guaranteed or approved by the United States Government.

3. Unless authorized by federal law, paying the holder of any payment stablecoin any form of interest or yield solely in connection with holding, use, or retention of such payment stablecoin.

(6) CERTIFICATION.—The office's initial certification and annual recertification submission to the federal Stablecoin Certification Review Committee pursuant to s. 560.505 must include any relevant information related to the provisions of this chapter in the office's request for certification or recertification of the state regulatory regime of payment

stablecoins.

(7) RULEMAKING.—The commission may adopt rules to administer this section as required in s. 13 of the GENIUS Act, Pub. L. No. 119-27. The commission must adopt rules relating to capital, liquidity, and risk management which are consistent with s. 4(a)(4) of the GENIUS Act, Pub. L. No. 119-27. The commission may adopt rules establishing standards for the conduct, supervision, examination, and regulation of qualified payment stablecoin issuers, including requirements relating to reserves, customer-asset protection, reporting, and compliance in order to meet the minimum requirements established by the Stablecoin Certification Review Committee.

Section 13. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect January 1, 2027.

COMMERCE COMMITTEE

CS/HB 175 by Rep. Barnaby
Payment Stablecoin

AMENDMENT SUMMARY
February 24, 2026

Amendment #337249 by Rep. Barnaby (strike-all):

- Requires payment stablecoin issuers to obtain a license with OFR, rather than obtaining a registration.
    - Provides license application requirements.
    - Requires OFR to make a decision on licensure within 120 days of receiving a substantially complete application.
    - Trust companies do not have to obtain a license to issue payment stablecoin, but do have to obtain a certificate of approval from OFR.
- Incorporates definitions from the federal GENIUS Act.
- Requires payment stablecoin issuers to submit annual certifications to OFR, attesting to compliance with anti-money laundering and economic sanctions compliance programs.
- Requires out-of-state state-qualified payment stablecoin issuers to provide written notice to OFR within 30 days of issuing payment stablecoin or soliciting customers in Florida.
- Exempts federal qualified payment stablecoin issuers and out-of-state state-qualified payment stablecoin issuers from having to obtain a license from OFR.
- Requires state qualified issuers that exceed the $10 billion threshold set by the GENIUS Act to notify OFR within 7 days of exceeding the threshold.
- Creates criminal penalties for false statements made in the required certification by the issuer's chief executive officer and chief financial officer as to the accuracy of the issuer's reserve report.
- Creates requirements for issuers that exceed $50 billion in total outstanding issuance.
- Changes the effective date of certain provisions to October 1, 2026.
- Changes the timeline for OFR to submit a certification to the federal Stablecoin Certification Review Committee to align with the GENIUS Act.

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 Barnaby offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Present subsections (17) through (32), (33), (34), and (35) and (36) through (39) of section 560.103, Florida Statutes, as amended by chapter 2025-100, Laws of Florida, are redesignated as subsections (18) through (33), (35), (36), and (37), and (39) through (42), respectively, new subsections (17), (34) and (38) are added to that section, and present subsection (25) of that section is amended, to read:

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

(17) "Federal-qualified payment stablecoin issuer" means any of the following:

(a) A nonbank entity, other than a state-qualified payment stablecoin issuer, approved by the Office of the Comptroller of the Currency to issue payment stablecoins.

(b) An uninsured national bank that is chartered by the Office of the Comptroller of the Currency pursuant to title LXII of the Revised Statutes and is approved to issue payment stablecoins. As used in this section, the term "national bank" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

(c) A federal-branch that is approved by the Office of the Comptroller of the Currency to issue payment stablecoins. For purposes of this section, the term "federal branch" has the same meaning as in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813.

(26) ~~(25)~~ "Money services business" means 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, or qualified payment stablecoin issuer.

(34) "Payment stablecoin" means a digital asset that meets all of the following requirements:

(a)1. Is, or is designed to be, used as a means of payment or settlement; and

2. The issuer of which:

a. Is obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

b. Represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.

(b) The term does not include a digital asset that is any of the following:

1. A national currency. For purposes of this subparagraph, the term "national currency" means each of the following:

a. A Federal Reserve note as the term is used in the first undesignated paragraph of s. 16 of the Federal Reserve Act, 12 U.S.C. s. 411.

b. Money standing to the credit of an account with a Federal Reserve Bank.

c. Money issued by a foreign central bank.

d. Money issued by an intergovernmental organization pursuant to an agreement by two or more governments.

2. A deposit as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, including a deposit recorded using distributed ledger technology. For purposes of this subparagraph, the term "distributed ledger" means technology in which data is shared across a network that creates a public digital ledger of verified transactions or information among

network participants and cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

3. A security, as defined in s. 517.021, s. 2 of the Securities Act of 1933, 15 U.S.C. s. 77b, s. 3 of the Securities and Exchange Act of 1934, 15 U.S.C. s. 78c, or s. 2 of the Investment Company Act of 1940, 15 U.S.C. s. 80a-2.

(c) As used in this subsection, the term "digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger.

(38) "Qualified payment stablecoin issuer" means an entity that:

(a) Is legally established under the laws of this state or has a principal place of business in this state and is approved to issue payment stablecoins by the office; and

(b) Is not an uninsured national bank chartered by the Comptroller pursuant to title LXII of the Revised Statutes, a federal branch, an insured depository institution, or a subsidiary of such national bank, federal branch, or insured depository institution. The terms "national bank" and "federal branch" have the same meaning as in subsection (17). The term "insured depository institution" has the same meaning as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, and an insured credit union.

Section 2. Effective October 1, 2026, present subsection (9) of section 560.123, Florida Statutes, is redesignated as subsection (10), a new subsection (9) is added to that section, and subsections (2), (3), and (8) of that section are amended, to read:

560.123 Florida Control of Money Laundering in Money Services Business Act.—

(2) The purpose of this section is to require the maintenance of certain records of transactions involving currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins in order to deter the use of a money services business to conceal proceeds from criminal activity and to ensure the availability of such records for criminal, tax, or regulatory investigations or proceedings.

(3) A money services business shall keep a record, as prescribed by the commission, of each financial transaction occurring in this state which it knows to involve currency, monetary value, a payment instrument, ~~or~~ virtual currency, or a payment stablecoin having a value greater than $10,000; to involve the proceeds of specified unlawful activity; or to be designed to evade the reporting requirements of this section or chapter 896. The money services business must maintain appropriate procedures to ensure compliance with this section and chapter 896.

(a) Multiple financial transactions shall be treated as a single transaction if the money services business has knowledge that they are made by or on behalf of any one person and result in value in or value out totaling a value of more than $10,000 during any day.

(b) A money services business may keep a record of any financial transaction occurring in this state, regardless of the value, if it suspects that the transaction involves the proceeds of unlawful activity.

(c) The money services business must file a report with the office of any records required by this subsection, at such time and containing such information as required by rule. The timely filing of the report required by 31 U.S.C. s. 5313 with the appropriate federal agency shall be deemed compliance with the reporting requirements of this subsection unless the reports are not regularly and comprehensively transmitted by the federal agency to the office.

(d) A money services business, or control person, employee, or agent thereof, that files a report in good faith pursuant to this section is not liable to any person for loss or damage caused in whole or in part by the making, filing, or governmental use of the report, or any information contained therein.

(8)(a) Except as provided in paragraph (b), a person who willfully violates any provision of this section commits a

misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(b) A person who willfully violates any provision of this section, if the violation involves:

1. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value exceeding $300 but less than $20,000 in any 12-month period, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

2. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value totaling or exceeding $20,000 but less than $100,000 in any 12-month period, commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

3. Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value totaling or exceeding $100,000 in any 12-month period, commits a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(c) In addition to the penalties authorized by s. 775.082, s. 775.083, or s. 775.084, a person who has been convicted of, or entered a plea of guilty or nolo contendere, regardless of adjudication, to having violated paragraph (b) may be sentenced to pay a fine of up to the greater of $250,000 or twice the value of the currency, monetary value, payment instruments, ~~or~~

virtual currency, or payment stablecoins, except that on a second or subsequent conviction for or plea of guilty or nolo contendere, regardless of adjudication, to a violation of paragraph (b), the fine may be up to the greater of $500,000 or quintuple the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins.

(d) A person who violates this section is also liable for a civil penalty of up to the greater of the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins involved or $25,000.

(9) A qualified payment stablecoin issuer must comply with any anti-money laundering provisions in the GENIUS Act under Pub. L. No. 119-27, which includes, but is not limited to, provisions relating to economic sanctions, prevention of money laundering, customer identification, and due diligence in the Bank Secrecy Act, s. 21 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, chapter 2 of Title I of Pub. L. No. 91-508, and subchapter II of chapter 53 of Title 31, United States Code, and any other applicable federal anti-money laundering provisions.

(a) Not later than 180 days after the approval of an application for a license as a qualified payment stablecoin issuer pursuant to this chapter, and on an annual basis thereafter, each qualified payment stablecoin issuer shall submit to the office a certification that the issuer has implemented anti-money laundering and economic sanctions

compliance programs that are reasonably designed to prevent the qualified payment stablecoin issuer from facilitating money laundering, in particular, facilitating money laundering for cartels and organizations designated as foreign terrorist organizations under s. 219 of the Immigration and Nationality Act, 8 U.S.C. s. 1189, and the financing of terrorist activities, consistent with the requirements of the act.

(b) The office shall make the certifications described in paragraph (a) available to the Secretary of the Treasury upon request.

(c) The office may revoke the license of the qualified payment stablecoin issuer if such issuer does not submit the certification required under paragraph (a).

(d) If the office has reason to believe that any person has knowingly violated paragraph (a), which may be subject to federal criminal penalties set forth under 18 U.S.C. s. 1001, the office may refer the matter to the United States Attorney General or the attorney general of this state.

Section 3. Effective October 1, 2026, paragraph (a) of subsection (5), and subsection (6) of section 560.125, Florida Statutes, are amended to read:

560.125 Unlicensed activity; penalties.—

(5) A person who violates this section, if the violation involves:

(a) Currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins of a value exceeding $300 but less than $20,000 in any 12-month period, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(6) In addition to the penalties authorized by s. 775.082, s. 775.083, or s. 775.084, a person who has been convicted of, or entered a plea of guilty or nolo contendere to, having violated this section may be sentenced to pay a fine of up to the greater of $250,000 or twice the value of the currency, monetary value, payment instruments, ~~or~~ virtual currency, or payment stablecoins, except that on a second or subsequent violation of this section the fine may be up to the greater of $500,000 or quintuple the value of the currency, monetary value, payment instruments, or virtual currency.

Section 4. Part V of chapter 560, Florida Statutes, consisting of ss. 560.501-560.506, Florida Statutes, is created and entitled "Payment Stablecoin Issuers."

Section 5. Effective October 1, 2026, section 560.501, Florida Statutes, is created to read:

560.501 License requirement; exemptions; transition to federal oversight; definitions.—

(1) DEFINITIONS.—For purposes of this section, the term:

(a) "Home state" means a state other than this state in which a payment stablecoin issuer is established or has its principal place of business.

(b) "Host state" means a state in which the payment stablecoin issuer establishes a branch, solicits customers, or otherwise engages in business activities, other than the home state.

(c) "Out-of-state state-qualified payment stablecoin issuer" means a payment stablecoin issuer that has been approved in accordance with the requirements of the GENIUS Act by the payment stablecoin issuer's home state, other than this state, to issue payment stablecoin.

(2) LICENSE REQUIREMENT.—Effective October 1, 2026, a person may not engage in the activity of a qualified payment stablecoin issuer in this state unless the person is licensed or exempted from licensure under this chapter. The office shall give written notice to each applicant that the office has granted or denied the application for a license as a qualified payment stablecoin issuer.

(3) EXEMPTION FROM LICENSURE.—

(a) Subsection (2) does not apply to:

1. A federal-qualified payment stablecoin issuer.

2. An out-of-state state-qualified payment stablecoin issuer of which this state is a host state. An out-of-state state-qualified payment stablecoin issuer must provide written

notice to the office within 30 days after engaging in activity that makes this state a host state of such issuer.

(b) The following transactions are not regulated under this part:

1. The direct transfer of payment stablecoins between two individuals acting on their own behalf and for their own lawful purposes, without the involvement of an intermediary.

2. Any transaction involving the receipt of payment stablecoins by an individual between an account owned by the individual in the United States and an account owned by the individual abroad which are offered by the same parent company.

3. Any transaction by means of a software or hardware wallet that facilitates an individual's own custody of payment stablecoins.

(c) A payment stablecoin that meets the requirements of this part is not a security and is not subject to chapter 517.

(3) TRANSITION TO FEDERAL OVERSIGHT.—

(a) Unless a federal waiver is obtained, a qualified payment stablecoin issuer with a consolidated total outstanding payment stablecoin issuance that reaches the $10 billion threshold must comply with one of the following requirements:

1. Not later than 360 days after the payment stablecoin issuance reaches such threshold, transition to the applicable federal regulatory framework administered jointly by the office

and the United States Office of the Comptroller of the Currency; or

2. Beginning on the date the payment stablecoin issuance reaches such threshold, cease issuing new payment stablecoins until the payment stablecoin falls below the $10 billion consolidated total outstanding issuance threshold.

(b) A qualified payment stablecoin issuer with a consolidated total outstanding payment stablecoin issuance that reaches the $10 billion threshold must, within 7 business days, provide notice to the office that the threshold has been reached.

(c) To the extent or for any relevant period for which a waiver or transition applies, a qualified payment stablecoin issuer remains subject to this part if a federal waiver of the transition requirements in paragraph (a) is obtained pursuant to the GENIUS Act, Pub. L. No. 119-27, and the office remains solely responsible for supervising the qualified payment stablecoin issuer, or if the office is jointly responsible with the United States Office of the Comptroller of the Currency to supervise the qualified payment stablecoin issuer pursuant to subparagraph (a)1. The office may enter into an agreement with the relevant primary federal payment stablecoin regulator for the joint supervision of any qualified payment stablecoin issuer.

Section 6. Section 560.502, Florida Statutes, is created to read:

560.502 Additional license application requirements; office duties; application forms.—

(1) ADDITIONAL LICENSE APPLICATION REQUIREMENTS.—In addition to the license requirements under part I of this chapter, an applicant seeking a license under this part must also submit to the office an application on a form prescribed by rule of the commission. Such application must include all of the following:

(a) Evidence of the ability of the applicant, based on financial condition and resources, to meet the requirements in s. 560.504.

(b) A statement as to whether an individual who has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing terrorism, or financial fraud is serving as an officer or director of the applicant.

(c) An explanation of the competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent company which includes, but is not limited to:

1. The record of those officers, directors, and principal shareholders of compliance with laws and regulations; and

2. The ability of those officers, directors, and principal shareholders to fulfill any commitments to, and any conditions imposed by, the office in connection with the application at issue and any prior applications.

(d) A statement as to whether the redemption policy of the applicant meets the standards under s. 560.504.

(e) Any other factors necessary to ensure the safety and soundness of the qualified payment stablecoin issuer.

(2) OFFICE DUTIES.—The office must comply with the following requirements:

(a) Upon receipt of a substantially complete application, evaluate and make a determination on each application based on the criteria established in this section.

(b) Not later than 120 days after receiving a substantially complete application, the office must render a decision on the application.

1. An application is considered substantially complete if the application contains sufficient information for the office to render a decision on whether the applicant satisfies the factors described in paragraph (1)(a).

2. Not later than 30 days after receiving an application under this section, the office must notify the applicant as to whether the office considers the application to be substantially complete and, if the application is not substantially complete,

the additional information the applicant must provide in order for the application to be considered substantially complete.

3. An application considered substantially complete under this subparagraph remains substantially complete unless there is a material change in circumstances that requires the office to treat the application as a new application.

4. If the office fails to render a decision on a complete application within the time specified in paragraph (2)(b), the application shall be deemed approved.

(c) The office must deny a substantially complete application received pursuant to this subsection only if the office determines that the activities of the applicant would be unsafe or unsound based on the factors described in paragraph (1)(a).

1. The issuance of a payment stablecoin on an open, public, or decentralized network is not a valid ground for denial of an application for approval as a qualified payment stablecoin issuer.

2. If the office denies a complete application submitted pursuant to this subsection, not later than 30 days after the date of such denial, the office must provide the applicant with written notice explaining the denial with specificity, including all findings made by the regulator with respect to all identified material shortcomings in the application, along with

actionable recommendations on how the applicant could address the identified material shortcomings.

3. The denial of an application under this section shall not prohibit the applicant from filing a subsequent application.

4. A denial entitles the applicant to an opportunity to be heard pursuant to chapter 120.

(3) APPLICATION FORMS.—The information required in the application form prescribed by rule of the commission under subsection (1) may be incorporated in other licensing application forms required under this chapter, as appropriate, to allow a person to apply for two licenses in one application form in order to streamline the application process.

Section 7. Effective October 1, 2026, section 560.503, Florida Statutes, is created to read:

560.503 Limitation on payment stablecoin activities.—A licensed qualified payment stablecoin issuer may engage only in the following activities:

(1) Issue payment stablecoins.

(2) Redeem payment stablecoins.

(3) Manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with federal law and the laws of this state.

(4) Undertake other activities that directly support any of the activities described in this section.

Section 8. Effective October 1, 2026, section 560.504, Florida Statutes, is created to read:

560.504 Minimum prudential requirements.—

(1) In accordance with the GENIUS Act, Pub. L. No. 119-27, a qualified payment stablecoin issuer must comply with all of the following requirements:

(a) Maintain identifiable reserves backing the outstanding payment stablecoins of the qualified payment stablecoin issuer on at least a one-to-one basis, with reserves consisting of any of the following:

1. United States coin or currency or money standing to the credit of an account with a Federal Reserve Bank.

2. Funds held as demand deposits or insured shares at an insured depository institution, subject to limitations established by the Federal Deposit Insurance Corporation and the National Credit Union Administration.

3. United States Treasury bills, notes, or bonds with a remaining maturity or issued with a maturity of 93 days or less.

4. Money received under repurchase agreements, with the qualified payment stablecoin issuer acting as a seller of securities and with an overnight maturity, which are backed by United States Treasury bills with a maturity of 93 days or less.

5. Reverse purchase agreements, with the qualified payment stablecoin issuer acting as a purchaser of securities and with an overnight maturity, that are collateralized by United States

Treasury bills, notes, or bonds on an overnight basis, subject to overcollateralization in line with standard market terms that meet federal requirements in the GENIUS Act, Pub. L. No. 119-27.

6. Securities issued by an investment company registered under s. 8(a) of the Investment Company Act of 1940, 15 U.S.C. s. 80a-8(a), or other registered government money market fund, and that are invested solely in underlying assets described in subparagraphs 1.-5.

7. Any other similarly liquid Federal Government-issued asset approved by the primary federal payment stablecoin regulator, in consultation with the office.

8. Any reserve described in subparagraphs 1., 2., and 3. or subparagraph 6. or subparagraph 7. in tokenized form, provided that such reserves comply with all applicable laws and regulations.

(b) Publicly disclose the issuer's redemption policy, which must comply with all of the following requirements:

1. Establish clear and conspicuous procedures for timely redemption of outstanding payment stablecoins.

2. Publicly, clearly, and conspicuously disclose in plain language all fees associated with purchasing or redeeming the payment stablecoins, provided that such fees can be changed only upon not less than 7 days' prior notice to consumers.

(c) Publish on the issuer's website a monthly reserve composition of the issuer's reserve which must contain all of the following information:

1. The total number of outstanding payment stablecoins issued by the issuer.

2. The amount and composition of the reserves described in paragraph (a), including the average tenor and geographic location of custody of each category of reserve instruments.

(d) Comply with all federal prohibitions on pledging, rehypothecating, or reusing reserve assets, either directly or indirectly, except for any of the following purposes:

1. Satisfying margin obligations in connection with investments in permitted reserves under subparagraph (a)4. or subparagraph (a)5.

2. Satisfying obligations associated with the use, receipt, or provision of standard custodial services.

3. Creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of United States Treasury bills may be sold as purchased securities for repurchase agreements with a maturity of 93 days or less, provided that either:

a. The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

b. The qualified payment stablecoin issuer receives prior approval from the office.

(e) Engage a registered public accounting firm to conduct a monthly examination of the previous month-end reserve report. For purposes of this paragraph, the term "registered public accounting firm" means a public accounting firm registered with the Public Company Accounting Oversight Board.

(f) Submit to the office each month a certification as to the accuracy of the month-end reserve report by the qualified payment stablecoin issuer's chief executive officer and chief financial officer. Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(g) A qualified payment stablecoin issuer with more than $50 billion in consolidated total outstanding issuance shall prepare, in accordance with generally accepted accounting principles, an annual financial statement, which shall include disclosure of any related party transactions, as defined by such generally accepted accounting principles.

1. A registered public accounting firm must perform an audit of the annual financial statements.

2. Each qualified payment stablecoin issuer required to prepare an audited annual financial statement must comply with all of the following requirements:

a. Make such audited financial statements publicly available on the website of the permitted payment stablecoin issuer; and

b. Submit such audited financial statements annually to the office.

(h) Comply with any federal regulations or rules prescribed by commission relating to capital, liquidity, and risk management requirements.

(i) Engage only custodians or safekeepers that comply with s. 10 of the GENIUS Act, Pub. L. No. 119-27.

(j) Comply with any other federal requirements of s. 4(a) of the GENIUS Act, Pub. L. No. 119-27, and any implementing federal regulations.

(2) A qualified payment stablecoin issuer is prohibited from engaging in all of the following conduct:

(a) Except as may be authorized under federal law, tying arrangements that condition access to stablecoin services on the purchase of unrelated products or services from such qualified payment stablecoin issuer or an agreement not to obtain products or services from a competitor.

(b) Using deceptive names, which includes, but is not limited to, any of the following:

1. Using any combination of terms relating to the United States Government, except abbreviations directly related to the currency to which a payment stablecoin is pegged, such as "USD."

2. Marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be legal tender, as described in 31 U.S.C. s. 5103, issued by the United States, or guaranteed or approved by the United States Government.

(c) Unless authorized by federal law, paying the holder of any payment stablecoin any form of interest or yield solely in connection with holding, use, or retention of such payment stablecoin.

Section 9. Section 560.505, Florida Statutes, is created to read:

560.505 State certification.—

(1) The office shall submit an initial certification to the federal Stablecoin Certification Review Committee, on a form prescribed by the committee, in accordance with the timeline established by the committee for accepting certifications, attesting that the state regulatory regime meets the criteria for substantial similarity to the GENIUS Act, Pub. L. No. 119-27, as required under that act.

(2) No later than the date to be determined by the United States Secretary of the Treasury each year, the office must submit to the Stablecoin Certification Review Committee an

additional certification that confirms the accuracy of the initial certification submitted.

(3) The office must comply with the requirements of s. 4(c)(4) of the GENIUS Act, Pub. L. No. 119-27, to ensure the state receives certification and annual recertification by the Stablecoin Certification Review Committee of the state regulatory regime.

Section 10. Section 560.506, Florida Statutes, is created to read:

560.506 Rulemaking authority.—The commission shall adopt rules to administer this part as required in s. 13 of the GENIUS Act, Pub. L. No. 119-27. The commission shall also adopt rules relating to capital, liquidity, and risk management which are consistent with section 4(a)(4) of the GENIUS Act, Pub. L. No. 119-27. The commission may adopt rules establishing standards for the conduct, supervision, examination, and regulation of qualified payment stablecoin issuers, including requirements relating to reserves, customer-asset protection, reporting, and compliance, in order to meet the minimum requirements established by the Stablecoin Certification Review Committee.

Section 11. Subsection (12) is added to section 655.50, Florida Statutes, and paragraph (e) of subsection (3) of that section is amended, to read:

655.50 Florida Control of Money Laundering and Terrorist Financing in Financial Institutions Act.—

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

(e) "Monetary instruments" means coin or currency of the United States or of any other country, payment stablecoins as defined in s. 658.997, travelers' checks, personal checks, bank checks, money orders, stored value cards, prepaid cards, investment securities or negotiable instruments in bearer form or otherwise in such form that title thereto passes upon delivery, or similar devices.

(12) A qualified payment stablecoin issuer, as defined in s. 658.997, must comply with any anti-money laundering provisions in the GENIUS Act under Pub. L. No. 119-27, which includes, but is not limited to, provisions relating to economic sanctions, prevention of money laundering, customer identification, and due diligence in the Bank Secrecy Act, s. 21 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, chapter 2 of Title I of Pub. L. No. 91-508, and subchapter II of chapter 53 of Title 31, United States Code, and any other applicable federal anti-money laundering provisions.

(a) Not later than 180 days after the approval of an application for certificate of approval as a qualified payment stablecoin issuer pursuant to s. 658.997, and on an annual basis thereafter, each qualified payment stablecoin issuer shall submit to the office a certification that the issuer has implemented anti-money laundering and economic sanctions compliance programs that are reasonably designed to prevent the

qualified payment stablecoin issuer from facilitating money laundering, in particular, facilitating money laundering for cartels and organizations designated as foreign terrorist organizations under s. 219 of the Immigration and Nationality Act, 8 U.S.C. s. 1189, and the financing of terrorist activities, consistent with the requirements of the act.

(b) The office shall make the certifications described in paragraph (a) available to the Secretary of the Treasury upon request.

(c) The office may revoke the certificate of approval of the qualified payment stablecoin issuer if the qualified payment stablecoin issuer does not submit the certification required under paragraph (a).

(d) If the office has reason to believe that any person has knowingly violated paragraph (a), which may be subject to federal criminal penalties set forth under 18 U.S.C. s. 1001, the office may refer the matter to the United States Attorney General or the Attorney General of this state.

Section 12. Paragraph (h) is added to subsection (1) of section 658.19, Florida Statutes, to read:

658.19 Application for authority to organize a bank or trust company.—

(1) A written application for authority to organize a banking corporation or a trust company shall be filed with the office by the proposed directors and shall include:

(h) A request for a certificate of approval as a qualified payment stablecoin issuer, as defined in s. 658.997, if desired in connection with an application to organize a trust company.

Section 13. Section 658.997, Florida Statutes, is created to read:

658.997 Qualified payment stablecoin issuers.—

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

(a) "Federal-qualified payment stablecoin issuer" means any of the following:

1. A nonbank entity, other than a state-qualified payment stablecoin issuer, approved by the Office of the Comptroller of the Currency to issue payment stablecoins.

2. An uninsured national bank that is chartered by the Office of the Comptroller of the Currency pursuant to title LXII of the Revised Statutes and is approved to issue payment stablecoins. As used in this subsection, the term "national bank" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

3. A federal branch that is approved by the Office of the Comptroller of the Currency to issue payment stablecoins. For purposes of this subparagraph, the term "federal branch" has the same meaning as in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813.

(b) "Home state" means a state other than this state in which a payment stablecoin issuer is established or has its principal place of business.

(c) "Host state" means a state in which the payment stablecoin issuer establishes a branch, solicits customers, or otherwise engages in business activities, other than the home state.

(d) "Out-of-state state-qualified payment stablecoin issuer" means a payment stablecoin issuer that has been approved in accordance with the requirements of the GENIUS Act, Pub. L. No. 119-27, by the payment stablecoin issuer's home state, other than this state, to issue payment stablecoin.

(e) "Payment stablecoin" means a digital asset that meets all of the following requirements:

1.a. Is, or is designed to be, used as a means of payment or settlement; and

b. The issuer of which:

(I) Is obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

(II) Represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.

2. The term does not include a digital asset that is any of the following:

a. A national currency. For purposes of this subparagraph, the term "national currency" means each of the following:

(I) A Federal Reserve note as the term is used in the first undesignated paragraph of s. 16 of the Federal Reserve Act, 12 U.S.C. s. 411.

(II) Money standing to the credit of an account with a Federal Reserve Bank.

(III) Money issued by a foreign central bank.

(IV) Money issued by an intergovernmental organization pursuant to an agreement by two or more governments.

b. A deposit as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, including a deposit recorded using distributed ledger technology. For purposes of this subparagraph, the term "distributed ledger" means technology in which data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

c. A security, as defined in s. 517.021, s. 2 of the Securities Act of 1933, 15 U.S.C. s. 77b, s. 3 of the Securities and Exchange Act of 1934, 15 U.S.C. s. 78c, or s. 2 of the Investment Company Act of 1940, 15 U.S.C. s. 80a-2.

3. As used in this paragraph, the term "digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger.

(f) "Qualified payment stablecoin issuer" means an entity that:

1. Is legally established under the laws of a state and approved to issue payment stablecoins by the office; and

2. Is not an uninsured national bank chartered by the Comptroller pursuant to title LXII of the Revised Statutes, a federal branch, an insured depository institution, or a subsidiary of such national bank, federal branch, or insured depository institution. The terms "national bank" and "federal branch" have the same meaning as in subsection (17). The term "insured depository institution" has the same meaning as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, and an insured credit union.

(2) APPROVAL REQUIREMENT.—Effective October 1, 2026, a trust company may not engage in the activity of a qualified payment stablecoin issuer in this state unless the trust company obtains a certificate of approval or is exempted from such certificate under this section.

(a) To obtain a certificate of approval as a qualified payment stablecoin issuer pursuant to this chapter, a trust company must request such certificate in conjunction with an application to organize a trust company pursuant to s. 658.19 or

apply for a certificate of approval as a qualified payment stablecoin issuer on forms prescribed by rule of the commission that meet the requirements of this section. The application must require only information, documents, or materials that are necessary to determine whether the applicant meets the criteria provided in this section.

(b) With respect to any application for a certificate of approval as a qualified payment stablecoin issuer pursuant to this section, the office must comply with the following requirements:

1. Upon receipt of a substantially complete application, evaluate and make a determination on each application based on the criteria established in this section, including all of the following factors:

a. The ability of the applicant, based on financial condition and resources, to meet the requirements in subsection (6).

b. Whether an individual who has been convicted of a felony offense involving insider trading, embezzlement, cybercrime, money laundering, financing terrorism, or financial fraud is serving as an officer or director of the applicant.

c. The competence, experience, and integrity of the officers, directors, and principal shareholders of the applicant, its subsidiaries, and parent company which includes, but is not limited to:

(I) The record of those officers, directors, and principal shareholders of compliance with laws and regulations; and

(II) The ability of those officers, directors, and principal shareholders to fulfill any commitments to, and any conditions imposed by, the office in connection with the application at issue and any prior applications.

d. Whether the redemption policy of the applicant meets the standards under subsection (6).

e. Any other factors necessary to ensure the safety and soundness of the qualified payment stablecoin issuer.

2. Not later than 120 days after receiving a substantially complete application, render a decision on the application.

a. An application is considered substantially complete if the application contains sufficient information for the office to render a decision on whether the applicant satisfies the factors described in this subparagraph.

b. Not later than 30 days after receiving an application under this section, the office must notify the applicant as to whether the office considers the application to be substantially complete and, if the application is not substantially complete, the additional information the applicant must provide in order for the application to be considered substantially complete.

c. An application considered substantially complete under this subparagraph remains substantially complete unless there is

a material change in circumstances that requires the office to treat the application as a new application.

3. If the applicant is approved as a qualified payment stablecoin issuer, issue a certificate of approval to the applicant. A certificate of approval remains valid unless or until the office revokes such certificate pursuant to the provisions of this chapter.

4. Deny a substantially complete application received pursuant to this subsection only if the office determines that the activities of the applicant would be unsafe or unsound based on the factors described in subparagraph 1.

a. The issuance of a payment stablecoin on an open, public, or decentralized network is not a valid ground for denial of an application for approval as a qualified payment stablecoin issuer.

b. If the office denies a complete application submitted pursuant to this subsection, not later than 30 days after the date of such denial, the office must provide the applicant with written notice explaining the denial with specificity, including all findings made by the regulator with respect to all identified material shortcomings in the application, along with actionable recommendations on how the applicant could address the identified material shortcomings.

c. A denial entitles the applicant to an opportunity to be heard pursuant to chapter 120.

5. Modify any current forms or rules relating to an application to organize a trust company pursuant to s. 658.19 to conform them to the standards and requirements of this section. Any information or documents that are required for the office to determine whether an applicant meets the requirements of this section must be incorporated into an application to organize a trust company so that an applicant may elect, but is not required, to submit such information and documents to apply for a certificate of approval as a qualified payment stablecoin issuer as part of the organization process.

(c) If the office fails to render a decision on a complete application within the time specified in subparagraph (b)2., the application is deemed approved.

(d) The denial of an application under this section may not prohibit the applicant from filing a subsequent application.

(e) The failure to comply with any provision of this section or with any rule or order of the office shall be considered good cause for revocation of a certificate of approval issued pursuant to subparagraph (b)3. The office shall give prior written notice to the qualified payment stablecoin issuer of such withdrawal within a time prescribed by rule.

(3) EXEMPTIONS.—Effective October 1, 2026, subsection (2) does not apply to:

(a) A federal-qualified payment stablecoin issuer.

(b) An out-of-state state-qualified payment stablecoin issuer. The out-of-state state-qualified payment stablecoin issuer must provide written notice to the office within 30 days after engaging in the activity of a qualified payment stablecoin issuer in this state.

(c) The following transactions are not regulated under this part:

1. The direct transfer of payment stablecoin between two individuals acting on their own behalf and for their own lawful purposes, without the involvement of an intermediary.

2. Any transaction involving the receipt of payment stablecoin by an individual between an account owned by the individual in the United States and an account owned by the individual abroad which are offered by the same parent company.

3. Any transaction by means of a software or hardware wallet that facilitates an individual's own custody of payment stablecoins.

(d) A payment stablecoin that meets the requirements of this part is not a security and is not subject to the requirements of chapter 517.

(4) TRANSITION TO FEDERAL OVERSIGHT.—Effective October 1, 2026:

(a) Unless a federal waiver is obtained, a qualified payment stablecoin issuer with a consolidated total outstanding

payment stablecoin issuance that reaches the $10 billion threshold must comply with one of the following requirements:

1. Not later than 360 days after the payment stablecoin issuance reaches such threshold, transition to the applicable federal regulatory framework administered jointly by the office and the appropriate federal regulator; or

2. Beginning on the date the payment stablecoin issuance reaches such threshold, cease issuing new payment stablecoins until the payment stablecoin falls below the $10 billion consolidated total outstanding issuance threshold.

(b) A qualified payment stablecoin issuer with a consolidated total outstanding payment stablecoin issuance that reaches the $10 billion threshold must, within 7 business days, provide notice to the office that the threshold has been reached.

(c) To the extent or for any relevant period for which a waiver or transition applies, a qualified payment stablecoin issuer remains subject to this part if a federal waiver of the transition requirements in paragraph (a) is obtained pursuant to the GENIUS Act, Pub. L. No. 119-27, and the office remains solely responsible for supervising the qualified payment stablecoin issuer, or if the office is jointly responsible with the United States Office of the Comptroller of the Currency to supervise the qualified payment stablecoin issuer pursuant to subparagraph (a)1. The office may enter into an agreement with

the relevant primary federal payment stablecoin regulator for the joint supervision of any qualified payment stablecoin issuer.

(5) LIMITATION ON PAYMENT STABLECOIN ACTIVITIES.—Effective October 1, 2026, a qualified payment stablecoin issuer that has been issued a certificate of approval may engage only in the following activities:

(a) Issue payment stablecoins.

(b) Redeem payment stablecoins.

(c) Manage related reserves, including purchasing, selling, and holding reserve assets or providing custodial services for reserve assets, consistent with federal law and the laws of this state.

(d) Undertake other activities that directly support any of the activities described in this section.

(6) MINIMUM PRUDENTIAL REQUIREMENTS.—Effective October 1, 2026:

(a) In accordance with the GENIUS Act, Pub. L. No. 119-27, a qualified payment stablecoin issuer shall comply with all of the following requirements:

1. Maintain identifiable reserves backing the outstanding payment stablecoins of the qualified payment stablecoin issuer on at least a one-to-one basis, with reserves consisting of any of the following:

a. United States coin or currency or money standing to the credit of an account with a Federal Reserve Bank.

b. Funds held as demand deposits or insured shares at an insured depository institution, subject to limitations established by the Federal Deposit Insurance Corporation and the National Credit Union Administration.

c. United States Treasury bills, notes, or bonds with a remaining maturity or issued with a maturity of 93 days or less.

d. Money received under repurchase agreements, with the qualified payment stablecoin issuer acting as a seller of securities and with an overnight maturity, that are backed by United States Treasury bills with a maturity of 93 days or less.

e. Reverse purchase agreements, with the qualified payment stablecoin issuer acting as a purchaser of securities and with an overnight maturity, that are collateralized by United States Treasury bills, notes, or bonds on an overnight basis, subject to overcollateralization in line with standard market terms that meet federal requirements in the GENIUS Act, Pub. L. No. 119-27.

f. Securities issued by an investment company registered under s. 8(a) of the Investment Company Act of 1940, 15 U.S.C. s. 80a-8(a), or other registered government money market fund, and that are invested solely in underlying assets described in subparagraphs a.-e.

g. Any other similarly liquid Federal Government-issued asset approved by the primary federal payment stablecoin regulator, in consultation with the office.

h. Any reserve described in subparagraphs 1., 2., and 3. or sub-subparagraphs f. and g in tokenized form, provided that such reserves comply with all applicable laws and regulations.

2. Publicly disclose the issuer's redemption policy, which must comply with all of the following requirements:

a. Establish clear and conspicuous procedures for timely redemption of outstanding payment stablecoins.

b. Publicly, clearly, and conspicuously disclose in plain language all fees associated with purchasing or redeeming the payment stablecoins, provided that such fees can be changed only upon not less than 7 days' prior notice to consumers.

3. Publish on the issuer's website a monthly reserve composition of the issuer's reserve which must contain all of the following information:

a. The total number of outstanding payment stablecoins issued by the issuer.

b. The amount and composition of the reserves described in subparagraph 1., including the average tenor and geographic location of custody of each category of reserve instruments.

4. Comply with all federal prohibitions on the pledging, rehypothecating, or reusing reserve assets, either directly or indirectly, except for any of the following purposes:

a. Satisfying margin obligations in connection with investments in permitted reserves under sub-subparagraph 1.d. or sub-subparagraph (a)1.e.

b. Satisfying obligations associated with the use, receipt, or provision of standard custodial services.

c. Creating liquidity to meet reasonable expectations of requests to redeem payment stablecoins, such that reserves in the form of United States Treasury bills may be sold as purchased securities for repurchase agreements with a maturity of 93 days or less, provided that either:

(I) The repurchase agreements are cleared by a clearing agency registered with the Securities and Exchange Commission; or

(II) The qualified payment stablecoin issuer receives prior approval from the office.

5. Engage a registered public accounting firm to conduct a monthly examination of the previous month-end reserve report. For purposes of this subparagraph, the term "registered public accounting firm" means a public accounting firm registered with the Public Company Accounting Oversight Board.

6. Submit to the office each month a certification as to the accuracy of the month-end reserve report by the qualified payment stablecoin issuer's chief executive officer and chief financial officer. Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the

performance of his or her official duty commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

7. A qualified payment stablecoin issuer with more than $50 billion in consolidated total outstanding issuance shall prepare, in accordance with generally accepted accounting principles, an annual financial statement, which shall include disclosure of any related party transactions, as defined by such generally accepted accounting principles.

a. A registered public accounting firm must perform an audit of the annual financial statements.

b. Each qualified payment stablecoin issuer required to prepare an audited annual financial statement must comply with all of the following requirements:

(I) Make such audited financial statements publicly available on the website of the permitted payment stablecoin issuer; and

(II) Submit such audited financial statements annually to the office.

8. Comply with any federal regulations or rules prescribed by the commission relating to capital, liquidity, and risk management requirements.

9. Engage only custodians or safekeepers that comply with s. 10 of the GENIUS Act, Pub. L. No. 119-27.

10. Comply with any other federal requirements of s. 4(a) of the GENIUS Act, Pub. L. No. 119-27, and any implementing federal regulations.

(b) A qualified payment stablecoin issuer is prohibited from engaging in all of the following conduct:

1. Except as may be authorized under federal law, tying arrangements that condition access to stablecoin services on the purchase of unrelated products or services from such qualified payment stablecoin issuer or an agreement not to obtain products or services from a competitor.

2. Using deceptive names, which includes, but is not limited to, any of the following:

a. Using any combination of terms relating to the United States Government, except abbreviations directly related to the currency to which a payment stablecoin is pegged, such as "USD."

b. Marketing a payment stablecoin in such a way that a reasonable person would perceive the payment stablecoin to be legal tender, as described in 31 U.S.C. s. 5103, issued by the United States, or guaranteed or approved by the United States Government.

3. Unless authorized by federal law, paying the holder of any payment stablecoin any form of interest or yield solely in connection with holding, use, or retention of such payment stablecoin.

(7) CERTIFICATION.—The office's initial certification and annual recertification submission to the federal Stablecoin Certification Review Committee pursuant to s. 560.505 must include any relevant information related to the provisions of this chapter in the office's request for certification or recertification of the state regulatory regime of payment stablecoins.

(8) RULEMAKING.—The commission may adopt rules to administer this section as required in s. 13 of the GENIUS Act, Pub. L. No. 119-27. The commission must also adopt rules relating to capital, liquidity, and risk management which are consistent with s. 4(a)(4) of the GENIUS Act, Pub. L. No. 119-27. The commission may adopt rules establishing standards for the conduct, supervision, examination, and regulation of qualified payment stablecoin issuers, including requirements relating to reserves, customer-asset protection, reporting, and compliance in order to meet the minimum requirements established by the Stablecoin Certification Review Committee.

Section 14. Except as otherwise expressly provided in this act, this act shall take effect upon becoming a law.

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 payment stablecoin; amending s. 560.103, F.S.; revising the definition of the term "money services business"; defining terms; amending s. 560.123, F.S.; revising the Florida Control of Money Laundering in Money Services Business Act to include payment stablecoins; requiring certain payment stablecoin issuers to comply with certain regulations; requiring qualified payment stablecoin issuers to submit a specified certification to the Office of Financial Regulation annually; requiring the office to make such certifications available to the Secretary of the Treasury upon request; authorizing the office to revoke the license of qualified payment stablecoin issuers under certain circumstances; providing criminal penalties; amending s. 560.125, F.S.; revising the circumstances relating to violations of certain provisions; revising penalties; creating part V of ch. 560, F.S., entitled "Payment Stablecoin Issuers"; creating s. 560.501, F.S.; defining terms; prohibiting persons from engaging in the activity of a qualified payment stablecoin issuer without being licensed or exempted from licensure; requiring the office to give a specified written notice under certain circumstances; providing applicability; requiring out-of-state state-qualified payment stablecoin issuers to provide a specified written notice to the office within a specified timeframe; specifying that certain transactions are not

regulated under certain provisions; specifying that certain stablecoin is not a security and not subject to certain provisions; requiring certain qualified payment stablecoin issuers to comply with certain requirements under certain circumstances; requiring certain qualified payment stablecoin issuers to provide a specified notice to the office; specifying that qualified payment stablecoin issuers are subject to certain provisions under certain circumstances; specifying that the office remains solely responsible for supervising qualified payment stablecoin issuers or is jointly responsible with the United States Office of the Comptroller of the Currency for such supervision under certain circumstances; authorizing the office to enter into an specified agreement; creating s. 560.502, F.S.; requiring applicants seeking to be a qualified payment stablecoin issuer to submit a specified application to the office; specifying requirements of such application; requiring the office to comply with certain requirements; authorizing certain information to be incorporated into other licensing application forms; creating s. 560.503, F.S.; specifying that licensed qualified payment stablecoin issuers may only engage in certain activities; creating s. 560.504, F.S.; requiring qualified payment stablecoin issuers to comply with certain requirements; providing criminal penalties; prohibiting

qualified payment stablecoin issuers from engaging in certain conduct; creating s. 560.505, F.S.; requiring the office to submit initial certification to a specified committee on a specified form in accordance with a specified timeline; requiring the office to submit a specified additional certification no later than a specified date; requiring the office to comply with certain requirements; creating s. 560.506, F.S.; requiring the Financial Services Commission to adopt specified rules; amending s. 655.50, F.S.; revising the definition of the term "monetary instruments"; requiring qualified payment stablecoin issuers to comply with certain provisions; requiring qualified payment stablecoin issuers to submit to the office a specified certification no later than a specified date; requiring the office to make such certification available to the Secretary of the Treasury upon request; authorizing the office to revoke the license of qualified payment stablecoin issuers under certain circumstances; providing criminal penalties; amending s. 658.19, F.S.; revising the application requirements for the application for authority to organize a bank or trust company; creating s. 658.997, F.S.; defining terms; prohibiting a trust company from engaging in the activity of a qualified payment stablecoin issuer unless the trust company obtains a certificate of approval or is exempted

from such certificate; requiring a trust company to request a specified certificate in conjunction with a specified application to obtain such certificate or apply for the certificate; specifying application requirements; requiring the office to comply with certain requirements; requiring that the application be deemed approved under certain circumstances; providing that the denial of an application does not prohibit an applicant from filing a subsequent application; specifying that the failure to comply with certain provisions is considered good cause for revocation of a certificate of approval; requiring the office to give a specified notice to a qualified payment stablecoin issuer within a specified timeframe; providing applicability; requiring out-of-state state-qualified payment stablecoin issuers to provide a specified written notice to the office within a specified timeframe; specifying that certain transactions are not regulated under certain provisions; specifying that certain stablecoin is not a security and not subject to certain provisions; requiring certain qualified payment stablecoin issuers to comply with certain requirements under certain circumstances; requiring certain qualified payment stablecoin issuers to provide a specified notice to the office; specifying that qualified payment stablecoin issuers are subject to certain provisions under certain circumstances; specifying that the office remains

solely responsible for supervising qualified payment stablecoin issuers or is jointly responsible with the United States Office of the Comptroller of the Currency for such supervision under certain circumstances; authorizing the office to enter into an specified agreement; authorizing qualified payment stablecoin issuers to engage in certain activities; requiring qualified payment stablecoin issuers to comply with certain requirements; prohibiting qualified payment stablecoin issuers from engaging in certain conduct; requiring that the office's initial and annual recertification include certain information; providing for certain rule adoption by the commission; providing effective dates.

CS/HB 311

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/HB 311	**COMPANION BILL:** SB 1672 (McClain)
TITLE: Tax Credits for Contributions to Assist Homebuyers	**LINKED BILLS:** None
SPONSOR(S): Edmonds	**RELATED BILLS:** None

Committee References

Ways & Means 18 Y, 0 N, As CS	➤	Commerce

SUMMARY

Effect of the Bill:
The bill creates a new Homebuyer Workforce Tax Credit which can be applied against Corporate Income Tax or Insurance Premium Tax liability for contributions made by taxpayers to their own employees with income below specified limits to assist with the purchase of a homestead property. The tax credit program is capped at $5 million per year for three years. The bill provides additional administrative guidance, provides permanent and emergency rulemaking authority to the Department of Revenue, and makes conforming changes.

Fiscal or Economic Impact:
The Revenue Estimating Conference has not estimated the impact of the bill on state or local government revenues. Staff estimates that the bill will have a negative impact on General Revenue of $5 million for each of fiscal years 2026-27, 2027-28, and 2028-29.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill creates the Homebuyer Workforce Tax Credit in new statute section 420.952, F.S. The credit can be applied against Corporate Income Tax or Insurance Premium Tax liability for contributions made by taxpayers to their own employees with income below specified limits[1] to assist with the purchase of a primary residence used as a homestead property (up to $5,000 per employee). (Section 3)

The tax credit program is capped at $5 million per year for three years, and is to be approved on a first-come, first-served basis. Each taxpayer is limited to a credit of $500,000 per taxable year. Any credit that is unused by the taxpayer may be carried forward up to five years. The program will be administered by the Department of Revenue, which must begin accepting applications October 1, 2026.

The bill provides additional administrative guidance and makes conforming changes to implement the credit program as follows:

- The bill creates a new part VIII of Chapter 420, F.S., to contain provisions related to Housing Tax Credits. (Section 1)
- The bill creates new section 420.951, F.S., to provide definitions related to Housing Tax Credits. (Section 2)
- The bill creates new section 220.1856, F.S., to provide for a credit against corporate income tax for contributions made pursuant to new section 420.952, F.S. This section also clarifies application of the credit for taxpayers filing a consolidated return and for taxpayers filing extended returns under existing law. (Section 4)

[1] The bill specifies that eligible employees must be "moderate-income" as defined in defined in s. 420.602(9), F.S.

- The bill provides statutory guidance for the order in which the new credit should be taken against corporate income tax. (Section 5)
- The bill requires the amount of the credit be added to the taxpayer's taxable income, to ensure the taxpayer does not receive both a deduction and a credit for the same contribution. (Section 6)
- The bill creates new section 624.51065, F.S., to provide for a credit against insurance premium taxes for contributions made pursuant to new section 420.952, F.S. (Section 7)
- The bill provides emergency rulemaking authority to the Department of Revenue to implement the program. (Section 8)

The bill is effective July 1, 2026, other than the emergency rulemaking provision which is effective upon becoming a law.

RULEMAKING:

The bill provides both permanent and emergency rulemaking authority to the Department of Revenue to implement the provisions of the credit program. The emergency rulemaking authority expires July 1, 2029.

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:

The Revenue Estimating Conference has not estimated the impact of the bill on state or local government revenues. Staff estimates that the bill will have a negative impact on General Revenue of $5 million for each of fiscal years 2026-27, 2027-28, and 2028-29.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Corporate Income Tax

Florida levies a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.[3] Florida utilizes the taxable income determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.[4] This means that a corporation paying taxes in Florida generally receives the same benefits from deductions allowed when determining taxable income for federal tax purposes as it does when determining taxable income for state taxation purposes, unless the state chooses not to adopt specific federal provisions.

Insurance Premium Taxes

Florida imposes a 1.75 percent tax on most Florida insurance premiums, a 1 percent tax on annuity premiums, and a 1.6 percent tax on self-insurers.[5] In addition, some insurers pay a retaliatory tax to the extent the insurer's state of domicile would impose a greater tax burden than Florida imposes.

[2] Florida Housing Finance Corporation, *Analysis of 2026 House Bill 311*, p.4 (Jan. 5, 2026).
[3] Section 220.11(2), F.S.
[4] Section 220.12, F.S.
[5] Section 624.509(1), F.S., and s. 624.4621(7), F.S.

Insurance premium taxes are paid by insurance companies under ch. 624, F.S., and are remitted to the Department of Revenue. These revenues are distributed to the General Revenue Fund with additional distributions to the Insurance Regulatory Trust Fund, the Police & Firefighters Premium Tax Trust Fund, and the Emergency Management Preparedness & Assistance Trust Fund.

Moderate Income

Florida statutes lay out separate income thresholds for different levels of affordable housing.[6] These thresholds are all based on the "adjusted gross income" of a household, which includes all wages, assets, contributions, and gifts earned by or made to a household, adjusted for family size, less deductions allowable under the definition of "adjusted gross income"[7] for federal tax purposes.[8]

Moderate income[9] means that the total annual household income does not exceed 120 percent of the median annual adjusted gross income for households within the greatest of the state, the metropolitan area where the household resides, or, if not within a metropolitan area, then within the county in which the person or family resides.

Homestead Property

Homestead property is real estate (real property) for which a person, on January 1, has the legal or beneficial title and who in good faith makes the property his or her permanent residence (or the permanent residence of another legally or naturally dependent on him or her).[10] The property may be owned jointly, as tenancy by the entireties, or otherwise in common with others, and can be apportioned among such shared owners.[11] Only one homestead exemption is allowed to any one person or on any one dwelling house.[12] Individual condominium owners, however, can each qualify for a separate homestead designation.[13]

Homestead properties may qualify for a number of benefits related to ad valorem (property) taxes, including an exemption on the first $25,000 of assessed value of the property that is applicable to all ad valorem tax levies, including levies by school districts.[14] An additional $25,000 exemption applies to the assessed value of homestead property greater than $50,000.[15] This exemption is adjusted annually for inflation[16] and does not apply to ad valorem taxes levied by school districts.[17]

Homestead properties also benefit from a provision in the Florida Constitution that limits the annual increase in the assessed value of the property to the lower of three percent or the percent change in the Consumer Price Index for the preceding calendar year.[18]

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[6] Section 420.0004(3), F.S.
[7] 26 U.S.C. § 62.
[8] Section 420.0004(2), F.S.
[9] Section 420.0004(12), F.S.
[10] FLA. CONST. art. VII, s. 6(a) and s. 196.031(1)(a), F.S.
[11] S. 196.031(1)(a), F.S.
[12] *Id.*
[13] *Id.*
[14] FLA. CONST. art. VII, s. 6(a) and s. 196.031, F.S.
[15] S. 196.031(1)(b), F.S.
[16] FLA. CONST. art VII, s. 6(a)(3) and s. 196.031(1)(b), F.S. In 2026, the adjusted value of this exemption is $26,411. *See* https://floridarevenue.com/property/Documents/cpi_homestead_exemption.pdf (last visited 1/16/2026).
[17] FLA. CONST. art. VII, s. 6(a)(1)b. and s. 196.031(1)(b), F.S.
[18] FLA. CONST. art. VII, s. 4(d)(1) and s. 193.155, F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	18 Y, 0 N, As CS	2/10/2026	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	• Moved language creating the credit from Chapter 212, F.S. (Sales and Use Tax) to Chapters 420, F.S. (Housing), 220, F.S. (Corporate Income Tax) and 624, F.S. (Insurance), to align with provisions of the program. • Limited the program to contributions made to a taxpayer's own employees who meet the definition of a moderate-income person and who establish a homestead in Florida. • Created a per-taxpayer credit limit of $500,000 per year. • Made technical and conforming changes to ensure the proper operation of the proposed tax credit.			
Commerce Committee			Hamon	Rodriguez

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

A bill to be entitled

An act relating to tax credits for contributions to assist homebuyers; providing a directive to the Division of Law Revision; creating part VII of ch. 420, F.S.; creating s. 420.951, F.S.; defining terms; creating s. 420.952, F.S., authorizing certain taxpayers to receive a tax credit for specified contributions; providing requirements for the use of such credit; requiring a taxpayer to submit a certain application beginning on a specified date; requiring the application include specified information and documentation; authorizing the tax credit to be used against certain taxes; requiring the Department of Revenue to approve applications in a specified manner; providing the maximum amount of credits authorized for specified fiscal years; authorizing unused credits to carryforward for a specified period of time in certain circumstances; prohibiting the sale or transfer of certain tax credits; authorizing the department to adopt rules; providing for future repeal; providing construction; creating s. 220.1856, F.S.; providing a credit against the corporate income tax for certain contributions beginning on a specified date; authorizing the credit on a consolidated return basis under certain circumstances; providing applicability;

amending s. 220.02, F.S.; revising the order in which certain credits are intended to be applied to incorporate changes made by the act; amending s. 220.13, F.S.; requiring the addition of the amount taken for a specified credit to taxable income; creating s. 624.51065, F.S.; providing a credit against insurance premium taxes for certain contributions beginning on a specified date; providing construction; providing applicability; authorizing the department to adopt emergency rules; providing for future repeal; providing effective dates.

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

Section 1. The Division of Law Revision is directed to create part VIII of chapter 420, Florida Statutes, consisting of ss. 420.951 and 420.952, Florida Statutes, to be entitled "Housing Tax Credits."

Section 2. Section 420.951, Florida Statutes, is created to read:

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

(1) "Department" means the Department of Revenue.

(2) "Eligible employee" means a full-time employee who:

(a) Has established permanent residency in the state;

(b) Is a moderate-income person as that term is defined in s. 420.602; and

(c) Has not owned property to which the homestead exemption provided in s. 196.031(1)(a) applied in the 3 calendar years before such purchase.

(3) "Eligible expenses" means a down payment or any closing costs related to a qualifying home purchase.

(4) "Eligible taxpayer" means a taxpayer as defined in s. 220.03(1)(z) or an insurer as defined in s. 624.509(9) who has operated in the state for at least 3 consecutive years.

(5) "Employer contribution" means a monetary contribution of at least $1,000 from an employer to its employee pursuant to this part.

(6) "Qualifying home purchase" means the purchase of a property by an eligible employee for use as his or her primary residence.

(7) "Maximum annual tax credit amount" means, for any state fiscal year, the sum of the amount of tax credits approved under s. 420.952, including tax credits to be taken under s. 220.1856 or s. 624.51065, which the department may approve for taxpayers whose taxable years begin on or after January 1 of the calendar year preceding the start of the applicable state fiscal year.

(8) "Tax due" means any tax required under chapter 220 or chapter 624.

Section 3. Section 420.952, Florida Statutes, is created to read:

420.952 Homebuyer Workforce Tax Credit.—

(1) An eligible taxpayer may receive a credit against any tax due, up to $500,000 per taxable year, for 100 percent of an employer contribution to an eligible employee to pay for eligible expenses related to a qualifying home purchase. An eligible taxpayer may not receive more than $5,000 of credit for employer contributions made to a single employee.

(2) The credit shall be first applied to the taxable year in which the contribution is made. If a tax credit approved under this section is not fully used for the specified taxable year because of insufficient tax liability on the part of the eligible taxpayer, the unused amount may be carried forward for a period not to exceed 5 taxable years. For purposes of s. 220.1856, the carryover credit may be used in a subsequent year after applying the other credits and unused credit carryovers in the order provided in s. 220.02(8).

(3) The total credit taken by an eligible taxpayer in a single taxable year may not exceed the total of the credit approved by the department pursuant to subsection (4).

(4) Beginning October 1, 2026, an eligible taxpayer may submit an application to the department for the purposes of determining qualification for a credit under this section. The department must approve the application for the credit before the eligible taxpayer is authorized to claim the credit on a return.

(a) An application must include, on a form prescribed by the department, documentation including:

1. A statement signed under oath by the eligible employee that he or she received the eligible contribution, that the employee's household met the applicable income limitation, and that such contribution was used for a qualifying home purchase.

2. Evidence that the eligible employee has been approved by the property appraiser for a homestead exemption on the applicable property.

3. Any other information the department requires to verify qualification for the credits authorized under subsection (1).

(b) The eligible taxpayer shall specify in the application each tax for which the taxpayer requests a credit and the applicable taxable year. For purposes of s. 220.1856, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that year pursuant to s. 220.222. For purposes of s. 624.51065, a taxpayer may apply for a credit to be used for a prior taxable year before the date the taxpayer is required to file a return for that prior taxable year pursuant to ss. 624.509 and 624.5092.

(5) The department shall approve applications on a first-come, first-served basis within 30 days after receipt of a completed application. Within 10 days after approving or denying an application, the department shall provide a copy of its

approval or denial letter to the taxpayer. If the department determines that an application is incomplete, the department shall notify the taxpayer in writing and the taxpayer shall have 30 days after receiving such notification to correct any deficiency. If corrected in a timely manner, the application must be deemed completed as of the date the application was first submitted.

(6) For purposes of calculating the underpayment of estimated corporate income taxes under s. 220.34 and tax installment payments for taxes on insurance premiums or assessments under s. 624.5092, the final amount due is the amount after credits earned under s. 220.1856 or s. 624.51065 are deducted.

(a) For purposes of determining if a penalty or interest under s. 220.34(2)(d)1. will be imposed for underpayment of estimated corporate income tax, a taxpayer may, after earning a credit under s. 220.1856, reduce any estimated payment in that taxable year by the amount of the credit.

(b) For purposes of determining if a penalty under s. 624.5092 will be imposed, an insurer, after earning a credit under s. 624.51065 for a taxable year, may reduce any installment payment for such taxable year of 27 percent of the amount of the net tax due as reported on the return for the preceding year under s. 624.5092(2)(b) by the amount of the credit.

(7) For state fiscal years 2026-2027, 2027-2028, and 2028-2029, the maximum annual tax credit amount is $5 million.

(8) An eligible taxpayer may not convey, transfer, or assign an approved tax credit or carryforward tax credit to another entity.

(9) The department may adopt rules necessary to administer this section, including rules establishing application forms, procedures governing the approval and carryforward of tax credits, and procedures to be followed by taxpayers when claiming approved tax credits on their returns.

(10)(a) This section is repealed January 1, 2030, unless reviewed and saved from repeal through reenactment by the Legislature.

(b) Notwithstanding the repeal of this section contained in paragraph (a), carryover credits authorized under subsection (2) remain valid until their scheduled expiration.

Section 4. Section 220.1856, Florida Statutes, is created to read:

220.1856 Homebuyer Workforce Tax Credit.—

(1) For taxable years beginning on or after January 1, 2027, there is allowed a credit of 100 percent of an eligible contribution made under s. 420.952 against any tax due for a taxable year under this chapter. An eligible contribution must be made on or before the date the taxpayer is required to file a return pursuant to s. 220.222.

(2) A taxpayer who files a Florida consolidated return as a member of an affiliated group pursuant to s. 220.131(1) may be allowed the credit on a consolidated return basis.

(3) Section 420.952 applies to the credit authorized by this section.

(4) If a taxpayer applies and is approved for a credit under s. 420.952 after timely requesting an extension to file under s. 220.222(2):

(a) The credit does not reduce the amount of tax due for purposes of the department's determination as to whether the taxpayer was in compliance with the requirement to pay tentative taxes under ss. 220.222 and 220.32.

(b) The taxpayer's noncompliance with the requirement to pay tentative taxes shall result in the revocation and rescindment of any such credit.

(c) The taxpayer shall be assessed for any taxes, penalties, or interest due from the taxpayer's noncompliance with the requirement to pay tentative taxes.

Section 5. Subsection (8) of section 220.02, Florida Statutes, is amended to read:

220.02 Legislative intent.—

(8) It is the intent of the Legislature that credits against either the corporate income tax or the franchise tax be applied in the following order: those enumerated in s. 631.828, those enumerated in s. 220.191, those enumerated in s. 220.181,

those enumerated in s. 220.183, those enumerated in s. 220.182, those enumerated in s. 220.1895, those enumerated in s. 220.195, those enumerated in s. 220.184, those enumerated in s. 220.186, those enumerated in s. 220.1845, those enumerated in s. 220.19, those enumerated in s. 220.185, those enumerated in s. 220.1875, those enumerated in s. 220.1876, those enumerated in s. 220.1877, those enumerated in s. 220.18775, those enumerated in s. 220.1878, those enumerated in s. 288.062, those enumerated in former s. 288.9916, those enumerated in former s. 220.1899, those enumerated in former s. 220.194, those enumerated in s. 220.196, those enumerated in s. 220.198, those enumerated in s. 220.1915, those enumerated in s. 220.199, those enumerated in s. 220.1991, ~~and~~ those enumerated in s. 220.1992, and those enumerated in s. 220.1856.

Section 6. Paragraph (a) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(a) Additions.—There shall be added to such taxable income:

1.a. The amount of any tax upon or measured by income,

excluding taxes based on gross receipts or revenues, paid or accrued as a liability to the District of Columbia or any state of the United States which is deductible from gross income in the computation of taxable income for the taxable year.

b. Notwithstanding sub-subparagraph a., if a credit taken under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878 is added to taxable income in a previous taxable year under subparagraph 11. and is taken as a deduction for federal tax purposes in the current taxable year, the amount of the deduction allowed shall not be added to taxable income in the current year. The exception in this sub-subparagraph is intended to ensure that the credit under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878 is added in the applicable taxable year and does not result in a duplicate addition in a subsequent year.

2. The amount of interest which is excluded from taxable income under s. 103(a) of the Internal Revenue Code or any other federal law, less the associated expenses disallowed in the computation of taxable income under s. 265 of the Internal Revenue Code or any other law, excluding 60 percent of any amounts included in alternative minimum taxable income, as defined in s. 55(b)(2) of the Internal Revenue Code, if the taxpayer pays tax under s. 220.11(3).

3. In the case of a regulated investment company or real estate investment trust, an amount equal to the excess of the

net long-term capital gain for the taxable year over the amount of the capital gain dividends attributable to the taxable year.

4. That portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.181. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

5. That portion of the ad valorem school taxes paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under s. 220.182. This subparagraph shall expire on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

6. The amount taken as a credit under s. 220.195 which is deductible from gross income in the computation of taxable income for the taxable year.

7. That portion of assessments to fund a guaranty association incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year.

8. In the case of a nonprofit corporation which holds a pari-mutuel permit and which is exempt from federal income tax as a farmers' cooperative, an amount equal to the excess of the gross income attributable to the pari-mutuel operations over the attributable expenses for the taxable year.

9. The amount taken as a credit for the taxable year under s. 220.1895.

10. Up to nine percent of the eligible basis of any designated project which is equal to the credit allowable for the taxable year under s. 220.185.

11. Any amount taken as a credit for the taxable year under s. 220.1875, s. 220.1876, s. 220.1877, or s. 220.1878. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. This addition is not intended to result in adding the same expense back to income more than once.

12. The amount taken as a credit for the taxable year under s. 220.196. The addition in this subparagraph is intended to ensure that the same amount is not allowed for the tax purposes of this state as both a deduction from income and a credit against the tax. The addition is not intended to result in adding the same expense back to income more than once.

13. The amount taken as a credit for the taxable year pursuant to s. 220.198.

14. The amount taken as a credit for the taxable year pursuant to s. 220.1915.

15. The amount taken as a credit for the taxable year pursuant to s. 220.199.

16. The amount taken as a credit for the taxable year pursuant to s. 220.1991.

17. The amount taken as a credit for the taxable year

pursuant to s. 220.1856, which was deducted in the computation of taxable income for the taxable year.

Section 7. Section 624.51065, Florida Statutes, is created to read:

624.51065 Homebuyer Workforce Tax Credit.—

(1) For taxable years beginning on or after January 1, 2027, there is allowed a credit of 100 percent of an eligible contribution made under s. 420.952 against any tax due for a taxable year under this chapter after deducting from such tax credits and deductions in the order provided in s. 624.509(7).

(2) An eligible contribution must be made on or before the date the taxpayer is required to file a return pursuant to ss. 624.509 and 624.5092. An insurer claiming a credit against premium tax liability under this section is not required to pay any additional retaliatory tax levied under s. 624.5091 as a result of claiming such credit. Section 624.5091 does not limit such credit in any manner.

(3) Section 420.952 applies to the credit authorized by this section.

Section 8. (1) The Department of Revenue is authorized, and all conditions are deemed met, to adopt emergency rules under s. 120.54(4), Florida Statutes, for the purpose of implementing provisions related to the creation of the Homebuyer Workforce Tax Credit by this act. Notwithstanding any other law, emergency rules adopted under this section are effective for 6

months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

(2) This section shall take effect upon becoming a law and expires July 1, 2029.

Section 9. Except as otherwise expressly provided by this act and except for this section, which shall take effect upon becoming a law, this act shall take effect July 1, 2026.

CS/HB 741

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 741	**COMPANION BILL:** SB 998 (Yarborough)
TITLE: Department of Commerce	**LINKED BILLS:** None
SPONSOR(S): Owen	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism
16 Y, 0 N, As CS
➤
Transportation & Economic Development Budget
15 Y, 0 N
➤
Commerce

SUMMARY

Effect of the Bill:
The bill addresses various matters related to community, workforce, and economic development and the Florida Department of Commerce (Department). The bill revises provisions related to:

- The acquisition of state lands for the purpose of buffering a military installation against encroachment;
- The Rural Economic Development Initiative;
- The Florida Small Cities Community Development Block Grant Program;
- Florida Is For Veterans, Inc.; and
- Employment eligibility and verification.

Fiscal or Economic Impact:
The bill appears to have an indeterminate impact on state expenditures. However, the Department should be able to manage these new responsibilities within existing resources. The bill may have an indeterminate, positive impact on local governments due to reduced administrative processes.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Acquisition of State Lands for Military Buffers

The bill exempts from the requirement that certain lands buffering a military installation against encroachment revert back to the Board of Trustees of the Internal Improvement Fund if the land is not used for its intended purposes as a buffer for a military installation, even if the specific military mission, use, or function of the land is modified or changed. (Section 1)

Rural Economic Development Initiative

The bill redefines what qualifies as a "rural community" for purposes of the Rural Economic Development Initiative (REDI) by: providing that an unincorporated area which has a population of 25,000 or fewer and which meets three or more economic distress factors may qualify as a rural community for REDI; removing unincorporated federal enterprise communities and incorporated rural cities with a population of 25,000 or fewer and an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, from the definition of a "rural community." (Section 2)

Community Development Block Grant Program

The bill replaces the Florida Small Cities Community Development Block Grant Program with the Community Development Block Grant Program (Program). (Sections 3, 4, and 5)

The bill repeals the following program provisions: (Section 3)

- S. 290.0411, F.S., relating to legislative intent and purpose.
- S. 290.042, F.S., relating to definitions.
- S. 290.0455, F.S., relating to the Small Cities Community Development Block Grant Loan Guarantee Program.
- S. 290.046, F.S., relating to procedures and requirements for grant applications.
- S. 290.047, F.S., relating to grant ceilings and maximum administrative cost percentages, elimination of population bias, and loans in default.
- S. 290.0475, F.S., relating to circumstances when grant applications are ineligible for funding.
- S. 290.048, F.S., relating to powers of the Department of Commerce (Department) to carry out the purposes and provisions of the program.

The bill designates the Department as the state agency to receive federal funding from the U.S. Department of Housing and Urban Development (HUD) and to administer the Program. The bill allows the Department to award grants under the Program consistent with the purposes and requirements of the Housing and Community Development Act of 1974, as amended, and applicable federal regulations (Act). The Department may expend funds received from HUD consistent with the Act. (Section 5)

The bill provides that, if, in any year, the Department receives additional federal funding through HUD for necessary expenses related to disaster recovery, long-term recovery, and restoration of infrastructure in impacted and distressed areas arising from the consequences of a federally declared disaster, the Department must administer such funding in accordance with the federal law authorizing such funding, including any implementing guidance or regulations adopted by HUD. (Section 5)

The bill provides that, if, in any year, the Department receives additional federal funding through HUD for any purpose not specifically provided in the bill, the Department must administer such funding in accordance with the law authorizing such funding, including any implementing guidance or regulations adopted by HUD. (Section 5)

The bill allows the Department to adopt rules to administer the program. (Section 5)

Employment Verification

The bill clarifies and adds procedures for enforcing employment verification and eligibility procedures.

The bill creates the following definitions related to employment verification: (Section 6)

- "Employer" means any person, firm, company, corporation, association, joint stock company, partnership, organization, or other legal entity, or any agent thereof, which engages one or more individuals to perform labor or services in this state in exchange for salary, wages, or other remuneration. The term does not include:
  - An occupant or owner of a private residence with respect to an individual hired for casual labor, as defined in s. 443.036, F.S., which is to be performed entirely within that private residence.
  - A person or entity solely with respect to its engagement of an independent contractor, as defined in federal laws or regulations.
- "Noncompliance" means:
  - The failure of an employer to verify a new employee's employment eligibility through the E-Verify system.
  - An employer's failure to timely provide, upon request by a specified government entity, copies of the documentation the employer relied upon to verify a new employee's employment eligibility.

The bill requires employers to maintain an E-Verify case for each employee which verifies the employee's employment eligibility. (Section 6)

The bill provides that if an employer fails to provide requested documentation that was relied upon by the employer for the verification of a new employee's employment eligibility within 30 days after a request made by specified government entities, it constitutes noncompliance. Each failure to timely provide the documentation constitutes a noncompliance event for the application of fines. (Section 6)

If the Department has a reasonable basis to believe that an employer failed to use the E-Verify system to verify the employment eligibility of employees, then the Department must, before the imposition of a fine or suspension of licenses, issue an initial notification of noncompliance to the employer. (Section 6)

The bill provides that an employer's failure to provide copies of any documentation relied upon by the employer for the verification of a new employee's employment eligibility to the specified government entities constitutes a reasonable basis that an employer failed to use the E-Verify system. The Department must notify the employer that it must cure the noncompliance within 30 days after the date of the initial notification. The Department, for good cause shown by the employer, may grant the employer an additional 30 days to cure the noncompliance. If the employer does not timely cure the noncompliance, the Department shall issue a final determination of noncompliance to the employer, which is subject to Ch. 120, F.S., the Administrative Procedure Act (APA). If the employer requests a hearing, the hearing shall be held pursuant to ss. 120.569 and 120.57(1), F.S., except that the order of an administrative law judge is a final order and reviewable under s. 120.68, F.S. (Section 6)

If the Department determines that an employer failed to use the E-Verify system and the employer failed to cure the noncompliance, then the Department must impose a fine of $1,000 for each employee who is not verified, rather than a fine of $1,000 per day until the employer provides the Department with sufficient proof that the noncompliance was cured after failing to use the E-Verify system three times in a 24-month period. Any subsequent noncompliance by the employer after the final determination of noncompliance constitutes grounds for the suspension of all licenses issued by a licensing agency until the noncompliance is cured, subject to the APA. (Section 6)

The bill provides that to cure noncompliance, the employer must: (Section 6)

- Register with the E-Verify system if the employer is not already registered.
- Use the E-Verify system or the Employment Eligibility Verification form (Form I-9) to properly verify the employment eligibility of each employee.
- Provide an E-Verify case result for each employee which verifies the employee's employment eligibility.
- Provide an affidavit to the Department, under penalty of perjury, that all instances of noncompliance have been corrected and that the employer is now in full compliance.

The bill provides that, in addition to any fines, the Department is entitled to recover the reasonable costs of investigation and prosecution if the employer is found to have violated employment eligibility provisions. The court determines the amount of costs to be assessed after its consideration of an affidavit of itemized costs and any written objections to the affidavit. If the assessed costs are not paid within 60 days after assessment, the Department may contract for the collection of such costs, in which case any fees charged by the collection agent may be added to the amount recovered from the employer, or the Department may bring a civil action to recover such costs, in which case the Department is also entitled to recover reasonable attorney fees and court costs incurred in such action. All recovered costs, including additional amounts recovered for collection efforts, must be deposited into the State Economic Enhancement and Development Trust Fund. (Section 6)

The bill provides that the Department may not investigate a complaint that is based solely on race, color, or national origin. (Section 6)

The bill changes the date on which the E-Verify provision expires. The bill provides that the provision expires after the E-Verify system is no longer provided or maintained by the Federal Government, or when the Federal Government requires the use of the E-Verify system by all employers in the United States, rather than 60 days after

the E-Verify system is no longer a pilot program, and the Federal Government requires the use of the E-Verify system by all employers in the United States. (Section 6)

The bill provides a presumption that an employer knowingly employs an unauthorized alien when the employer is aware of the unauthorized alien's unauthorized status or fails to take reasonable steps to verify the unauthorized alien's employment eligibility after being made aware of potential violations. (Section 7)

The bill provides that if the Department finds or is notified by a specified government entity that an employer has knowingly employed an unauthorized alien, then the Department must provide the employer with a written determination subject to the APA. If the employer requests a hearing, the hearing shall be held pursuant to ss. 120.569 and 120.57(1), F.S., except that the order of an administrative law judge is a final order and reviewable under s. 120.68, F.S. The bill removes a redundant provision. (Section 7)

When an employer is on probation for a violation of s. 448.09, F.S., the bill requires the employer to submit an affidavit on or before the last day of each quarter that affirms the employer is not employing any unauthorized aliens and is in compliance with employment verification laws. The first quarter starts from the issuance date of the final order. Each subsequent quarter starts 90 days after the previous quarter. The Department may enforce compliance by filing a petition for enforcement with the circuit court in Leon County, and the venue for all such actions is in Leon County. (Section 7)

When any violation of s. 448.09, F.S., takes place within 24 months after a previous violation, constituting grounds for the suspension or revocation of all licenses, the bill requires the Department to provide the employer with a written determination subject to the APA. The hearing shall be held pursuant to ss. 120.569 and 120.57(1), F.S., except that the order of the administrative law judge is a final order and appealable pursuant to s. 120.68, F.S. (Section 7)

The bill allows the Department to adopt rules necessary to establish procedures for reporting, enforcement, compliance, noncompliance, license suspension, and the application of fines, as well as any other rules required for effective enforcement and administration of employment eligibility and employment of unauthorized alien provisions. (Sections 6 and 7)

Miscellaneous Provisions

The bill makes a conforming change. (Section 8)

The bill provides an effective date of July 1, 2026. (Section 9)

RULEMAKING:

The bill gives rulemaking authority to the Department to administer the Community Development Block Grant Program and for enforcement of employment verification requirements.

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:

The bill does not appear to have an impact on state revenues, and any fiscal impacts on the Department are expected to be minimal and absorbed within existing resources. While the Department is granted rulemaking and enforcement authority, these activities align with current responsibilities. Streamlining the Community

Development Block Grant Program framework may improve administrative efficiency without increasing overall costs.[1]

LOCAL GOVERNMENT:

According to the Department, the bill reduces administrative processes which may deliver a positive fiscal impact to local governments. Local governments may experience reduced administrative and consulting expenses due to fewer procedural requirements.[2]

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Department of Commerce

The Department of Commerce (Department) was formed to assist the Governor in working with the Legislature, state agencies, business leaders, and economic development professionals to formulate and implement coherent and consistent policies and strategies designed to promote economic opportunities for all Floridians. The Department is the state's chief agency for business recruitment and expansion and economic development.[3] The Department has the following divisions and offices:[4]

- The Division of Economic Development,
- The Division of Community Development,
- The Division of Workforce Services,
- The Division of Finance and Administration,
- The Division of Information Technology,
- The Office of the Secretary, and
- The Office of Economic Accountability and Transparency.

Acquisition of State Lands for Military Buffers

The Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) holds state lands in trust for the use and benefit of the people of Florida.[5] The Board of Trustees consists of the Governor, Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Board of Trustees may acquire, sell, transfer, and administer state lands in the manner consistent with Chs. 253 and 259, F.S.[6] The Department of Environmental Protection, through its Division of State Lands, performs all staff duties and functions related to the acquisition, administration, and disposition of state lands.[7]

"Conservation lands" are lands managed for conservation, outdoor resource-based recreation, or archaeological or historic preservation, except those lands acquired solely to facilitate the acquisition of other conservation lands.[8]

The Board of Trustees may acquire nonconservation lands from the Department's annual list through the Military Base Protection Program to buffer a military installation against encroachment.[9] A conveyance at less than

[1] Department of Commerce, Analysis of 2026 House Bill 741, p.6 (Dec. 22, 2025).
[2] *Id.*
[3] S. 20.60(4), F.S.
[4] S. 20.60(3)(a), F.S.
[5] S. 253.001, F.S.
[6] S. 253.02(1), F.S.
[7] S. 253.002(1), F.S.
[8] S. 253.034(2)(c), F.S.
[9] S. 253.025(21)(a), F.S.

appraised value must state that the land will revert to the Board of Trustees if it is not used for its intended purpose as a military installation buffer, or if the military installation closes.[10]

Rural Economic Development Initiative

The Rural Economic Development Initiative (REDI) was established by the Legislature to encourage and facilitate the location and expansion of major economic development projects of significant scale in rural communities.[11] Today, REDI operates as a statewide initiative led by the Department to better serve Florida's rural communities by providing a more focused and coordinated effort among state and regional agencies to improve the fiscal, economic, and community viability of these areas.[12]

Specified agencies and organizations[13] are required to designate a high-level staff person to serve as their REDI representative. Each REDI representative is responsible for ensuring that their agency or organization is informed about REDI and helps to identify opportunities to accommodate or include rural local governments in their agency programs.

REDI is required to review and evaluate the impact of statutes and rules on rural communities and work to minimize any adverse impacts, and undertake outreach and capacity-building efforts.[14] Under the REDI statute, a rural community is defined as:

- A county with a population of 75,000 or fewer;
- A county with a population of 125,000 or fewer, if the county is contiguous to a county with a population of 75,000 or fewer;
- Any municipality in a county that meets the above criteria; or
- An unincorporated federal enterprise community or an incorporated rural city with a population of 25,000 or fewer, with an employment base focused on traditional agriculture or resource-based industries, located in a county not defined as rural, and which has at least three or more economic distress factors.[15]

Each REDI member agency is required to review financial match requirements for projects in rural areas and develop a proposal to waive or reduce match requirements, and such proposals must be submitted to REDI.[16] REDI must call a meeting within 30 days of receipt of such proposals for comment and recommendation.[17] Waivers and reductions of financial match requirements must be requested by the county or community, and, to the fullest extent possible, member organizations must expedite the adoption of rules and amendments to incorporate the reduction in match for rural areas in financial distress.[18] REDI must prepare an annual report as a supplement to the Department's annual report, which includes an evaluation of the status of changes to rules, the number of awards made with waivers, and recommendations for future changes.[19]

Based on recommendations of REDI, the Governor may designate up to three rural areas of opportunity (RAOs) by executive order,[20] which establishes certain local governments as a priority for the Department. The orders also

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[10] S. 253.025(21)(d), F.S.
[11] S. 288.0656(1)(a), F.S.
[12] S. 288.0656(3), F.S.
[13] The Department of Transportation, Department of Environmental Protection, Department of Agriculture and Consumer Services, Department of State, Department of Health, Department of Children and Families, Department of Corrections, Department of Education, Department of Juvenile Justice, Fish and Wildlife Conservation Commission, each water management district, CareerSource Florida, Inc., VISIT Florida, the Florida Regional Planning Council Association, Agency for Health Care Administration, and the Institute of Food and Agricultural Sciences (IFAS). *See* s. 288.0656(6)(a), F.S.
[14] S. 288.0656(4), F.S.
[15] S. 288.0656(2)(e), F.S.
[16] S. 288.06561, F.S.
[17] S. 288.06561(3), F.S.
[18] S. 288.06561(4), (7), F.S.
[19] S. 288.06561(8), F.S.
[20] S. 288.0656(7)(a), F.S.

permit all state agencies and departments to use all available tools and resources, to the extent permitted by law, to promote the creation and development of projects designated by the RAO that have been recommended by the department.[21]

Community Development Block Grant Program

The Community Development Block Grant (CDBG) program under the U.S. Department of Housing and Urban Development (HUD) was established under Title I of the Housing and Community Development Act of 1974 (Act)[22] and has funded more than $160 billion in block grants to support eligible program activities.[23]

The CDBG program is a long-standing program providing flexible federal funding to states and localities to support economic development, community development, and infrastructure. As a block grant program, CDBG provides grantees with some discretion in administering program funds within specific activity categories. Grantees are required to demonstrate that each grant-funded activity is aligned with one of the following three statutorily defined national objectives:[24]

- Principally benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight; or
- Meet an urgent need by addressing conditions that pose a serious and immediate threat to the health and safety of residents.

Approximately 70% of CDBG program funds are distributed to entitlement communities, defined as:[25]

- Principal metropolitan cities,
- Other cities with populations of 50,000 or greater, and
- Urban counties with populations of 200,000 or greater (excluding entitlement city populations).

The remaining 30% of funds are allocated to states based on a separate formula allocation process. State CDBG funds are to be distributed by states to communities that do not qualify for entitlement funds. Before allocations are made to states and localities, $7 million is statutorily set aside to be distributed among U.S. territories.[26]

The CDBG program works to provide decent housing and a suitable living environment by expanding economic opportunities to the most vulnerable in Florida communities. A need is considered urgent if it poses a serious and immediate threat to the health or welfare of the community and has arisen in the past 18 months.[27]

In Florida, the Department manages four CDBG programs:[28]

- Florida Small Cities Community Development Block Grant Program,
- CDBG – Coronavirus Relief Funding,
- Office of Disaster Recovery, and

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[21] Executive Orders 20-170, 21-149, and 23-132 and 25-141, https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO_20-170.pdf, https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO_21-149.pdf, https://www.flgov.com/eog/sites/default/files/executive-orders/2024/EO-23-132.pdf, and https://www.flgov.com/eog/sites/default/files/executive-orders/2025/EO%2025-141.pdf (last visited Feb. 17, 2026)

[22] Public Law 93-383.

[23] Joseph V. Jaroscak, *Community Development Block Grants: Funding and Allocation Processes*, Congressional Research Service, R46733 (Mar. 24, 2021) https://www.congress.gov/crs-product/R46733?q=%7B%22search%22%3A%22Housing+and+Community+Development+Act+of+1974%22%7D&s=2&r=11 (last visited Feb. 17, 2026).

[24] *Id*.

[25] *Id*.

[26] *Id*.

[27] Florida Department of Commerce, *Community Development Block Grant Program*, https://floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/community-development-block-grant-program (last visited Feb. 17, 2026).

[28] *Id.*

- Neighborhood Stabilization Program.

Small Cities Community Development Block Grant Program

The Department administers the Small Cities CDBG Program and distributes funds to eligible non-entitlement communities. To be eligible, a city must have a population under 50,000 or a county must have a population under 200,000.[29] Subgrants are awarded to communities in the following funding categories: economic development, neighborhood revitalization, housing rehabilitation, commercial revitalization, and any other activity by federal law.[30]

The Department may annually set aside up to 15 percent of CDBG funds for use in eligible local government jurisdictions for which an emergency or natural disaster has been declared by executive order.[31]

The Department is prohibited from awarding a grant until it has conducted a site visit to verify the information contained in the local government's application.[32] The Department must rank each grant application and may prohibit an applicant from receiving the grant or penalize an applicant in the rating of an application if the Department determines that any applicant has failed to substantially accomplish the results it proposed in previously funded applications.[33] Additionally, applicants must hold at least two public hearings in the local jurisdiction where the project is to be completed: one for public input and community needs, and one for comments on the proposed application, including a published summary.[34]

Employment Verification

E-Verify is a web-based system that allows enrolled employers to confirm whether new employees are eligible to work in the United States. Florida requires the use of the E-Verify system to verify a new employee's employment eligibility by:[35]

- All public employers.
- Private employers with 25 or more employees.

Each employer in Florida that is required, or who volunteers, to use the E-Verify system, must certify on its first return each calendar year to the tax service provider that it is in compliance with E-Verify requirements when making contributions to or reimbursing the state's unemployment compensation or reemployment assistance system.[36]

The law provides requirements for employers when the system is unavailable,[37] requires employers to retain documentation of verifications,[38] and prohibits an employer from continuing to knowingly employ an unauthorized alien.[39]

If the E-Verify system is unavailable for the three business days after the first day a new employee begins working and the employer cannot access the system to verify the employee's employment eligibility, the employer must use the Employment Eligibility Verification Form (Form I-9) to verify employment eligibility. The employer must document the unavailability of the system by retaining: a screenshot each day that shows the employer's inability

[29] *Id.*
[30] S. 290.044(3), F.S.
[31] S. 290.044(5), F.S.
[32] S. 290.046(2)(d), F.S.
[33] S. 290.046(2)(c), F.S.
[34] S. 290.046(4), F.S.
[35] S. 448.095(2)(a), (b), F.S.
[36] S. 448.095(2)(b)3., F.S.
[37] S. 448.095(2)(c), F.S.
[38] S. 448.095(2)(d), F.S.
[39] S. 448.095(2)(e), F.S.

to access the system; a public announcement that the E-Verify system is not available; or any other communication or notice regarding the unavailability of the system.[40]

The following specified government entities may request, and an employer must provide, copies of any documentation relied upon by the employer for the verification of a new employee's employment eligibility:[41]

- The Department of Law Enforcement;
- The Attorney General;
- The state attorney in the circuit in which the new employee works;
- The statewide prosecutor; or
- The Department.

These entities must rely on the federal government to verify an employee's employment eligibility and may not independently make a final determination as to whether an employee is an unauthorized alien.[42]

An employer that uses the E-Verify system or, if that system is unavailable, the Form I-9, with respect to the employment of an unauthorized alien has established a rebuttable presumption and an affirmative defense that the employer has not violated the state prohibition on hiring unauthorized aliens,[43] with respect to such employment.[44]

The Department is responsible for the administration of compliance requirements, as follows:[45]

- If it determines that an employer failed to use the E-Verify system, the Department is required to:
  - Notify the employer of its determination; and
  - Provide the employer with 30 days to cure the noncompliance.
- If the Department determines that an employer failed to use the E-Verify system as required three times in any 24-month period, it must impose a fine of $1,000 per day until the employer provides proof of compliance.
- Noncompliance constitutes grounds for the suspension of all licenses issued by a licensing agency subject to the Administrative Procedure Act, until the noncompliance is cured.
- Fines must be deposited into the State Economic Enhancement and Development Trust Fund for use by the Department for employer outreach and public notice of the state's employment verification laws.

Federal E-Verify Law

To use the E-Verify system, an employer must open a "case" for the employee on the system and enter basic information from the employee's Form I-9 (name, address, and Social Security Number) into the case.[46] Then, the system checks the submitted information to records that are available to the U.S. Department of Homeland Security (DHS) and the U.S. Social Security Administration (SSA), and issues one of the following possible results to the employer:[47]

- **Employment Authorized** - The employee's information matched records available to the DHS and/or SSA.
- **E-Verify Needs More Time** - This case was referred to the DHS for further verification.

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[40] S. 448.095(2)(c), F.S.
[41] S. 448.095(3)(a), F.S.
[42] S. 448.095(3)(b), F.S.
[43] S. 448.09, F.S.
[44] S. 448.095(4)(a), F.S.
[45] S. 448.095(6), F.S.
[46] E-Verify, *Verification Process*, for details on how the system works, https://www.e-verify.gov/employers/verification-process (last visited Feb. 17, 2026). Before using E-Verify, an employer must enroll and sign a Memorandum of Understanding that provides the terms of agreement between the employer and the DHS. *See* E-Verify, *The E-Verify Memorandum of Understanding for Employers*, https://www.e-verify.gov/sites/default/files/everify/memos/MOUforEVerifyEmployer.pdf (last visited Feb. 17, 2026).
[47] *Id*.

- **Tentative Non-confirmation (Mismatch)** - Information did not match records available to the DHS and/or SSA. Additional action is required.
- **Case in Continuance** - The employee has contacted the DHS or visited an SSA field office, but more time is needed to determine a final case result.
- **Close Case and Resubmit** – The DHS or SSA requires that the employer close the case and create a new case for the employee. This result may be issued when the employee's United States passport, passport card, or driver's license information is incorrect.
- **Final Non-confirmation** - E-Verify cannot confirm the employee's employment eligibility after the employee contacted the DHS or SSA, the time for resolving the case expired, or the DHS closed the case without confirming the employee's employment eligibility for some other reason.

If the result is Tentative Non-confirmation, then the employer must notify the employee, who must take further action to verify his or her eligibility. If the result is E-Verify Needs More Time or Case in Continuance, then the E-Verify system needs more time to process the case.[48]

E-Verify Defenses for Employers

The Immigration Reform and Control Act (IRCA) provides sanctions to be imposed on employers who knowingly employ aliens who are not authorized to work.[49] Federal law contains no criminal sanction for working without authorization, although document fraud is a civil violation.[50] The United States Citizenship and Immigration Services (USCIS) enforces these provisions.[51]

According to the Immigration and Nationality Act (INA), an employer using E-Verify or the Form I-9, establishing good faith compliance with the law, has established an affirmative defense and a rebuttable presumption that the person or entity has not violated the federal law with respect to such hiring, recruiting, or referring.[52]

The Administrative Procedure Act

The Administrative Procedure Act[53] provides a process for determining when an agency action affects a person's substantial interests.[54] The process differs depending on whether the hearing involves a disputed issue of material fact.[55] If the dispute does not involve a disputed issue of material fact, the agency must:

- Give reasonable notice to all parties of the agency's action or inaction, including a summary of factual, legal, and policy grounds for making the decision.
- Give parties or their counsel the option to present the agency or hearing officer evidence in opposition to the action or inaction or provide a written statement.
- If the objections of the parties are overruled, provide a written explanation within seven days.[56]

If a disputed issue of material fact does exist, the issue is assigned to an administrative law judge who conducts a hearing in which all parties have an opportunity to respond, present evidence and argument on all issues involved, conduct cross-examination and submit rebuttal evidence, submit proposed findings of facts and orders, and file

[48] *Id.*
[49] 8 U.S.C. s. 1324a(a)(1)-(2).
[50] 8 U.S.C. s. 1324c.
[51] 8 U.S.C. s. 1324a.
[52] 8 U.S.C. s. 1324a(a)(3) and (b)(6); 8 U.S.C. s. 1324a notes, *Pilot Programs for Employment Eligibility Confirmation.*
[53] Ch. 120, F.S.
[54] S. 120.569, F.S.
[55] S. 120.569(1), F.S.
[56] S. 120.57(2)(a), F.S.

exceptions to the presiding officer's recommended order.[57] A hearing may only occur if the agency determines the petition contains all required information.[58]

Unless waived or extended with the consent of all parties, a final order in the proceeding must be rendered within 90 days:

- After the hearing is concluded, if conducted by the agency;
- After a recommended order is submitted to the agency and mailed to all parties, if the hearing is conducted by an administrative law judge; or
- After the agency has received the written and oral material it has authorized to be submitted, if there has been no hearing.[59]

The final order must be in writing and include findings of fact, if any, as well as the conclusions of law.[60] A party who is adversely affected by final agency action is entitled to judicial review.[61]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	16 Y, 0 N, As CS	2/5/2026	Curtin	Wright
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed the requirement that an unincorporated area must be recommended by the Department and designated by the Governor in order to qualify for REDI. • Allowed the Department to award grants under the CDBG program consistent with the Housing and Community Development Act of 1974 (Act), rather than in any manner and in any amount consistent with the Act. • Removed the provision prohibiting certain collaborations with Florida Is For Veterans, Inc.			
Transportation & Economic Development Budget Subcommittee	15 Y, 0 N	2/12/2026	Davis	McAuliffe
Commerce Committee			Hamon	Wright

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

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[57] S. 120.57(1), F.S.
[58] S. 120.569(2)(c)-(d), F.S.
[59] S. 120.569(2)(l), F.S.
[60] *Id.*
[61] S. 120.68, F.S.

A bill to be entitled

An act relating to the Department of Commerce; amending s. 253.025, F.S.; exempting federal agencies from a requirement that a conveyance at less than appraised value must state that the land will revert to the Board of Trustees of the Internal Improvement Trust Fund if the land is not used for its intended purposes as a military installation buffer or if the military installation closes; amending s. 288.0656, F.S.; revising the definition of the term "rural community"; repealing ss. 290.0401, 290.0411, 290.042, 290.0455, 290.046, 290.047, 290.0475, and 290.048, F.S., relating to the Florida Small Cities Community Development Block Grant Program Act, legislative intent and purpose, definitions, the Florida Small Cities Community Development Block Grant Loan Guarantee Program, applications for grants, establishment of grant ceilings and maximum administrative cost percentages and the elimination of population bias, rejection of grant applications and penalties for failure to meet application conditions, and general powers of the department, respectively; amending s. 290.043, F.S.; renaming the "Florida Small Cities Community Development Block Grant Program" as the "Community Development Block Grant Program";

amending s. 290.044, F.S.; revising provisions relating to the Florida Small Cities Community Development Block Grant Program Fund; renaming the fund as the "Community Development Block Grant Program Fund"; providing definitions; designating the department as the state agency to receive federal funding from the United States Department of Housing and Urban Development to administer the program; providing that the department shall administer additional federal funding in accordance with federal law and guidance from the Department of Housing and Urban Development; authorizing the Department of Commerce to adopt rules; amending s. 448.095, F.S.; defining the terms "employer" and "noncompliance"; providing that an employer must maintain an E-Verify case for each employee; providing that an employer's failure to provide requested documentation within a specified time period constitutes noncompliance; requiring the department to issue a notification of noncompliance containing specified information; providing that if the employer fails to cure the noncompliance, the department shall issue a final determination of noncompliance; providing requirements for specified hearings for employers under certain circumstances; providing penalties; providing

requirements for an employer to cure specified noncompliance with the E-Verify system; authorizing the department to adopt rules; providing that the department may recover specified costs; requiring such funds to be deposited into the State Economic Enhancement and Development Trust Fund; revising construction and expiration; amending s. 448.09, F.S.; providing that an employer knowingly employs an unauthorized alien if specified conditions are met; requiring the department to provide an employer with a written determination that an employer has knowingly employed an unauthorized alien; providing that if an employer requests a hearing, the administrative law judge's final order is appealable; requiring an employer to report quarterly to the department to demonstrate compliance; authorizing the department to adopt rules; amending s. 163.3184, 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 (e) is added to subsection (21) of section 253.025, Florida Statutes, to read:

253.025 Acquisition of state lands.—

(21)

(e) Federal agencies, including the United States Department of Defense, are exempt from paragraph (d) if the land continues to serve the general purpose of acting as a buffer for a military installation, even if the specific military mission, use, or function of the land is modified or changed.

Section 2. Paragraph (e) of subsection (2) of section 288.0656, Florida Statutes, is amended to read:

288.0656 Rural Economic Development Initiative.—

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

(e) "Rural community" means:

1. A county with a population of 75,000 or fewer.

2. A county with a population of 125,000 or fewer which is contiguous to a county with a population of 75,000 or fewer.

3. A municipality within a county described in subparagraph 1. or subparagraph 2.

4. An unincorporated area that has ~~federal enterprise community or an incorporated rural city with~~ a population of 25,000 or fewer and that meets ~~an employment base focused on traditional agricultural or resource-based industries, located in a county not defined as rural, which has at least~~ three or more ~~of the~~ economic distress factors ~~identified in paragraph (c) and verified by the department~~.

For purposes of this paragraph, population shall be determined

in accordance with the most recent official estimate pursuant to s. 186.901.

Section 3. Sections 290.0401, 290.0411, 290.042, 290.0455, 290.046, 290.047, 290.0475, and 290.048, Florida Statutes, are repealed.

Section 4. Section 290.043, Florida Statutes, is amended to read:

290.043 ~~Florida Small Cities~~ Community Development Block Grant Program; administration.—There is created the ~~Florida Small Cities~~ Community Development Block Grant Program. The department shall administer the program as authorized and described in Title I of the Housing and Community Development Act of 1974, as amended; Pub. L. No. 93-383, as amended by Pub. L. No. 96-399 and Pub. L. No. 97-35; 42 U.S.C. ss. 5301 et seq.

Section 5. Section 290.044, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 290.044, F.S., for present text.)

290.044 Community Development Block Grant Program Fund; administration; distribution.—

(1) The Community Development Block Grant Program Fund is created.

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

(a) "Act" means the Housing and Community Development Act of 1974, as amended, and applicable federal regulations.

(b) "Program" means the Community Development Block Grant Program.

(3) The department is designated as the state agency to receive federal funding from the Department of Housing and Urban Development and to administer the program. The department may award grants under the program consistent with the purposes and requirements of the act. The department may expend funds received from Department of Housing and Urban Development consistent with the act.

(4) If, in any year, the department receives additional federal funding through the Department of Housing and Urban Development for necessary expenses related to disaster recovery, long-term recovery, and restoration of infrastructure in impacted and distressed areas arising from the consequences of a federally declared disaster, the department shall administer such funding in accordance with the federal law authorizing such funding, including any implementing guidance or regulations adopted by the Department of Housing and Urban Development.

(5) If, in any year, the department receives additional federal funding through the Department of Housing and Urban Development for any purpose not specifically provided in this section, the department shall administer such funding in accordance with the law authorizing such funding, including any implementing guidance or regulations adopted by the Department of Housing and Urban Development.

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

Section 6. Paragraph (c) and paragraphs (d) through (f) of subsection (1) of section 448.095, Florida Statutes, are redesignated as paragraph (d) and paragraphs (f) through (h), respectively, paragraph (b) of subsection (2), subsection (6), and paragraphs (a) and (c) of subsection (7) are amended, new paragraphs (c) and (e) are added to subsection (1), and paragraph (c) is added to subsection (3) of that section, to read:

448.095 Employment eligibility.—

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

(c) "Employer" means any person, firm, company, corporation, association, joint stock company, partnership, organization, or other legal entity, or any agent thereof, which engages one or more individuals to perform labor or services in this state in exchange for salary, wages, or other remuneration. The term does not include:

1. An occupant or owner of a private residence with respect to an individual hired for casual labor, as defined in s. 443.036, which is to be performed entirely within that private residence.

2. A person or entity solely with respect to its engagement of an independent contractor, as defined in federal laws or regulations.

(e) "Noncompliance" means:

1. The failure of an employer to verify a new employee's employment eligibility through the E-Verify system.

2. An employer's failure to timely provide, upon request by an entity or person listed in paragraph (3)(a), copies of the documentation the employer relied upon to verify a new employee's employment eligibility.

(2) EMPLOYMENT VERIFICATION.—

(b)1. A public agency shall use the E-Verify system to verify a new employee's employment eligibility as required under paragraph (a).

2. Beginning on July 1, 2023, a private employer with 25 or more employees shall use the E-Verify system to verify a new employee's employment eligibility as required under paragraph (a). The employer must maintain an E-Verify case for each employee which verifies the employee's employment eligibility.

3. Each employer required to use the E-Verify system under this paragraph must certify on its first return each calendar year to the tax service provider that it is in compliance with this section when making contributions to or reimbursing the state's unemployment compensation or reemployment assistance system. An employer that voluntarily uses the E-Verify system may also make such a certification on its first return each calendar year in order to document such use.

(3) ENFORCEMENT.—

(c) Failure by an employer to provide the requested documentation within 30 days after a request made under paragraph (a) constitutes noncompliance. Each failure to timely provide the documentation constitutes a noncompliance event for the application of fines under paragraph (6)(b).

(6) COMPLIANCE.—

(a) In addition to the requirements under s. 288.061(6), beginning on July 1, 2024, if the Department of Commerce has a reasonable basis to believe ~~determines~~ that an employer failed to use the E-Verify system to verify the employment eligibility of employees as required under this section, the department must, before the imposition of a fine or suspension of licenses, issue an initial notification of noncompliance to the employer. An employer's failure to provide copies of any documentation relied upon by the employer for the verification of a new employee's employment eligibility to a person or entity listed in paragraph (3)(a) constitutes a reasonable basis that an employer failed to use the E-Verify system. The department must notify the employer that it must cure the noncompliance within 30 days after the date of the department's initial notification. The department, for good cause shown by the employer, may grant the employer an additional 30 days to cure the noncompliance. If the employer does not timely cure the noncompliance, the department shall issue a final determination of noncompliance to the employer, which is subject to chapter 120. If the employer

requests a hearing, the hearing shall be held pursuant to ss. 120.569 and 120.57(1), except that the order of an administrative law judge is a final order and reviewable under s. 120.68 ~~notify the employer of the department's determination of noncompliance and provide the employer with 30 days to cure the noncompliance~~.

(b) If the Department of Commerce determines that an employer failed to use the E-Verify system as required under this section and the employer failed to cure the noncompliance in accordance with paragraph (a) ~~three times in any 24-month period~~, the department must impose a fine of $1,000 for each employee not verified pursuant to this section. Any subsequent noncompliance by the employer after the final determination of ~~per day until the employer provides sufficient proof to the department that the noncompliance is cured.~~ noncompliance constitutes grounds for the suspension of all licenses issued by a licensing agency subject to chapter 120 until the noncompliance is cured.

(c) To cure noncompliance, the employer must:

1. Register with the E-Verify system if the employer is not already registered.

2. Use the E-Verify system or the Employment Eligibility Verification form (Form I-9) as provided in paragraph (2)(c) to properly verify the employment eligibility of each employee.

3. Provide an E-Verify case result for each employee which

verifies the employee's employment eligibility.

4. Provide an affidavit to the Department of Commerce, under penalty of perjury, that all instances of noncompliance have been corrected and that the employer is now in full compliance with this section.

(d) ~~(c)~~ Fines collected under this subsection must be deposited into the State Economic Enhancement and Development Trust Fund for use by the department for employer outreach and public notice of the state's employment verification laws.

(e) The Department of Commerce may adopt rules necessary to implement this section. The department may establish procedures for reporting, enforcement, compliance, noncompliance, license suspension, and the application of fines, as well as any other rules required for effective enforcement and administration of this section.

(f) In addition to any penalties imposed under this section, the Department of Commerce is entitled to recover the reasonable costs of investigation and prosecution if the employer is found to have violated this section. The court shall determine the amount of costs to be assessed after its consideration of an affidavit of itemized costs and any written objections thereto. If the assessed costs are not paid within 60 days after assessment, the department may contract for the collection of such costs, in which case any fees charged by the collection agent may be added to the amount recovered from the

employer, or may bring a civil action to recover such costs, in which case the department is also entitled to recover reasonable attorney fees and court costs incurred in such action. All recovered costs, including additional amounts recovered for collection efforts, shall be deposited into the State Economic Enhancement and Development Trust Fund.

(7) CONSTRUCTION.—

(a) This section must be enforced without regard to race, color, or national origin and must be construed in a manner so as to be fully consistent with any applicable federal laws or regulations. The Department of Commerce may not investigate a complaint that is based solely on race, color, or national origin.

(c) This section shall expire ~~60 days~~ after the E-Verify system is no longer provided or maintained by the Federal Government, or when ~~a pilot program, and~~ the Federal Government requires the use of the E-Verify system by all employers in the United States.

Section 7. Section 448.09, Florida Statutes, is amended to read:

448.09 Unauthorized aliens; employment prohibited.—

(1) It is unlawful for any person to knowingly employ, hire, recruit, or refer, either for herself or himself or on behalf of another, for private or public employment within this state, an alien who is not duly authorized to work by the

immigration laws of the United States, the Attorney General of the United States, or the United States Secretary of the Department of Homeland Security. An employer knowingly employs an unauthorized alien if the employer is aware of the unauthorized alien's unauthorized status or fails to take reasonable steps to verify the unauthorized alien's employment eligibility after being made aware of potential violations.

(2) If the Department of Commerce finds or is notified by an entity specified in s. 448.095(3)(a) that an employer has knowingly employed an unauthorized alien, the department must provide the employer with a written determination subject to chapter 120. If the employer requests a hearing, the hearing shall be held pursuant to ss. 120.569 and 120.57(1), except that the order of an administrative law judge is a final order and reviewable under s. 120.68 ~~without verifying the employment eligibility of such person, the department must enter an order pursuant to chapter 120 making such determination and require repayment of any economic development incentive pursuant to s. 288.061(6)~~.

(3) For a violation of this section, the department shall place the employer on probation for a 1-year period and require that the employer report quarterly to the department to demonstrate compliance with the requirements of subsection (1) and s. 448.095. On or before the last day of each quarter, the employer must submit an affidavit that affirms the employer is

not employing any unauthorized aliens and is in compliance with s. 448.095. The first quarter will commence from the issuance date of the final order. Each subsequent quarter commences 90 days after the previous quarter. The department may enforce compliance with this subsection by filing a petition for enforcement with the circuit court in and for Leon County. Venue for all actions under this subsection is in Leon County.

(4) Any violation of this section which takes place within 24 months after a previous violation constitutes grounds for the suspension or revocation of all licenses issued by a licensing agency subject to chapter 120. The Department of Commerce must provide the employer with a written determination subject to chapter 120. The hearing shall be held pursuant to ss. 120.569 and 120.57(1), except that the order of the administrative law judge is a final order and appealable pursuant to s. 120.68. The department shall take the following actions for a violation involving:

(a) One to ten unauthorized aliens, suspension of all applicable licenses held by a private employer for ~~up to~~ 30 days by the respective agencies that issued them.

(b) Eleven to fifty unauthorized aliens, suspension of all applicable licenses held by a private employer for ~~up to~~ 60 days by the respective agencies that issued them.

(c) More than fifty unauthorized aliens, revocation of all applicable licenses held by a private employer by the respective

agencies that issued them.

(5) An alien who is not duly authorized to work by the immigration laws of the United States, the Attorney General of the United States, or the United States Secretary of the Department of Homeland Security and who knowingly uses a false identification document or who fraudulently uses an identification document of another person for the purpose of obtaining employment commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(6) The Department of Commerce may adopt rules to implement this section.

Section 8. Paragraph (b) of subsection (8) of section 163.3184, Florida Statutes, is amended to read:

163.3184 Process for adoption of comprehensive plan or plan amendment.—

(8) ADMINISTRATION COMMISSION.—

(b) The commission may specify the sanctions provided in subparagraphs 1. and 2. to which the local government will be subject if it elects to make the amendment effective notwithstanding the determination of noncompliance.

1. The commission may direct state agencies not to provide funds to increase the capacity of roads, bridges, or water and sewer systems within the boundaries of those local governmental entities which have comprehensive plans or plan elements that are determined not to be in compliance. The commission order may

also specify that the local government is not eligible for grants administered under the following programs:

a. The ~~Florida Small Cities~~ Community Development Block Grant Program, as authorized by ss. 290.043-290.044 ~~ss. 290.0401-290.048~~.

b. The Florida Recreation Development Assistance Program, as authorized by chapter 375.

c. Revenue sharing pursuant to ss. 206.60, 210.20, and 218.61 and chapter 212, to the extent not pledged to pay back bonds.

2. If the local government is one which is required to include a coastal management element in its comprehensive plan pursuant to s. 163.3177(6)(g), the commission order may also specify that the local government is not eligible for funding pursuant to s. 161.091. The commission order may also specify that the fact that the coastal management element has been determined to be not in compliance shall be a consideration when the department considers permits under s. 161.053 and when the Board of Trustees of the Internal Improvement Trust Fund considers whether to sell, convey any interest in, or lease any sovereignty lands or submerged lands until the element is brought into compliance.

3. The sanctions provided by subparagraphs 1. and 2. do not apply to a local government regarding any plan amendment, except for plan amendments that amend plans that have not been

finally determined to be in compliance with this part, and except as provided in this paragraph.

Section 9. 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 #: CS/HB 839	**COMPANION BILL:** CS/SB 800 (Mayfield)
TITLE: Unlicensed Practice of Engineering	**LINKED BILLS:** None
SPONSOR(S): Melo	**RELATED BILLS:** None

Committee References

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

➤

Commerce

SUMMARY

Effect of the Bill:
The bill establishes an escalating fine schedule for subsequent violations of engaging in the unlicensed practice of engineering.

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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill establishes an escalating fine schedule for subsequent violations of engaging in the unlicensed practice of engineering. The escalating fees are as follows:

- For a second violation, a fine of $10,000.
- For a third violation, a fine of $15,000.
- For a fourth violation, a fine of $20,000.
- For a fifth and any subsequent violation, a fine of $25,000. (Section 1)

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

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate positive fiscal impact on state revenues due to increased fines.

PRIVATE SECTOR:

The bill would require individuals who engage in the unlicensed practice of engineering to pay increased fines for subsequent violations.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Professional Engineering
An engineer is an individual who is licensed to practice engineering. An engineer intern is an individual who has graduated from an engineering curriculum approved by the Florida Board of Professional Engineers and has passed the fundamentals of engineering examination.

The practice of engineering includes professional services that require specialized education, training, and experience in applying mathematical, physical, and engineering sciences. The term encompasses activities such as consultation, planning, design, evaluation, teaching, surveying, and construction inspection related to public or private works, utilities, systems, and products that affect life, health, or property.[1]

The practice of engineering is regulated by the Florida Board of Professional Engineers (Board) under the Department of Business and Professional Regulation (DBPR) Division of Professions.[2] The Board is responsible for reviewing applications, administering exams, licensing qualified applicants, and regulating and enforcing the proper practice of engineering in the state.[3]

The Florida Engineers Management Corporation

The administrative, investigative, and prosecutorial services for the Board are administered by the Florida Engineers Management Corporation (FEMC).[4] The FEMC is a non-profit, single purpose corporation that operates through a contract with DBPR. The FEMC may hire staff as needed to carry out its functions.[5] Funds for the FEMC are allocated through appropriations from the Professional Regulation Trust Fund.[6] The FEMC is required to submit quarterly and annual reports on its activities and financial status to the Secretary of the DBPR, the Board, and the Legislature.[7]

Licensure Requirements

In Florida, to qualify for licensure as a professional engineer, an individual must have passed both the fundamentals examination and the principles and practices examination. Prior to being permitted to sit for the fundamentals examination, an applicant must have graduated from an approved engineering science or engineering technology curriculum of four years or more in a Board-approved school, college, or university.[8]

The Board must certify for licensure any applicant who has submitted proof of being at least 18 years old, and having the required engineering experience. For graduates of an approved engineering science curriculum, the applicant must have a record of at least four years of active engineering experience sufficient to indicate competence to be in responsible charge of engineering. Graduates of an approved engineering technology curriculum must have a record of at least six years of such qualified experience.[9]

The FEMC must issue a license to any applicant who the board certifies is qualified to practice engineering and who has passed the required examinations.[10]

Unlicensed Practice of Engineering

In Florida, individuals who are not licensed by the Board are prohibited from engaging in the practice of engineering.[11] Any individual who practices engineering without a license commits a first degree misdemeanor.[12] As a result of a violation for unlicensed activity, the Board may issue:[13]

- A notice to cease and desist.

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[1] S. 471.005(7), F.S.
[2] S. 20.165(4)(a)11, F.S.
[3] Florida Board of Professional Engineers, *About the Florida Board of Professional Engineers*, https://fbpe.org/about/about-fbpe/ (last visited Feb. 9, 2026).
[4] S. 471.038(3), F.S.
[5] Id.
[6] S. 471.038(3)(j)3, F.S.
[7] S. 471.038(3)(m), F.S.
[8] S. 471.013, F.S.
[9] S. 471.015(2), F.S.
[10] S. 471.015(1), F.S.
[11] S. 471.031, F.S.
[12] S. 471.031(2), F.S.
[13] Florida Board of Professional Engineers, Unlicensed Activity Affects Everyone, January, 2018, available at https://fbpe.org/unlicensed-activity-affects-everyone/ (last visited Feb. 9, 2026).

- A citation, which includes a fine.
- An administrative complaint, which may include a recommended fine, injunctive proceedings if the action continues, and criminal prosecution.

Further, the Board is authorized to impose a fine of up to $5,000 for each count or separate offense on any individual found guilty of, among other violations, engaging in the unlicensed practice of engineering.[14] Additionally, Rule 61G15-19.004 of the Florida Administrative Code, provides the following penalties for the unlicensed practice of engineering:

VIOLATION	PENALTY RANGE		
	FIRST VIOLATION	SECOND VIOLATION	THIRD OR SUBSEQUENT VIOALTION
Practicing engineering without a license or using a name or title tending to indicate that such person holds an active license as an engineer.	In addition to referral to the State Attorney's Office and denial of future application for licensure, a $1,000 fine to a $2,500 fine.	In addition to referral to the State Attorney's Office, a $2,500 fine to a $5,000 fine.	In addition to referral to the State Attorney's Office, a $5,000 fine.

As part of the FEMC's quarterly reports, the Board provides regular updates on incidents of unlicensed practice of engineering in Florida. In the first quarter of 2025-26, the Board received 13 complaints alleging unlicensed activity, four of which were deemed legally sufficient.[15]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee	17 Y, 0 N, As CS	2/12/2026	Anstead	Bunnell
THE CHANGES ADOPTED BY THE COMMITTEE:	Removed provision creating the Engineering Student Loan Assistance Program.			
Commerce Committee			Hamon	Bunnell

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

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[14] S. 471.033, F.S.

[15] *See* Florida Board of Professional Engineers, Quarterly Reports, *2025-26 Florida Engineers Management Corporation 1st Quarter Report*, p. 74, available at https://fbpe.org/wp-content/uploads/2025/10/2025-26-1st-Quarter-FEMC-Report.pdf.

A bill to be entitled

An act relating to unlicensed practice of engineering; amending s. 471.033, F.S.; providing penalties for persons found to have repeatedly engaged in the unlicensed practice of engineering; providing an effective date.

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

Section 1. Present subsection (4) of section 471.033, Florida Statutes, is redesignated as subsection (5), and a new subsection (4) is added to that section, to read:

471.033 Disciplinary proceedings.—

(4) Notwithstanding subsection (3), a person who violates this section by engaging in the unlicensed practice of engineering, upon a second or subsequent violation, is subject to a fine imposed by the department which increases as follows:

(a) For a second violation, a fine of $10,000.

(b) For a third violation, a fine of $15,000.

(c) For a fourth violation, a fine of $20,000.

(d) For a fifth and any subsequent violation, a fine of $25,000.

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

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

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 883	**COMPANION BILL:** SB 990 (Leek)
TITLE: Protected Cell Captive Insurance Companies	**LINKED BILLS:** None
SPONSOR(S): Fabricio	**RELATED BILLS:** None

Committee References

Insurance & Banking	➤	Civil Justice & Claims	➤	Commerce
17 Y, 0 N, As CS		14 Y, 0 N		

SUMMARY

Effect of the Bill:
The bill authorizes protected cell captive insurance companies to operate and be domiciled in Florida, and creates a regulatory framework for such companies. A protected cell is a separate account established by a protected cell captive insurance company, which segregates a participant's assets and liabilities from those of other participants.

The bill's regulatory framework addresses the following areas:

- Formation of a captive cell captive insurance company.
- Capital and surplus requirements.
- Segregation of assets and liabilities.
- Reinsurance contracts.
- Requirements to write business in Florida.
- Conservation, rehabilitation, and liquidation.
- Legal proceedings against protected cell captive insurance companies.
- Conversion.
- Financial Reporting.

Fiscal or Economic Impact:
There may be an indeterminate economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Formation

The bill authorizes sponsors[1] to apply to the Office of Insurance Regulation ("OIR") to form a protected cell captive insurance company, provided that it only insures the risks of its protected cell participants.[2] As is currently the case for other types of captive insurance companies, a protected cell[3] captive insurance company may transact in all types of insurance except for workers' compensation and employer's liability, life, health, personal motor vehicle, and personal residential property. (Section 2).

"Protected cell" is defined by the bill as a separate account established by a protected cell captive insurance company. The account identifies a pool of assets and liabilities which is separated and insulated from the

[1] A "sponsor" is any person or entity that is approved by OIR to provide all or part of the required capital and surplus and to organize and operate a protected cell captive insurance company.
[2] A "participant" is defined by the bill as "a person or an entity, and any affiliate of such person or entity, which is insured by a protected cell captive insurance company, if the losses of the participant are limited through a participant contract."

remainder of the protected cell captive insurance company's assets and liabilities in accordance with the terms of one or more participant contracts. (Section 1).

The bill provides that one or more sponsors may form a protected cell captive insurance company. The protected cell captive insurance company must be incorporated as one of the following entity types:

- as a stock insurer with its capital divided into shares and held by the stockholders;
- as a mutual corporation;
- as a nonprofit corporation with one or more members; or
- as a limited liability company. (Section 6).

An applicant protected cell captive insurance company must file the following information with OIR:

- Materials demonstrating how the applicant will account for the loss and expense experience of each protected cell.
- A statement acknowledging that all financial records of the applicant, including records related to any protected cells, must be made available for inspection or examination by OIR.
- All contracts or sample contracts between the applicant and any participants.
- Evidence that expenses will be allocated to each protected cell in a fair and equitable manner. (Section 6).

A protected cell captive insurance company may establish or maintain one or more incorporated or unincorporated protected cells, to insure risks of one or more participants, subject to the following conditions:

- A protected cell captive insurance company may establish one or more protected cells if OIR has approved in writing a plan of operation submitted by the protected cell captive insurance company with respect to each protected cell.
- Once OIR provides written approval of the plan of operation, the protected cell may attribute insurance obligations with respect to its insurance business to the protected cell.
- A protected cell must have its own distinct name or designation, which must include the words "protected cell," "incorporated cell," or an abbreviation of those designations.
- The protected cell captive insurance company must transfer all assets attributable to a protected cell to one or more separately established and identified protected cell accounts bearing the name or designation of that protected cell.
- Protected cell assets must be held in the protected cell accounts for the purpose of satisfying the obligations of that protected cell.
- An incorporated protected cell may be organized and operated in any form of business organization authorized by OIR. Each incorporated protected cell of a protected cell captive insurance company must be treated as a captive insurer and has the power to enter into contracts.
- All attributions of assets and liabilities between a protected cell and the general account[4] must be in accordance with the plan of operation and participant contracts[5] approved by OIR. These attributions must be in cash or in readily marketable securities[6] with established market values. (Section 6).

The bill provides that the creation of a protected cell does not create a legal person separate from the protected cell captive insurance company unless the protected cell is an incorporated cell. Amounts attributed to a protected cell are owned by the protected cell. A protected cell captive insurance company may not act as a trustee of the protected cell assets of the protected cell account. However, a protected cell captive insurance company may allow

[4] "General account" is defined in the bill as "all assets and liabilities of a protected cell captive insurance company not attributable to a protected cell."
[5] A "participant contract" is defined by the bill as a contract by which a protected cell captive insurance company insures the risks of a participant and limits the losses of each such participant to its proportional share of the assets of one or more protected cells identified in such contract.
[6] Marketable securities are very easy to convert to cash, and can be liquidated within minutes, hours, or at most days. *See* Investopedia, *Marketable Security: What it is, How it Works*, https://www.investopedia.com/terms/m/marketable_security.asp (last visited Feb. 18, 2026).

a security interest[7] to attach to the assets of a protected cell assets or a protected cell account if the security interest is in favor of a creditor of that protected cell. (Section 6).

The bill provides that a participant contract may not take effect without OIR's prior written approval. The addition of each new protected cell, the withdrawal of any participant, or the termination of any existing protected cell constitutes a change in the plan of operation, and requires OIR approval. (Section 6).

The bill provides that a protected cell captive insurance company may establish and operate both unincorporated and incorporated protected cells. (Section 6).

The bill provides that biographical affidavits are not required for participants in unincorporated cells, but biographical affidavits are required for owners of incorporated cells. (Section 6).

Capital and Surplus Requirements

The bill requires a protected cell captive insurance company to possess, and maintain, unimpaired paid-in capital of at least $200,000. For protected cell captive insurance companies incorporated as nonprofit corporations, the bill requires unrestricted net assets of at least $250,000. (Section 3).

The bill requires protected cell captive insurance companies to possess, and maintain, unimpaired surplus of at least $150,000. (Section 4).

Segregation of assets and liabilities

A protected cell captive insurance company must establish administrative and accounting procedures necessary to properly identify the one or more protected cells of the protected cell captive insurance company as well as the protected cells assets[8], and protected cell liabilities[9] attributable to the protected cells. The directors of a protected cell captive insurance company must keep protected cell assets and protected cell liabilities:

- Separate and separately identifiable from the assets and liabilities of the protected cell captive insurance company's general account; and
- Attributable to one protected cell separate and separately identifiable from protected cell assets and protected cell liabilities attributable to other protected cells. (Section 6).

If assets and liabilities are not kept separate, the bill provides the remedy of tracing[10]. (Section 6).

The bill provides that when establishing a protected cell, the protected cell captive insurance company must attribute to the protected cell assets a value at least equal to the reserves and other insurance liabilities attributed to that protected cell. (Section 6).

Each protected cell must be accounted for separately on the books and records of the protected cell captive insurance company to reflect the financial condition and results of operations of each protected cell. (Section 6).

An asset of a protected cell may not be liable for any business conducted by the protected cell captive insurance company on behalf of any other protected cell or the company's general account. (Section 6).

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[7] A security interest is an enforceable legal claim or lien on collateral that has been pledged to obtain a loan. *See* Investopedia, *Understanding Security Interests: Legal Definition and Key Requirements,* https://www.investopedia.com/terms/s/security-interest.asp (last visited Feb. 18, 2026).

[8] "Protected cell assets" means all assets, contract rights, and general intangibles identified with and attributable to a specified protected cell of a protected cell captive insurance company.

[9] "Protected cell liabilities" means all liabilities and other obligations identified with and attributed to a specific protected cell of a protected cell captive insurance company.

[10] Tracing is a remedy that is used to identify, follow, and recover property that has been mixed with other assets. *See* Kornfeld, *Principles of Tracing*, https://kornfeldllp.com/2021/06/principles-of-tracing/#:~:text=Tracing%20is%20a%20remedy%20that%20can%20be,bona%20fide%20purchaser%20for%20value%20without%20notice (last visited Feb. 10, 2026).

A protected cell captive insurance company may not sell, exchange, or otherwise transfer assets between or among any of its protected cells without the consent of the protected cells. However, the assets of two or more protected cells may be combined for purposes of investment. (Section 6).

The bill allows protected cell captive insurance companies to contract with or arrange for an investment advisor, commodity trading advisor, or other third party to manage the protected cell assets of a protected cell if all remuneration, expenses, and other compensation of the third party advisor or manager are payable from the protected cell assets of that protected cell, and not from the protected assets of other cells or the assets of the protected cell captive insurance company's general account. (Section 6).

The bill provides that the assets of a protected cell may not be used to pay any expenses or claims other than those attributable to the protected cell. (Section 6).

A protected cell captive insurance company's capital and surplus must at all times be available to pay any expenses or claims against the protected cell captive insurance company. (Section 6).

Reinsurance Contracts
The protected cell captive insurance company must attribute all insurance obligations, assets, and liabilities relating to a reinsurance contract entered into with respect to a protected cell to such protected cell. (Section 6).

The performance under such reinsurance contract and any tax benefits, losses, refunds, or credits allocated pursuant to a tax allocation agreement to which the protected cell captive insurance company is a party must reflect the insurance obligations, assets, and liabilities relating to the reinsurance contract which are attributed to such protected cell. (Section 6).

Dividends and Distributions
A protected cell captive insurance company may not sell, exchange, transfer, or otherwise distribute assets, or pay any dividend or distribution from a protected cell to the company or to a participant without OIR's approval. The bill prohibits OIR from approving any sale, exchange, transfer, dividend, or distribution that would result in insolvency or impairment of a protected cell. (Section 6).

Business Written by a Protected Cell Captive Insurance Company
The bill requires the business written by a protected cell captive insurance company to be:

- Fronted[11] by an insurance company licensed under the laws of any state.
- Reinsured by a reinsurer authorized or approved by Florida.
- Secured by a trust fund in the United States for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to OIR. The amount of security provided may not be less than the reserves associated with those liabilities which are neither fronted nor reinsured. (Section 6).

Rehabilitation or Liquidation
Each protected cell captive insurance company must notify OIR in writing within 10 business days of any protected cell that is insolvent or otherwise unable to meet its claim or expense obligations. (Section 6).

[11] "Fronting" means the use of a licensed, admitted insurer to issue an insurance policy on behalf of a self-insured organization or captive insurer without the intention of transferring any of the risk. The risk of loss is retained by the self-insured or captive insurer with an indemnity or reinsurance agreement. However, the fronting company assumes a credit risk since it would be required to honor the obligations imposed by the policy if the self-insurer or captive failed to indemnify it. *See* International Risk Management Institute, *Fronting*, https://www.irmi.com/term/insurance-definitions/fronting#:~:text=Fronting%20refers%20to%20the%20use,Conferences (last visited Feb. 8, 2026).

If a protected cell captive insurance company enters into rehabilitation or liquidation proceedings, the assets and liabilities of a protected cell must be kept separate from those of other protected cells and the protected cell captive insurance company, to the extent OIR determines they are separable. (Section 6).

In the event of an insolvency of a protected cell captive insurance company where OIR determines that one or more protected cells remain solvent, OIR may separate those solvent cells from the protected cell captive insurance company and may allow for the conversion of such protected cells into one or more new or existing protected cell captive insurance companies, or one or more other captive insurance companies, pursuant to a plan of operation which OIR deems acceptable. (Section 6).

The bill provides that upon any order of supervision, rehabilitation, or liquidation of a protected cell captive insurance company, the receiver[12] must manage the assets and liabilities of the protected cell captive insurance company. (Section 6).

Legal Proceedings Against a Protected Cell Captive Insurance Company

The pleadings in any legal action brought by or against a protected cell captive insurance company must specify which protected cell or cells are or should be named a party to the lawsuit. If the general account is party to the suit, such account must be separately identified in the pleadings as if it were a protected cell. (Section 6).

The bill provides that if a legal action brought against a protected cell captive insurance company does not specify one or more protected cells, it must be deemed to have been brought against the general account only. (Section 6).

The bill provides that any protected cell that is not named in the pleadings of a lawsuit may not be deemed to be a party to the legal action, and if erroneously named as a party, it is entitled to prompt dismissal from the lawsuit. (Section 6).

The bill provides that the assets of one protected cell may not be encumbered or seized to satisfy the obligations of or a judgment against any other protected cell, unless specified by the plan of operation. A protected cell does not have a duty to defend the rights and obligations of any other protected cell. (Section 6).

The bill provides that in any legal action involving a protected cell captive insurance company or a protected cell, any papers, documents, or property of a nonparty protected cell must be afforded the same status during discovery as the documents or property of any other unrelated third party. Further, a nonparty protected cell has standing to appear and petition for any appropriate relief to protect the confidentiality of its papers and documents. (Section 6).

Conversion

The bill provides that upon the application of a protected cell captive insurance company, one of its protected cells may be converted to any form of captive insurance company with OIR's consent. OIR may issue the converting protected cell a certificate of authority with an effective date of the original date of formation as a protected cell. (Section 6).

The bill provides that a captive insurance company may apply to OIR to become a protected cell captive insurance company. This conversion requires approval by OIR and the filing of amended organizational documents with the Secretary of State. The effective date of the certificate of authority would remain the same as the effective date of the prior captive insurance company. (Section 6).

The bill provides that with the consent of both the affected protected cell captive insurance companies and OIR, an individual protected cell of a captive insurance company may disaffiliate from one protected cell captive insurance

[12] The Department of Financial Services is the appointed receiver of all insurance companies ordered into receivership in Florida. *See* ch. 631, F.S.

company and affiliate with another protected cell captive insurance company. The protected cell must maintain and carry over all assets and liabilities to the new protected cell captive insurance company. (Section 6).

The bill provides that with the consent of the affected protected cell captive insurance company or companies, the owners or the participants of the protected cells, and OIR, an individual protected cell of a captive insurance company may merge or otherwise combine assets or liabilities with another individual protected cell of a protected cell captive insurance company. The surviving protected cell must acquire all of the assets and liabilities of the merging protected cell. (Section 6).

The date of final conversion or disaffiliation of a protected cell shall be deemed a termination of that cell from the prior entity only for the purpose of annual reports, inspections, examinations, and taxation. The prior entity is responsible for the accounting, oversight, and premium tax on any transactions before the date of final conversion or disaffiliation; however, the successor entity is responsible for the accounting, oversight, and premium tax on any transactions on or after the date of final conversion or disaffiliation. (Section 6).

Financial Reporting to OIR
Each protected cell captive insurance company must annually file with OIR any financial reports required by OIR. The bill provides that these reports must include accounting statements detailing the financial experience of each protected cell. (Section 6).

Applicability of the Florida Insurance Code
The bill provides that the Florida Insurance Code does not apply to protected cell captive insurance companies, as is currently the case for captive insurance companies. (Section 5).

Effective Date
The bill provides an effective date of July 1, 2026. (Section 7).

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

There may be an indeterminate economic impact on the private sector to the extent that businesses may find it easier to self-insure through this model.

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.[13]

Florida Insurance Code

The Florida Insurance Code[14] provides the regulatory framework for admitted insurers in the state. Insurance companies that transact insurance in Florida or that have offices located in the state are required to obtain a certificate of authority ("COA") issued by OIR. These companies, referred to as authorized or admitted insurers, are broadly regulated by OIR under the Insurance Code as to reserves, surplus as to policyholders, solvency, rates and forms, market conduct, permissible investments, and affiliate relationships.[15] Authorized insurers are also required

[13] S. 20.121(3)(a), F.S.
[14] *See* s. 624.01, F.S.
[15] The Insurance Code consists of chs. 624-632, 634, 635, 636, 641, 642, 648, and 651, F.S.

to participate in a variety of government mandated insurance programs and pay assessments levied by state guaranty funds in the event of insurer insolvencies.[16]

The Florida Insurance Code also authorizes OIR to examine the affairs, transactions, accounts, records, and assets of each insurer that holds a COA to transact insurance business in Florida.[17] 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.[18] OIR is also authorized to conduct market conduct examinations to determine compliance with applicable provisions of the Florida Insurance Code.

Captive Insurance

Captive insurance is a specialized form of self-insurance allowing a business to create its own insurance company to cover specific types of risk. Rather than purchasing coverage from a traditional insurance company, the business establishes a "captive" insurance company to underwrite its own risks. The captive insurer operates by having its owner pay premiums to cover specific risks. The captive insurer then underwrites policies, invests the premiums, and manages claims. Profits can be returned to the owner as dividends, reinvested to build surplus, used to reduce future premiums, expand coverage, or fund risk management initiatives that help mitigate future losses.[19]

Captives are commonly used to manage unique or complex risks. Sometimes traditional commercial policies have policy gaps, exclusions, or are too expensive.[20]

The types of risk covered by captive insurance companies include:[21]

- Professional and management liability.
  - Errors and omissions
  - Directors and officers
- Product liability
- Specialized risks
  - Cyber liability
  - Environmental (i.e., pollution)
  - Active shooter
  - Terrorism
  - Supply chain disruption
  - Reputational risks
  - Cannabis
- Commercial property and casualty
  - General liability
  - Commercial auto
  - Property damage
  - Business interruption

[16] For example, Florida licensed direct writers of property and casualty insurance must be members of the Florida Insurance Guaranty Association ("FIGA"), which handles the claims of insolvent insurers under part II of ch. 631, F.S., and insurers offering workers' compensation coverage in Florida must be members of the Florida Workers' Compensation Insurance Guaranty Association, which provides payment of covered claims for insurers that are declared insolvent under part V of ch. 631, F.S.

[17] S. 624.316(1)(a), F.S.

[18] S. 624.318(2), F.S.

[19] Captive.com, *The Expanding Role of Captives in Today's Changing Risk Market*, https://www.captive.com/news/the-expanding-role-of-captives-in-todays-changing-risk-market (last visited Feb. 18, 2026).

[20] *Id.*

[21] *Id.*

Captive insurers are sometimes used to supplement traditional commercial policies with high deductibles or to cover self-insured retentions.[22]

Florida, authorizes and regulates captive insurance companies. A captive insurance company may do any and all insurance authorized under the insurance code, **except for** workers' compensation and employer's liability, life, health, personal motor vehicle, and personal residential property.[23]

Presently, there are three domestic captive insurers authorized to do business in Florida, two of which became authorized since the beginning of 2025.[24] Minimum unimpaired capital requirements for a Florida authorized captive insurer are:[25]

- For a pure captive insurance company, at least $100,000.
- For an industrial insured captive insurance company incorporated as a stock insurer, at least $200,000.
- For a special purpose captive insurance company, an amount determined by OIR after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Minimum maintained unrestricted net asset requirements for a Florida authorized captive insurer incorporated as a nonprofit corporation are: [26]

- For a pure captive insurance company, at least $250,000.
- For a special purpose captive insurance company, an amount determined by OIR after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Protected Cell Captive Insurance Companies

A protected cell captive insurance company is a single legal insurance entity that allows legally segregated companies to effectively receive the benefits of the captive insurance model without the costs of the full set-up of a standalone captive insurance company.[27]

When businesses join the protected cell captive insurance company, their individual assets are kept in their own walled-off cells, separate from the assets of other businesses participating in the protected cell captive insurance company.[28] The assets in one participant's account may not be used to pay liabilities in another unless the respective participants have entered into an agreement to do so.[29] Each cell functions like a separate company protecting its finances from other cells and the core's general business.[30]

A hardening insurance market coupled with inflation has led to the growth of captive insurers, and in recent times, protected cell captive insurance companies have seen a surge in popularity.[31]

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[22] *Id*.
[23] S. 628.905, F.S.
[24] Office of Insurance Regulation, *Active Company Search*, https://companysearch.floir.gov/ (last visited Feb. 18, 2026).
[25] S. 628.907(1), F.S.
[26] S. 628.907(2), F.S.
[27] Captive.com, *What is a Protected or Segregared Cell Captive?*, https://www.captive.com/articles/what-is-a-protected-or-segregated-cell-captive#:~:text=Tax%20deductibility%20of%20premiums%20not,an%20agreement%20to%20do%20so (last visited Feb. 18, 2026).
[28] *Id*.
[29] *Id*.
[30] *Id*.
[31] Anthony Bellano, *Protected Cell Structures Fuel Captive Growth*, Best's Review (August 2022), available at https://bestsreview.ambest.com/edition/2022/August/docs/BestsReviewAugust2022.pdf?reload=1673039112745&utm (last visited Feb. 18, 2026).

Florida does not currently recognize protected cell captive insurance companies as a type of captive insurer. However, 28 states and the District of Columbia recognize protected cell captive insurance companies.[32]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	17 Y, 0 N, As CS	2/11/2026	Brackett	Miguez
THE CHANGES ADOPTED BY THE COMMITTEE:	• Increased the unimpaired paid-in capital requirements for protected cell captive insurance companies from $100,000 to $200,000. • Increased the unimpaired paid-in capital requirements for nonprofit corporations forming a protected cell captive insurance company from $100,000 to $250,000. • Increased the unimpaired surplus requirements for protected cell captive insurance companies from $100,000 to $150,000. • Made a technical change.			
Civil Justice & Claims Subcommittee	14 Y, 0 N	2/18/2026	Jones	Mawn
Commerce Committee			Hamon	Miguez

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

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[32] States that recognize protected cell captive insurance companies include: Alabama, Arizona, Arkansas, Connecticut, Delaware, the District of Columbia, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Maine, Michigan, Missouri, Montana, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, and Washington. *See* National Association of Insurance Commissioners, *Protected Cell Company Model Act*, https://content.naic.org/sites/default/files/model-law-state-page-290.pdf (last visited Feb. 18, 2026).

A bill to be entitled

An act relating to protected cell captive insurance companies; amending s. 628.901, F.S.; revising the definitions of the terms "captive insurance company" and "special purpose captive insurance company"; defining terms; amending s. 628.905, F.S.; specifying that a protected cell captive insurance company may only insure certain risks; amending s. 628.907, F.S.; revising the unimpaired paid-in capital requirements for captive insurance companies; revising the unrestricted net asset requirements for captive insurance companies incorporated as nonprofit corporations; amending s. 628.908, F.S.; revising the unimpaired surplus requirements for captive insurance companies; amending s. 628.909, F.S.; revising applicability; creating s. 628.921, F.S.; authorizing one or more sponsors to form a protected cell captive insurance company; requiring protected cell captive insurance companies to be incorporated in a specified manner; requiring applicant protected cell captive insurance companies to file certain information with the Office of Insurance Regulation; authorizing protected cell captive insurance companies to establish and maintain certain protected cells, subject to certain approvals granted by the office;

specifying conditions on protected cell establishment and maintenance; providing construction; specifying requirements regarding protected cells' assets and liabilities and their attribution; requiring protected cell captive insurance companies to file annual reports, as required by the office, and to notify the office when any protected cell is insolvent or unable to meet its obligations; requiring the office's approval before a participant contract may take effect; specifying requirements for any insurance business written by a protected cell captive insurance company and the security arrangements that must be established; authorizing the office to take certain actions in the event of an insolvency of a protected cell captive insurance company; requiring certain affidavits for owners of incorporated protected cells; authorizing the assets of two or more protected cells to be combined for a specified purpose; specifying that such combination may not be construed in a certain manner; authorizing the office to approve the use of certain methods for valuation of certain assets and liabilities and rating the risk attributable to a protected cell; requiring a receiver to manage the assets and liabilities of protected cell captive insurance companies under certain circumstances;

prohibiting assets of protected cells from being used to pay certain expenses and claims; requiring that protected cell captive insurance companies' capital and surplus be available to pay certain expenses or claims; specifying requirements in actions brought by or against protected cell captive insurance companies; specifying that certain legal actions are deemed to be brought against the general account only; specifying that protected cells not named in an action are not deemed to be a party to the action and are entitled to dismissal under certain circumstances; prohibiting the assets of protected cells from being encumbered or seized under certain circumstances; specifying that protected cells do not have a duty to defend the rights and obligations or other protected cells; requiring protected cell captive insurance companies and protected cells to be afforded a certain status during discovery; specifying that nonparty protected cells have standing under certain circumstances; authorizing protected cells to be converted to any authorized form of captive insurance company; authorizing the office to issue a specified certificate of authority; requiring converting protected cells to file certain organizational documents; specifying requirements for such documents;

specifying the formation date upon conversion; requiring converted protected cells to possess certain assets and liabilities; requiring the converting protected cell to submit amended organizational documents under certain circumstances; authorizing captive insurance companies to apply to the office for conversion to protected cell captive insurance companies; requiring captive insurance companies to be issued a revised certificate of authority under certain circumstances; specifying the effective date of such certificate; authorizing protected cells of a captive insurance company to disaffiliate and to affiliate with another protected cell captive insurance company under certain circumstances; authorizing the office to require changes to certain documents under certain circumstances; specifying the formation date of protected cells that affiliate with another protected cell captive insurance company; requiring such protected cells to maintain and carry over certain assets and liabilities; authorizing an individual protected cell to merge or otherwise combine assets and liabilities with another individual protected cell, subject to certain requirements; specifying that a hearing is not required for certain mergers; specifying the date of final conversion or

disaffiliation of a protected cell for certain purposes; specifying that the prior entity and successor entities are responsible for certain tasks; providing an effective date.

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

Section 1. Present subsections (8) through (11), (12) through (14), and (15) of section 628.901, Florida Statutes, are redesignated as subsections (9) through (12), (19) through (21), and (23), respectively, new subsections (8) and (13) through (15) and subsections (16) through (18) and (22) are added to that section, and subsection (2) and present subsection (14) of that section are amended, to read:

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

(2) "Captive insurance company" means a domestic insurer established under this part. A captive insurance company includes a protected cell captive insurance company, pure captive insurance company, special purpose captive insurance company, or industrial insured captive insurance company formed and licensed under this part.

(8) "General account" means all assets and liabilities of a protected cell captive insurance company not attributable to a protected cell.

(13) "Participant" means a person or an entity, and any

affiliate of such person or entity, which is insured by a protected cell captive insurance company, if the losses of the participant are limited through a participant contract.

(14) "Participant contract" means a contract by which a protected cell captive insurance company insures the risks of a participant and limits the losses of each such participant to its pro rata share of the assets of one or more protected cells identified in such contract.

(15) "Protected cell" means a separate account established by a protected cell captive insurance company formed or licensed under this part, in which account an identified pool of assets and liabilities is segregated and insulated by means of this part from the remainder of the protected cell captive insurance company's assets and liabilities in accordance with the terms of one or more participant contracts to fund the liabilities of the protected cell captive insurance company with respect to the participants as set forth in the participant contracts.

(16) "Protected cell assets" means all assets, contract rights, and general intangibles identified with and attributable to a specific protected cell of a protected cell captive insurance company.

(17) "Protected cell captive insurance company" means a captive insurance company:

(a) In which the minimum capital and surplus required by this part are provided by one or more sponsors;

(b) That is formed or licensed under this part;

(c) That insures the risks of separate participants through participant contracts; and

(d) That funds its liability to each participant through one or more protected cells and segregates the assets of each protected cell from the assets of other protected cells and from the assets of the protected cell captive insurance company's general account.

(18) "Protected cell liabilities" means all liabilities and other obligations identified with and attributed to a specific protected cell of a protected cell captive insurance company.

(21)~~(14)~~ "Special purpose captive insurance company" means a captive insurance company that is formed or licensed under this part which ~~chapter that~~ does not meet the definition of any other type of captive insurance company defined in this section.

(22) "Sponsor" means any person or entity that is approved by the office to provide all or part of the capital and surplus required by this part and to organize and operate a protected cell captive insurance company.

Section 2. Paragraph (f) is added to subsection (1) of section 628.905, Florida Statutes, to read:

628.905 Licensing; authority.—

(1) A captive insurance company, if permitted by its charter or articles of incorporation, may apply to the office

for a license to do any and all insurance authorized under the insurance code, other than workers' compensation and employer's liability, life, health, personal motor vehicle, and personal residential property insurance, except that:

(f) A protected cell captive insurance company may only insure the risks of its protected cell participants.

Section 3. Subsections (1) and (2) of section 628.907, Florida Statutes, are amended to read:

628.907 Minimum capital and net assets requirements; restriction on payment of dividends.—

(1) A captive insurance company may not be issued a license unless it possesses and thereafter maintains the following applicable unimpaired paid-in capital requirements ~~of~~:

(a) In the case of a protected cell captive insurance company, at least $200,000.

(b) In the case of a pure captive insurance company, at least $100,000.~~;~~

(c)~~(b)~~ In the case of an industrial insured captive insurance company incorporated as a stock insurer, at least $200,000.~~; and~~

(d)~~(c)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

(2) The office may not issue a license to a captive insurance company incorporated as a nonprofit corporation unless the company possesses and maintains the following applicable unrestricted net assets requirements ~~of~~:

(a) In the case of a protected cell captive insurance company, at least $250,000.

(b) In the case of a pure captive insurance company, at least $250,000.

(c) ~~(b)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Section 4. Subsection (1) of section 628.908, Florida Statutes, is amended to read:

628.908 Surplus requirements; restriction on payment of dividends.—

(1) The office may not issue a license to a captive insurance company unless the company possesses and maintains the following applicable unimpaired surplus requirements ~~of~~:

(a) In the case of a pure captive insurance company, at least $150,000.

(b) In the case of a protected cell captive insurance company, at least $150,000.

(c) In the case of an industrial insured captive insurance

company incorporated as a stock insurer, at least $300,000.

(d) ~~(c)~~ In the case of an industrial insured captive insurance company incorporated as a mutual insurer, at least $500,000.

(e) ~~(d)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Section 5. Subsection (1) of section 628.909, Florida Statutes, is amended to read:

628.909 Applicability of other laws.—

(1) The Florida Insurance Code does not apply to captive insurance companies, protected cell captive insurance companies, or industrial insured captive insurance companies except as provided in this part and subsections (2) and (3).

Section 6. Section 628.921, Florida Statutes, is created to read:

628.921 Protected cell captive insurance companies.—

(1) One or more sponsors may form a protected cell captive insurance company under this part.

(2) A protected cell captive insurance company must be incorporated as a stock insurer with its capital divided into shares and held by the stockholders, as a mutual corporation, as a nonprofit corporation with one or more members, or as a

limited liability company.

(3) In addition to the information required by chapter 624, each applicant protected cell captive insurance company must file all of the following information with the office:

(a) Materials demonstrating how the applicant will account for the loss and expense experience of each protected cell at a level of detail found to be sufficient by the office, and how it will report such experience to the office.

(b) A statement acknowledging that all financial records of the applicant, including records pertaining to any protected cells, must be made available for inspection or examination by the office or the office's designated agent.

(c) All contracts or sample contracts between the applicant and any participants.

(d) Evidence that expenses will be allocated to each protected cell in a fair and equitable manner.

(4) A protected cell captive insurance company formed or licensed under this part may establish and maintain one or more incorporated or unincorporated protected cells, to insure risks of one or more participants, subject to all of the following conditions:

(a)1. A protected cell captive insurance company may establish one or more protected cells if the office has approved in writing a plan of operation or amendments to a plan of operation submitted by the protected cell captive insurance

company with respect to each protected cell. A plan of operation must include, but is not limited to, the specific business objectives and investment guidelines of the protected cell. However, the office may require additional information in the plan of operation. The office may make the approval of a plan of operation or amendments to a plan of operation effective as of any date on or before the date the approval is signed so long as the effective date is no earlier than the date on which the plan of operation or amendments to the plan of operation were filed with the office.

2. Upon the office's written approval of the plan of operation, the protected cell captive insurance company, in accordance with the approved plan of operation, may attribute insurance obligations with respect to its insurance business to the protected cell.

3. A protected cell must have its own distinct name or designation, which must include the words "protected cell" or "incorporated cell." Such names or designations may also be reasonably abbreviated, including, without limitation, PC or P.C. for "protected cell"; IC, I.C., IPC, or I.P.C. for "incorporated cell"; and SC, S.C., SPC, or S.P.C. for "series cell."

4. The protected cell captive insurance company shall transfer all assets attributable to a protected cell to one or more separately established and identified protected cell

accounts bearing the name or designation of that protected cell. Protected cell assets must be held in the protected cell accounts for the purpose of satisfying the obligations of that protected cell.

5. An incorporated protected cell may be organized and operated in any form of business organization authorized by the office, including, but not limited to, an individual series of a limited liability company under chapter 605. Each incorporated protected cell of a protected cell captive insurance company must be treated as a captive insurer for purposes of this part and has the power to enter into contracts, including an individual series of a limited liability company. Unless otherwise permitted by the organizational documents of a protected cell captive insurance company, each incorporated protected cell of the protected cell captive insurance company must have the same directors, secretary, and registered office as the protected cell captive insurance company.

6. All attributions of assets and liabilities between a protected cell and the general account must be in accordance with the plan of operation and participant contracts approved by the office. A protected cell captive insurance company may not make other attributions of assets or liabilities between the protected cell captive insurance company's general account and its protected cells. Any attribution of assets and liabilities between the general account and a protected cell must be in cash

or in readily marketable securities with established market values.

(b) The creation of a protected cell does not create, with respect to that protected cell, a legal person separate from the protected cell captive insurance company unless the protected cell is an incorporated cell. Amounts attributed to a protected cell under this part, including assets transferred to a protected cell account, are owned by the protected cell. A protected cell captive insurance company may not act as, or hold itself out to be, a trustee of the protected cell assets of the protected cell account. Notwithstanding this subsection, a protected cell captive insurance company may permit a security interest to attach to the assets of a protected cell assets or a protected cell account if the security interest is in favor of a creditor of that protected cell and is otherwise authorized by applicable law.

(c) This subsection may not be construed to prohibit the protected cell captive insurance company from contracting with or arranging for an investment advisor, commodity trading advisor, or other third party to manage the protected cell assets of a protected cell if all remuneration, expenses, and other compensation of the third-party advisor or manager are payable from the protected cell assets of that protected cell and not from the protected cell assets of other protected cells or the assets of the protected cell captive insurance company's

general account.

(d)1. A protected cell captive insurance company must establish administrative and accounting procedures necessary to properly identify the one or more protected cells of the protected cell captive insurance company and the protected cell assets and protected cell liabilities attributable to the protected cells. The directors of a protected cell captive insurance company must keep protected cell assets and protected cell liabilities:

a. Separate and separately identifiable from the assets and liabilities of the protected cell captive insurance company's general account; and

b. Attributable to one protected cell separate and separately identifiable from protected cell assets and protected cell liabilities attributable to other protected cells.

2. If subparagraph 1. is violated, the remedy of tracing applies to protected cell assets that have been commingled with the protected cell assets of other protected cells or with the assets of the protected cell captive insurance company's general account. The remedy of tracing may not be construed as exclusive.

(e) When establishing a protected cell, the protected cell captive insurance company must attribute to the protected cell assets a value at least equal to the reserves and other insurance liabilities attributed to that protected cell.

(f) Each protected cell must be accounted for separately on the books and records of the protected cell captive insurance company to reflect the financial condition and results of operations of such protected cell, net income or loss, dividends or other distributions to participants, and such other factors as may be provided in the participant contract or required by the office.

(g) An asset of a protected cell may not be charged with, or otherwise made liable for, any liability arising out of insurance business conducted by the protected cell captive insurance company on behalf of any other protected cell or its general account.

(h) A protected cell captive insurance company may not sell, exchange, or otherwise transfer assets between or among any of its protected cells without the consent of such protected cells.

(i) A protected cell captive insurance company may not sell, exchange, transfer, or otherwise distribute assets, or pay any dividend or distribution, from a protected cell to the company or to a participant without the approval of the office. The office may not approve any sale, exchange, transfer, dividend, or distribution that would result in the insolvency or impairment of a protected cell.

(j) All attributions of assets and liabilities to the protected cells and the general account must be in accordance

with the plan of operation approved by the office. A protected cell captive insurance company may not attribute assets or liabilities between its general account and any protected cell, or between any protected cells. The protected cell captive insurance company must attribute all insurance obligations, assets, and liabilities relating to a reinsurance contract entered into with respect to a protected cell to such protected cell. The performance under such reinsurance contract and any tax benefits, losses, refunds, or credits allocated pursuant to a tax allocation agreement to which the protected cell captive insurance company is a party, including any payments made by or due to be made to the protected cell captive insurance company pursuant to the terms of such agreement, must reflect the insurance obligations, assets, and liabilities relating to the reinsurance contract which are attributed to such protected cell.

(k) In connection with the rehabilitation or liquidation of a protected cell captive insurance company, the assets and liabilities of a protected cell must, to the extent the office determines they are separable, at all times be kept separate from, and may not be commingled with, those of other protected cells and the protected cell captive insurance company.

(l) Each protected cell captive insurance company must annually file with the office such financial reports as required by the office. Any such financial report must include, without

limitation, accounting statements detailing the financial experience of each protected cell.

(m) Each protected cell captive insurance company must notify the office in writing within 10 business days of any protected cell that is insolvent or otherwise unable to meet its claim or expense obligations.

(n) A participant contract may not take effect without the office's prior written approval. The addition of each new protected cell, the withdrawal of any participant, or the termination of any existing protected cell constitutes a change in the plan of operation requiring the office's prior written approval.

(o) The business written by a protected cell captive insurance company, with respect to each protected cell, must be:

1. Fronted by an insurance company licensed under the laws of any state;

2. Reinsured by a reinsurer authorized or approved by this state; or

3. Secured by a trust fund in the United States for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to the office. The amount of security provided may not be less than the reserves associated with those liabilities which are neither fronted nor reinsured, including reserves for losses, allocated loss adjustment expenses, incurred but not

reported losses, and unearned premiums for business written through the participant's protected cell. The office may require the protected cell captive insurance company to increase the funding of any security arrangement established under this paragraph. If the form of security is a letter of credit, the letter of credit must be issued or confirmed by a bank approved by the office. A trust maintained pursuant to this paragraph must be established in a form and upon such terms as approved by the office.

(p) Notwithstanding this part or other laws of this state, and in addition to subsection (6), in the event of an insolvency of a protected cell captive insurance company where the office determines that one or more protected cells remain solvent, the office may separate such cells from the protected cell captive insurance company and may allow, on application of the protected cell captive insurance company, for the conversion of such protected cells into one or more new or existing protected cell captive insurance companies, or one or more other captive insurance companies, pursuant to such plan of operation as the office deems acceptable.

(q) Biographical affidavits are not required for participants in unincorporated cells. However, biographical affidavits are required for owners of incorporated cells, including series members of a series limited liability company.

(r) A protected cell captive insurance company formed or

licensed under this part may establish and operate both unincorporated and incorporated protected cells.

(5) Notwithstanding subsection (4), the assets of two or more protected cells may be combined for purposes of investment, and such combination may not be construed as defeating the segregation of such assets for accounting or other purposes. Notwithstanding any other provision of the insurance code, the office may approve the use of alternative reliable methods for the valuation of protected cell assets and liabilities and for the rating of risks attributable to a protected cell.

(6) Upon any order of supervision, rehabilitation, or liquidation of a protected cell captive insurance company, the receiver shall manage the assets and liabilities of the protected cell captive insurance company pursuant to this part.

(7)(a) Assets of a protected cell may not be used to pay any expenses or claims other than those attributable to such protected cell.

(b) A protected cell captive insurance company's capital and surplus must at all times be available to pay any expenses of or claims against the protected cell captive insurance company.

(8)(a) The pleadings in any legal action brought by or against a protected cell captive insurance company must specify which protected cell or cells are or should be named a party to the suit. If the general account is party to the suit, such

account must be separately identified in the pleadings as if it were a protected cell.

(b) A legal action brought against a protected cell captive insurance company which does not specify one or more protected cells shall be deemed to have been brought against the general account only.

(c) Any protected cell that is not named in the pleadings of the legal action may not be deemed to be a party to the legal action. Any protected cell that is erroneously named as a party or named without proper cause is entitled to prompt dismissal from the legal action.

(d) Unless specified by the plan of operation, participant contract, or other prior contractual agreement, the assets of one protected cell may not be encumbered or seized to satisfy the obligations of or a judgment against any other protected cell. A protected cell does not have a duty to defend the rights and obligations of any other protected cell.

(e) In any legal action involving a protected cell captive insurance company or a protected cell, any papers, documents, or property of a nonparty protected cell must be afforded the same status during discovery as the documents or property of any other unrelated third party. A nonparty protected cell has standing to appear and petition for any appropriate relief to protect the confidentiality of its papers or documents.

(9)(a)1. Upon the application of a protected cell captive

insurance company, one of its protected cells may be converted to any form of captive insurance company authorized pursuant to this part with the consent of the office. Upon compliance with this part, the office may issue to the converting protected cell a certificate of authority with an effective date of its original date of formation as a protected cell.

2. If the converting protected cell is a series of a limited liability company, the protected cell must file organizational documents with the Secretary of State which comply with this part. The organizational documents must include the date of formation as a series of a limited liability company. Upon conversion, the formation date of the series shall be deemed the formation date of the converted protected cell. The converted protected cell shall possess all assets and liabilities, including outstanding insurance liabilities, owned by the predecessor series.

3. If the converting protected cell is any other type of incorporated protected cell entity, the converting protected cell must submit amended organizational documents to the Secretary of State which comply with this part.

4. If the converting protected cell is neither a series of a limited liability company nor an incorporated protected cell, the protected cell must file organizational documents with the Secretary of State which comply with this part. The organizational documents must include the date of formation as a

protected cell. Upon conversion, the formation date of the protected cell is the formation date of the converted protected cell. The converted protected cell shall possess all assets and liabilities, including outstanding insurance liabilities, owned by the predecessor cell.

(b) A captive insurance company may apply to the office for conversion to become a protected cell captive insurance company under any form permitted under this part. Upon compliance with this part, approval by the office, and the filing of amended organizational documents with the Secretary of State, the captive insurance company must be issued a revised certificate of authority. The effective date of the revised protected cell captive insurance company's certificate of authority shall remain the same as the effective date of the prior captive insurance company.

(c) With the consent of both the affected protected cell captive insurance companies and the office, an individual protected cell of a captive insurance company may disaffiliate from one protected cell captive insurance company and affiliate with another protected cell captive insurance company. The office may require the affected protected cell captive insurance companies and the individual protected cell to make necessary changes to their business plans, organizational documents, participation contracts, or other governing documents before approving the change in affiliation. The formation date of a

protected cell that affiliates with another protected cell captive insurance company shall be the date of its original formation with the prior protected cell captive insurance company. A protected cell shall maintain and carry over all assets and liabilities, including outstanding insurance liabilities, to the new protected cell captive insurance company.

(d) With the consent of the affected protected cell captive insurance company or companies, the owners or the participants of the protected cells, and the office, an individual protected cell of a captive insurance company may merge or otherwise combine assets and liabilities with another individual protected cell of a protected cell captive insurance company. The office may require the affected protected cell captive insurance companies and the individual protected cells to make necessary changes to their business plans, organizational documents, participation contracts, or other governing documents before approving the change in affiliation. The formation date of a protected cell that merges or otherwise combines assets and liabilities with another protected cell captive insurance company is the date of the original formation of the surviving protected cell. The surviving protected cell must acquire all of the assets and liabilities, including outstanding insurance liabilities, of the merging protected cell. A hearing is not required for mergers of protected cells

effectuated under this section.

(e) Solely for the purposes of annual reports, inspections, examinations, and taxation, the date of final conversion or disaffiliation of a protected cell shall be deemed a termination of that cell from the prior entity. The prior entity shall be responsible for the accounting, oversight, and premium tax on any transactions prior to the date of final conversion or disaffiliation. The successor entity shall be responsible for the accounting, oversight, and premium tax on any transactions on or after the date of final conversion or disaffiliation.

Section 7. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/HB 883 by Rep. Fabricio
Protected Cell Captive Insurance Companies

AMENDMENT SUMMARY
February 24, 2026

Amendment #294395 by Rep. Fabricio (line 190):

- Decreases the unimpaired paid-in capital requirements for protected cell captive insurance companies from $200,000 to $100,000.
- Decreases the unimpaired paid-in capital requirement for nonprofit corporations forming a protected cell captive insurance company from $250,000 to $100,000.
- Decreases the unimpaired surplus requirements for protected cell captive insurance companies from $150,000 to $100,000.
- Makes a technical change to align the bill with the Senate version.

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 Fabricio offered the following:

Amendment

Remove lines 190-417 and insert:

company, at least $100,000.

(b) In the case of a pure captive insurance company, at least $100,000.~~;~~

(c)~~(b)~~ In the case of an industrial insured captive insurance company incorporated as a stock insurer, at least $200,000.~~; and~~

(d)~~(c)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

(2) The office may not issue a license to a captive insurance company incorporated as a nonprofit corporation unless the company possesses and maintains the following applicable unrestricted net assets requirements ~~of~~:

(a) In the case of a protected cell captive insurance company, at least $100,000.

(b) In the case of a pure captive insurance company, at least $250,000.

(c) ~~(b)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Section 4. Subsection (1) of section 628.908, Florida Statutes, is amended to read:

628.908 Surplus requirements; restriction on payment of dividends.—

(1) The office may not issue a license to a captive insurance company unless the company possesses and maintains the following applicable unimpaired surplus requirements ~~of~~:

(a) In the case of a pure captive insurance company, at least $150,000.

(b) In the case of a protected cell captive insurance company, at least $100,000.

(c) In the case of an industrial insured captive insurance company incorporated as a stock insurer, at least $300,000.

(d) ~~(c)~~ In the case of an industrial insured captive insurance company incorporated as a mutual insurer, at least $500,000.

(e) ~~(d)~~ In the case of a special purpose captive insurance company, an amount determined by the office after giving due consideration to the company's business plan, feasibility study, and pro forma financial statements and projections, including the nature of the risks to be insured.

Section 5. Subsection (1) of section 628.909, Florida Statutes, is amended to read:

628.909 Applicability of other laws.—

(1) The Florida Insurance Code does not apply to captive insurance companies, protected cell captive insurance companies, or industrial insured captive insurance companies except as provided in this part and subsections (2) and (3).

Section 6. Section 628.921, Florida Statutes, is created to read:

628.921 Protected cell captive insurance companies.—

(1) One or more sponsors may form a protected cell captive insurance company under this part.

(2) A protected cell captive insurance company must be incorporated as a stock insurer with its capital divided into shares and held by the stockholders, as a mutual corporation, as

a nonprofit corporation with one or more members, or as a limited liability company.

(3) In addition to the information required by chapter 624, each applicant protected cell captive insurance company must file all of the following information with the office:

(a) Materials demonstrating how the applicant will account for the loss and expense experience of each protected cell at a level of detail found to be sufficient by the office, and how it will report such experience to the office.

(b) A statement acknowledging that all financial records of the applicant, including records pertaining to any protected cells, must be made available for inspection or examination by the office or the office's designated agent.

(c) All contracts or sample contracts between the applicant and any participants.

(d) Evidence that expenses will be allocated to each protected cell in a fair and equitable manner.

(4) A protected cell captive insurance company formed or licensed under this part may establish and maintain one or more incorporated or unincorporated protected cells, to insure risks of one or more participants, subject to all of the following conditions:

(a)1. A protected cell captive insurance company may establish one or more protected cells if the office has approved in writing a plan of operation or amendments to a plan of

operation submitted by the protected cell captive insurance company with respect to each protected cell. A plan of operation must include, but is not limited to, the specific business objectives and investment guidelines of the protected cell. However, the office may require additional information in the plan of operation. The office may make the approval of a plan of operation or amendments to a plan of operation effective as of any date on or before the date the approval is signed so long as the effective date is no earlier than the date on which the plan of operation or amendments to the plan of operation were filed with the office.

2. Upon the office's written approval of the plan of operation, the protected cell captive insurance company, in accordance with the approved plan of operation, may attribute insurance obligations with respect to its insurance business to the protected cell.

3. A protected cell must have its own distinct name or designation, which must include the words "protected cell" or "incorporated cell." Such names or designations may also be reasonably abbreviated, including, without limitation, PC or P.C. for "protected cell"; IC, I.C., IPC, or I.P.C. for "incorporated cell"; and SC, S.C., SPC, or S.P.C. for "series cell."

4. The protected cell captive insurance company shall transfer all assets attributable to a protected cell to one or

more separately established and identified protected cell accounts bearing the name or designation of that protected cell. Protected cell assets must be held in the protected cell accounts for the purpose of satisfying the obligations of that protected cell.

5. An incorporated protected cell may be organized and operated in any form of business organization authorized by the office, including, but not limited to, an individual series of a limited liability company under chapter 605. Each incorporated protected cell of a protected cell captive insurance company must be treated as a captive insurer for purposes of this part and has the power to enter into contracts, including an individual series of a limited liability company. Unless otherwise permitted by the organizational documents of a protected cell captive insurance company, each incorporated protected cell of the protected cell captive insurance company must have the same directors, secretary, and registered office as the protected cell captive insurance company.

6. All attributions of assets and liabilities between a protected cell and the general account must be in accordance with the plan of operation and participant contracts approved by the office. A protected cell captive insurance company may not make other attributions of assets or liabilities between the protected cell captive insurance company's general account and its protected cells. Any attribution of assets and liabilities

between the general account and a protected cell must be in cash or in readily marketable securities with established market values.

(b) The creation of a protected cell does not create, with respect to that protected cell, a legal person separate from the protected cell captive insurance company unless the protected cell is an incorporated cell. Amounts attributed to a protected cell under this part, including assets transferred to a protected cell account, are owned by the protected cell. A protected cell captive insurance company may not act as, or hold itself out to be, a trustee of the protected cell assets of the protected cell account. Notwithstanding this subsection, a protected cell captive insurance company may permit a security interest to attach to the assets of a protected cell assets or a protected cell account if the security interest is in favor of a creditor of that protected cell and is otherwise authorized by applicable law.

(c) This subsection may not be construed to prohibit the protected cell captive insurance company from contracting with or arranging for an investment advisor, commodity trading advisor, or other third party to manage the protected cell assets of a protected cell if all remuneration, expenses, and other compensation of the third-party advisor or manager are payable from the protected cell assets of that protected cell and not from the protected cell assets of other protected cells

or the assets of the protected cell captive insurance company's general account.

(d)1. A protected cell captive insurance company must establish administrative and accounting procedures necessary to properly identify the one or more protected cells of the protected cell captive insurance company and the protected cell assets and protected cell liabilities attributable to the protected cells. The directors of a protected cell captive insurance company must keep protected cell assets and protected cell liabilities:

a. Separate and separately identifiable from the assets and liabilities of the protected cell captive insurance company's general account; and

b. Attributable to one protected cell separate and separately identifiable from protected cell assets and protected cell liabilities attributable to other protected cells.

2. If subparagraph 1. is violated, the remedy of tracing applies to protected cell assets that have been commingled with the protected cell assets of other protected cells or with the assets of the protected cell captive insurance company's general account. The remedy of tracing may not be construed as exclusive.

(e) When establishing a protected cell, the protected cell captive insurance company must attribute to the protected cell

assets a value at least equal to the reserves and other insurance liabilities attributed to that protected cell.

(f) Each protected cell must be accounted for separately on the books and records of the protected cell captive insurance company to reflect the financial condition and results of operations of such protected cell, net income or loss, dividends or other distributions to participants, and such other factors as may be provided in the participant contract or required by the office.

(g) An asset of a protected cell may not be charged with, or otherwise made liable for, any liability arising out of insurance business conducted by the protected cell captive insurance company on behalf of any other protected cell or its general account.

(h) A protected cell captive insurance company may not sell, exchange, or otherwise transfer assets between or among any of its protected cells without the consent of such protected cells.

(i) A protected cell captive insurance company may not sell, exchange, transfer, or otherwise distribute assets, or pay any dividend or distribution, from a protected cell to the company or to a participant without the approval of the office. The office may not approve any sale, exchange, transfer, dividend, or distribution that would result in the insolvency or impairment of a protected cell.

(j) All attributions of assets and liabilities to the protected cells and the general account must be in accordance with the plan of operation approved by the office. A protected cell captive insurance company may not attribute assets or liabilities between its general account and any protected cell, or between any protected cells. The protected cell captive insurance company must attribute all insurance obligations, assets, and liabilities relating to a reinsurance contract entered into with respect to a protected cell to such protected cell. The performance under such reinsurance contract and any tax benefits, losses, refunds, or credits allocated pursuant to a tax allocation agreement to which the protected cell captive insurance company is a party, including any payments made by or due to be made to the protected cell captive insurance company pursuant to the terms of such agreement, must reflect the insurance obligations, assets, and liabilities relating to the reinsurance contract which are attributed to such protected cell.

(k) In connection with the conservation, rehabilitation, or liquidation

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 943	**COMPANION BILL:** CS/SB 1028 (Gruters)
TITLE: Citizens Property Insurance Corporation	**LINKED BILLS:** None
SPONSOR(S): Redondo	**RELATED BILLS:** None

Committee References

Insurance & Banking 15 Y, 0 N, As CS	➤	Commerce

SUMMARY

Effect of the Bill:
The bill requires Citizens Property Insurance Corporation ("Citizens") to establish a commercial lines clearinghouse program for new and existing policyholders. Citizens must determine eligibility of surplus lines insurers to participate in the clearinghouse and have their determination verified by the Office of Insurance Regulation. Citizens may be financially responsible for the implementation and facilitation of the clearinghouse. New and renewal commercial residential and commercial nonresidential policyholders remain eligible for coverage with Citizens if they receive an offer of coverage from a surplus lines insurer within 120% of Citizens' offer. However, Citizens must charge the greater of the premium amounts to the policyholder if they elect to place coverage with Citizens instead of the surplus lines carrier. The bill also revises agent rights, commissions, and appointment rules and expands confidentiality protections for proprietary underwriting information.

Fiscal or Economic Impact:
The bill may have an indeterminate fiscal impact on Citizens regarding the implementation and facilitation of the clearinghouse. The bill may also have an indeterminate fiscal impact on new and renewal policyholders seeking insurance coverage from Citizens.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill requires Citizens Property Insurance Corporation ("Citizens") to establish a commercial lines clearinghouse to facilitate offers of coverage from surplus lines insurers for all commercial residential and nonresidential applicants and policyholders by January 1, 2027. Additionally, Citizens must establish a commercial clearinghouse to facilitate offers of coverage from authorized insurers for all commercial residential and nonresidential applicants and policyholders by January 1, 2028. (Section 2)

The bill provides that an offer of coverage from an approved surplus lines clearinghouse insurer has no effect on the coverage eligibility of a commercial residential policyholder or commercial nonresidential policyholder with Citizens. (Section 2)

However, if an offer of substantially equivalent coverage from an approved surplus lines clearinghouse insurer is made to a commercial residential or nonresidential policyholder within 120% of Citizens' coverage offer, Citizens will be prohibited from offering or renewing coverage unless a premium equalization adjustment is applied to Citizens' offer. The bill defines a premium equalization adjustment as the difference in total cost of insurance coverage between Citizens' offer and an approved surplus lines clearinghouse insurer's offer, so long as the offers are within 120% of each other. (Sections 1 and 2)

The bill provides that any premium equalization adjustment is only applied to a Citizens policy for the policy term. (Section 2)

Commercial residential policyholders remain eligible for coverage with Citizens if they receive offers of substantially equivalent coverage from authorized insurers or approved surplus lines clearinghouse insurers that exceed 120% of Citizens' offer. (Section 2)

The bill establishes that Citizens must contract with a commercial lines clearinghouse administrator to implement and facilitate a commercial lines clearinghouse for approved surplus lines insurers within 90 days of the bill becoming law. The commercial lines administrator is not required for the commercial lines clearinghouse for authorized insurers. (Section 2)

The bill requires Citizens to establish criteria to determine the capabilities necessary for the commercial lines clearinghouse administrator. Such criteria must include:

- confirmed expertise in the surplus lines market;
- at least 5 years of publicly available audited financial statements;
- the ability to facilitate all approved surplus lines clearinghouse insurers to participate in the commercial lines clearinghouse on established terms; and
- and other criteria that Citizens deems necessary. (Section 2)

In order to participate in the commercial lines clearinghouse, a surplus lines insurer must be an "approved surplus lines clearinghouse insurer." The bill defines an "approved surplus lines clearinghouse insurer" as an eligible surplus lines insurer that:

- has a financial strength rating of "A- "or higher from A.M. Best Company;[1]
- has a financial size category of A-VII or higher from A.M.. Best Company; and
- has been verified by the Office of Insurance Regulation to meet requirements within 5 business days after the commercial clearinghouse administrator's recommendation. (Section 2)

The bill provides that a commercial lines clearinghouse administrator may charge approved surplus lines clearinghouse insurers participating in the program reasonable transaction, technology, administration, and other similar fees. Citizens may also provide funds to operate the program.[2] (Section 2)

The bill provides that in establishing a commercial clearinghouse, Citizens must require all new and renewal policy commercial residential and non-residential submissions be submitted to the clearinghouse. Citizens must submit its coverage terms and conditions, deductible structure, and unalterable indicated total cost of insurance coverage prior to any approved surplus lines clearinghouse insurer is able to make an offer of coverage, The clearinghouse administrator will then provide the participating insurers Citizens' coverage terms and conditions and deductible structures. Participating surplus lines insurers will then have 5 business days to make an offer of coverage for an application they wish to underwrite from the clearinghouse. The clearinghouse administrator will review the total cost of all offers of coverage it receives for an application and determine applicant eligibility. (Section 2)

The bill clarifies that approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse, but are not required to do so. The bill prohibits approved surplus lines clearinghouse insurers from participating in the personal lines clearinghouse. (Section 2)

[1] AM Best Company assesses an insurance company's ability to pay claims, debts, and other financial obligations in a timely manner. AM Best is registered as a Nationally Recognized Statistical Rating Organization by the Securities & Exchange Commission (SEC) and as a Credit Rating Provider by the National Association of Insurance Commissioners (NAIC). AM Best Company, *About Us,* https://web.ambest.com/about-us (last visited Jan. 30, 2026).

[2] The bill redefines the "program" to mean the personal lines clearinghouse and the commercial lines clearinghouse.

The bill provides the following rights and responsibilities for approved surplus lines clearinghouse insurers:

- may appoint a surplus line agent whose direct or indirect customer is initially underwritten and bound through the clearinghouse program;
- must enter into a limited agency agreement[3] with each surplus lines agent that is not appointed and whose direct or indirect customer is underwritten and bound through the clearinghouse program[4];
- must enter into a standard agency agreement[5] with each surplus lines agent whose direct or indirect customer is underwritten and bound through the program;
- must comply with notice of non-renewal and cancellation standards outlined for surplus lines insurers; and
- must pay total commission or effective compensation on premiums, excluding fees, surcharges, and taxes, to the surplus agent, managing general agent, or managing general underwriter placing the risk subject to the following:
    - the producing agent[6] must receive a commission that results in an effective commission percentage[7] at least equal to the commission that Citizens pays agents for coverage placement; and
    - agents are not prohibited from accepting lower commissions voluntarily. (Section 2)

The bill provides that contracts between an independent agent[8] and Citizens, any insurer, or any surplus lines agent do not amend, modify, interfere with, or limit the independent agent's rights of ownership of specified records and information directly related to applications or renewals written through the program or an insurer participating in the clearinghouse program. (Section 2)

The bill requires the Division of Law Revision to replace the phrase "the effective date of this act" wherever it appears in this act, with the date this act becomes law. (Section 3)

The bill is effective upon becoming law. (Section 4)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have indeterminate fiscal impact on Citizens from costs associated with the implementation and facilitation of the commercial lines clearinghouse. Facilitating market access through the clearinghouse may encourage policyholders to place coverage in the voluntary market, and therefore potentially lower Citizens' total liability exposure.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on new and renewal policyholders seeking coverage with Citizens. If new and renewal policyholders receive an offer of coverage from certain insurers, they may be required to pay up to 20% more in premium for substantially equivalent coverage.

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[3] A limited agency agreement is a written contract between an insurer and an agent that authorizes the agent to act on behalf of the insurer for specific, defined purposes and scopes, rather than full general authority. *See* Florida Association of Insurance Agents, *Limited Agency Agreement,* https://www.faia.com/getmedia/1cd9f4bd-4fac-4a6b-998e-1ef541e4edd7/BankersLSA.pdf. (last visited Jan. 30, 2026).

[4] In addition, a surplus lines agent that enters into a limited agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent whose customer is underwritten and bound through the program. (Section 2)

[5] A standard agency agreement is a contractual relationship between an insurer and an appointed agent that grants the agent general authority to transact insurance on behalf of the insurer, consistent with agent appointment requirements in Ch. 626, F.S. *See* s. 626.015(1), F.S. S. 626.112(1), F.S.

[6] A producing agent is understood to be a licensed insurance agent who actually solicits, negotiates, and procures an insurance policy on behalf of a policyholder. *See* s. 626.7491(2)(f), F.S.

[7] The bill defines effective commission percentage as the commission expressed as a percentage of premium, exclusive of all fees, assessments, surcharges, and taxes.

[8] An independent agent is a licensed insurance agent who may represent multiple insurers rather than being contractually exclusive to one insurer. *See* s. 627.3518(1)(c), F.S.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Authorized Insurers

An authorized insurer is an insurer authorized by a certificate of authority issued by the Office of Insurance Regulation (OIR) to transact insurance in Florida.[9] The term "authorized insurer" is used interchangeably with "admitted insurer".

Insurers that obtain state authorization are able to participate in Florida's admitted insurance marketplace. Additionally, authorized insurers are required to participate in the Florida Insurance Guaranty Association ("FIGA"). FIGA will pay out claims to policyholders of authorized insurers in the event the insurer becomes insolvent.[10]

The admitted market is a segment of the insurance marketplace that is subject to comprehensive regulatory oversight regarding rates, forms, and solvency. Insurance rates must be filed with OIR and deemed by OIR to not be excessive, inadequate or unfairly discriminatory, and that and that the pricing supports market stability and insurer solvency.[11]

Policy forms offered in the admitted market must also be filed with OIR for approval or informational review and must comply with statutory requirements and mandated consumer disclosures.[12] In addition, the admitted marketplace is subject to ongoing financial oversight, including annual and quarterly financial statement submissions[13], minimum capital and surplus requirements, risk-based capital standards, which allow OIR to monitor solvency and take corrective action to protect policyholders and the overall stability of the admitted marketplace.[14]

As of late November 2025, OIR received 73 filings for rate decreases and 94 filings for 0% rate increases from in the admitted market. Following a quiet hurricane season, continuing decreases in reinsurance costs, and an overall increased underwriting appetite among carriers, the admitted marketplace is showing signs of stabilizing and bringing more favorable insurance conditions to consumers.[15]

Surplus Lines Insurers

Surplus lines insurers are insurers that participate in the excess and surplus ("E&S") marketplace. They are non-admitted insurers, meaning they do not hold a license in the state where the insured risk is located, but they are eligible to transact insurance in Florida by filing certain information with OIR.[16]

Because surplus lines insurers are not licensed in the state, they are not subject to the same rate and policy form regulation that apply to admitted carriers. In the event of insolvency, surplus lines insurers are not protected by FIGA.[17] Policyholders of surplus lines insurers must be notified by a mandated disclosure that their coverage is being placed outside the admitted market, that such coverage lacks Florida guaranty protections and regulatory

[9] S. 624.09, F.S.
[10] S. 631.55, F.S.
[11] S. 627.974(2), F.S.
[12] S. 627.410, F.S.
[13] S. 624.424, F.S.
[14] S. 624.4085, F.S.
[15] James Moore, *Florida Home Insurance Costs Show Signs of Stabilizing After Years of Increases* (Dec. 17, 2025), https://www.jmco.com/articles/real-estate/florida-home-insurance-costs-show-signs-of-stabilizing-after-years-of-increases/ (last visited Jan. 29, 2026).
[16] Florida Office of Insurance Regulation, *Surplus Lines Company Search,* https://floir.gov/resources-and-reports/surplus-lines-search (last visited Jan. 29, 2026).
[17] S. 631.55, F.S.

approval of rates and forms, and that the insured is presumed to understand that coverage may be available in the admitted market.[18]

The E&S marketplace is a segment of the insurance marketplace that provides coverage for risk that the admitted market either cannot or will not cover. It is designed to insure unique, high-risk, or complex risks, such as unusual liability exposures, specialty coverages, or very high coverage limits that don't fit the underwriting criteria of admitted insurers. Examples of typical risks who find coverage in the E&S market are coastal homes and condominiums, high-hazard contractors, and multi-million dollar liability programs.[19]

Florida's E&S market continued growing overall (~2%) in 2025, but with slowing premium growth and signs of stabilization to the market as a whole. In 2025, total premiums in the E&S market reached $17.3 billion, with new business to the E&S market accounting for 42% of this activity and renewals representing 58%. In terms of cost per policy, commercial property and commercial wind coverage saw a decrease of 33% and 47% per policy respectively, and personal property & casualty coverage saw a decrease of 15% per policy. This mix highlights a stable renewal environment for insureds, even as carriers remain engaged in writing new placements. In other words, as the insurance market continues to stabilize, risks are able to find placements in markets other than those of last resort at a competitive price.[20]

Citizens Property Insurance Corporation (Citizens)

Citizens is a state-created, not-for-profit, tax-exempt governmental entity whose public purpose is to provide property insurance coverage to those unable to find affordable coverage in the voluntary market.[21] Citizens was created in 2002 by the Florida Legislature by combining the Florida Residential Property and Casualty Joint Underwriting Association and the Florida Windstorm Underwriting Association.[22] Current law requires Citizens to provide coverage for personal lines residential property and casualty coverages[23] and commercial lines residential and commercial lines nonresidential property insurance forms.[24]

In October of 2023, Citizens' policy count peaked at roughly 1.42 million. In December of 2025, Citizens' projected policy count to fall to around 385,000, or a 73% decrease from the recent October peak and the lowest reported policy count for Citizens since inception.[25] Year end of 2025, Citizens reported that their policy count comprised of 389,157 personal residential policies (98.5%), 2,837 commercial residential policies (0.7%), and 3,343 commercial nonresidential policies (0.85%). Policy count has continued to fall; as of January 16, 2026, Citizens reports 393,861 active policies. While commercial policies only make up 1.55% of Citizens' policy count, the policies represent 19.6% (~$25. 2 billion) of Citizens total liability exposure (~$128.4 billion).[26]

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[18] S. 626.916(1)(d), F.S.
[19] Florida Surplus Lines Association, *Surplus Lines 101*, https://myfsla.com/surpluslines101/ (last visited Jan, 28, 2026).
[20] Florida Surplus Lines Service Office, *Florida Premium Report* (Jan. 7, 2026), https://createsend.com/t/r-2759AB083BDB82662540EF23F30FEDED (last visited Jan. 29, 2026).
[21] S. 627.351(6)(a)1., F.S.
[22] Florida Office of Insurance Regulation, *Market Conduct Final Examination Report of Citizens Property Insurance Corporation* (January 11, 2021), https://floir.gov/docs-sf/property-casualty-libraries/market-regulation/2021/citizens-property-insurance-corporation-1-11-2021.pdf (last visited Jan. 29, 2026).
[23] Used in many personal and business policies, property and casualty insurance is an umbrella term for insurance policies that provide two distinct types of coverage: property coverage to repair or replace physical assets if they are damaged or destroyed in a covered event and casualty coverage for bodily injury or property damage to a third party. Coz-Steib, J. *What is property and casualty insurance?* Bankrate. https://www.bankrate.com/insurance/car/property-and-casualty/ (last visited Jan. 29, 2026).
[24] S. 627.351(6)(c)1., F.S.
[25] Citizens Property Insurance Corporation, *Press Release* (December 10, 2025), https://www.citizensfla.com/-/20251210-citizens-recommends-rate-cuts-for-most-policyholders (last visited Jan. 30, 2026).
[26] Citizens Property Insurance Corporation, *Policies in Force: Current Snapshot*: *January 16, 2026* https://www.citizensfla.com/policies-in-force (last visited January 29, 2026).

Citizens Coverage Eligibility

In effort to remain a market of last resort for insureds, Citizens may provide insurance only for property owners who are "in good faith unable to procure insurance through the voluntary market". To be eligible for a new or renewal residential policy, one of the following must be true: [27]

- no comparable offer is available from a Florida-authorized insurer; or
- premiums from Florida-authorized insurers are more than 120% of the Citizens premium for comparable coverage.

Personal Residential Eligibility

Generally, a personal dwelling must have a replacement cost below $700,000 to be eligible for coverage. However, Citizens is allowed to insure personal dwellings with a replacement cost of up to $1 million in counties that OIR deems to lack sufficiently competitive insurance options.[28] Additionally, Citizens may deem a property ineligible if it has significant structural deficiencies or has been deemed unsafe for occupancy. [29]

Eligibility for personal residential risks is confirmed through the current Citizens Clearinghouse Program.[30]

Commercial Residential Eligibility

As with personal residential policies, underwriting criteria for safety and structural soundness must be satisfied in order to obtain coverage with Citizens. In addition, properties with existing damage are not eligible for coverage with Citizens and properties may be deemed ineligible if they have significant short-term rental or transient occupancy exposure.[31]

Eligibility for commercial residential risks is confirmed through procedures established by Citizens.[32]

Commercial Non-residential Eligibility

Commercial non-residential properties are ineligible for Citizens if an authorized insurer makes a coverage offer, no matter the cost. The 120% eligibility threshold does not apply for commercial non-residential risks. [33]

Citizens Current Clearinghouse Program

The intention of the clearinghouse program is to facilitate consistent enforcement of Citizens premium comparison eligibility rules and allow carriers to present their offered premiums in an accessible way to insureds.[34]

Under the program, new and renewal personal lines residential policies for Citizens are submitted into the clearinghouse.[35] Participating insurers[36] have 2 business days to review and optionally select any risk for which they would like to make an offer of coverage.[37] If a participating insurer makes an offer of coverage that is within 120% of Citizens' coverage offer for the same risk, the risk is no longer eligible to be placed with Citizens.[38]

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[27] S. 627.351(6)(c), F.S.
[28] S. 627.351(6)(b), F.S.
[29] S. 627.351(6)(a), F.S.
[30] S. 627.3518(2), F.S.
[31] Citizens Property Insurance Corporation, *Commercial Lines New Business Submission Guide* *https://citizenstraining.citizensfla.com/courses/core/CIS_Resources/Job_Aids/PolicyCenter/CommercialLines/CLNewBusinessSubmissionGuide.pdf* (last visited Jan. 29, 2026).
[32] S. 627.351(6)(c), F.S.
[33] Citizens Property Insurance Corporation, *Commercial Lines New Business Submission Guide* *https://citizenstraining.citizensfla.com/courses/core/CIS_Resources/Job_Aids/PolicyCenter/CommercialLines/CLNewBusinessSubmissionGuide.pdf* (last visited Jan. 29, 2026).
[34] Citizens Property Insurance Corporation, *Commercial Lines Current State and Clearinghouse*, pg. 6
[35] S. 627.3518(2), F.S.
[36] Any admitted insurer may participate in the clearinghouse program. S. 627.3518(4), F.S. Insurers are not required to pay a fee to offset or partially offset the cost of the program or use the program for renewal S. 627.3518(3)(d), F.S.
[37] S. 627.3518(3)(f), F.S.
[38] S. 627.3518(5), F.S.

Currently, there is no clearinghouse for commercial risks. Instead, Citizens must develop procedures for diverting ineligible applicants and existing policyholders of commercial residential coverage to the private insurance market.[39] To prove that a commercial residential risk is eligible for coverage with Citizens, the insured's agent must submit at least one quote from an authorized insurer showing that comparable coverage exceeds Citizens' premium by more than 20%, or at least one authorized insurer statement indicating that no comparable coverage will be offered.[40]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	15 Y, 0 N, As CS	2/3/2026	Brackett	Veigle
THE CHANGES ADOPTED BY THE COMMITTEE:	• Created the term "premium equalization adjustment" to mean the difference in total cost between Citizens' offer and an approved surplus lines insurer's offer that is within 120% of Citizens' offer. • Provided that any applied premium equalization adjustment expires at the end of the policy term. • Required Citizens to contract with an administrator to establish and maintain a commercial clearinghouse for approved surplus lines insurers within 90 days of the bill becoming law. • Clarified that Citizens must establish a commercial clearinghouse for authorized insurers on or before January 1, 2028. • Required OIR to verify surplus lines clearinghouse insurers within 5 business days of the administrator's recommendation. • Provided that a commercial lines clearinghouse administrator may charge approved surplus lines clearinghouse insurers participating the in the program reasonable transaction, technology, administration, and other similar fees. • Provided that every application to the commercial clearinghouse is subject to a 5 business day period when participating insurers may select the application for coverage prior to Citizens extending an offer.			
Commerce Committee			Hamon	Veigle

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

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[39] S. 627.3518(2), F.S.

[40] Citizens Property Insurance Corporation, *Commercial Lines New Business Submission Guide* *https://citizenstraining.citizensfla.com/courses/core/CIS_Resources/Job_Aids/PolicyCenter/CommercialLines/CLNewBusinessSubmissionGuide.pdf* (last visited Jan. 29, 2026).

A bill to be entitled

An act relating to the Citizens Property Insurance Corporation; amending s. 627.351, F.S.; prohibiting the corporation from issuing or renewing coverage for commercial residential and commercial nonresidential risks under certain circumstances; prohibiting the corporation from imposing a premium equalization adjustment under certain circumstances; providing applicability; specifying the components of the total cost of insurance coverage; specifying that certain adjustments expire at a specified time; amending s. 627.3518, F.S.; deleting an obsolete provision; defining terms; revising the definition of the term "program"; requiring the corporation to establish a personal lines clearinghouse for specified purposes; requiring, on or before a specified date, the corporation to implement a commercial lines clearinghouse for a specified purpose; authorizing the corporation to develop and implement a separate commercial lines clearinghouse for specified purposes; deleting obsolete provisions; revising the program's rights and responsibilities; revising the rights and responsibilities the corporation has in establishing the program; authorizing approved surplus lines clearinghouse insurers to participate in the

commercial lines clearinghouse; prohibiting such insurers from participating in the personal lines clearinghouse; specifying that participation in the program is not mandatory for such insurers; revising prohibitions and requirements for insurers making offers of coverage to new applicants or renewal policyholders through the program; providing construction; defining the term "effective commission percentage"; specifying that applicants for new commercial lines residential coverage are not eligible for coverage from the corporation under certain circumstances; specifying the circumstances under which policyholders of the corporation are not eligible for new commercial lines residential coverage from the corporation; authorizing applicants or insureds to elect to accept coverage with authorized insurers or elect to accept or continue coverage with the corporation under certain circumstances; authorizing insureds to elect to accept coverage with specified insurers or elect to accept or continue coverage with the corporation under certain circumstances; providing applicability; specifying that certain applicants and policyholders remain eligible for coverage from the corporation; authorizing such applicants and policyholders to elect

to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; authorizing certain applicants and policyholders of the corporation to elect to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; requiring such applicants or policyholders to pay a specified total cost of insurance for corporation coverage; providing applicability; revising the rights and authorizations for certain independent insurance agents; deleting a prohibition relating to commercial nonresidential policies; providing a directive to the Division of Law Revision; providing an effective date.

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

Section 1. Paragraph (oo) is added to subsection (6) of section 627.351, Florida Statutes, to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(oo) For commercial residential and commercial nonresidential risks, if an approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(5)(c)2. and the total cost of such coverage is not more than 20 percent greater than the total cost of insurance coverage from the corporation, the

corporation may not issue or renew coverage unless it imposes a premium equalization adjustment on such policy equal to the amount by which the total cost of insurance coverage offered by the approved surplus lines clearinghouse insurer exceeds the total cost of insurance coverage from the corporation. If the total cost of insurance from the approved surplus lines clearinghouse insurer does not exceed the total cost of corporation coverage, the corporation may not impose the premium equalization adjustment. If more than one approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(5)(c)2., the lowest offered total cost of insurance coverage applies for purposes of this paragraph. The total cost of insurance coverage includes, but is not limited to, the premium, fees, surcharges, and applicable taxes. A premium equalization adjustment applied pursuant to this paragraph expires at the end of the policy term.

Section 2. Section 627.3518, Florida Statutes, is amended to read:

627.3518 Citizens Property Insurance Corporation policyholder eligibility clearinghouse program.—The purpose of this section is to provide a framework for the corporation to implement a clearinghouse program ~~by January 1, 2014~~.

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

(a) "Approved surplus lines clearinghouse insurer" means an eligible surplus lines insurer that has a financial strength

rating of "A-" or higher and a financial size category of A-VII or higher from A.M. Best Company which the clearinghouse administrator recommends for participation in the program and which the office verifies meets the requirements for participation in the program within 5 business days after the commercial lines clearinghouse administrator's recommendation.

(b) "Commercial lines clearinghouse administrator" means the individual or entity employed or otherwise contracted by the corporation to provide administrative or professional services to implement the commercial lines clearinghouse required pursuant to subparagraph (2)(b)1. within the corporation as set forth in paragraph (3)(b).

(c) ~~(a)~~ "Corporation" means Citizens Property Insurance Corporation.

(d) ~~(b)~~ "Exclusive agent" means any licensed insurance agent that has, by contract, agreed to act exclusively for one company or group of affiliated insurance companies and is disallowed by the provisions of that contract to directly write for any other unaffiliated insurer absent express consent from the company or group of affiliated insurance companies.

(e) ~~(c)~~ "Independent agent" means any licensed insurance agent not described in paragraph (d) ~~(b)~~.

(f) "Primary residence" has the same meaning as in s. 627.351(6)(c)2.a.

(g) ~~(d)~~ "Program" means the clearinghouse created under

this section, consisting of the personal lines clearinghouse and the commercial lines clearinghouse.

(h) "Surplus lines agent" means an insurance agent licensed pursuant to s. 626.927 or s. 626.9272.

(2)(a) The corporation shall establish a personal lines clearinghouse ~~in order~~ to confirm an applicant's eligibility with the corporation, ~~and~~ to enhance access of new applicants for personal lines coverage and existing personal lines policyholders of the corporation to offers of coverage from authorized insurers, and ~~the corporation shall establish a program for personal residential risks in order~~ to facilitate the diversion of ineligible applicants and existing policyholders from the corporation into the voluntary insurance market.

(b)1. The corporation shall implement on or before January 1, 2027, a commercial lines clearinghouse in order to enhance access to offers of coverage from approved surplus lines clearinghouse insurers for new applicants for commercial residential coverage and commercial nonresidential coverage and existing commercial residential and commercial nonresidential policyholders of the corporation.

2. To facilitate the diversion of ineligible applicants and existing policyholders from the corporation to authorized insurers, the corporation shall also develop and implement a separate commercial lines clearinghouse on or before January 1,

2028, to confirm eligibility with the corporation and to enhance access to offers of such coverage from authorized insurers for new applicants for commercial residential or commercial nonresidential coverage and existing commercial residential and commercial nonresidential policyholders of the corporation ~~appropriate procedures for facilitating the diversion of ineligible applicants and existing policyholders for commercial residential coverage into the private insurance market and shall report such procedures to the President of the Senate and the Speaker of the House of Representatives by January 1, 2014~~.

(3) The corporation board shall establish the ~~clearinghouse~~ program as an organizational unit within the corporation. The program shall have all the rights and responsibilities in carrying out its duties as a licensed general lines agent and a surplus lines agent, but may not be required to employ or engage a licensed general lines agent or a surplus lines agent, or to maintain an insurance agency license to carry out its activities in the solicitation and placement of insurance coverage. In establishing the program, the corporation has all of the following rights and responsibilities ~~may~~:

(a) May require all new applications for personal lines coverage, and all personal lines policies due for renewal, to be submitted for coverage to the program in order to facilitate obtaining an offer of coverage from an authorized insurer or, if the risk is a commercial risk, shall require all new

applications for commercial lines coverage, and all commercial lines policies due for renewal, to be initially submitted for coverage through the commercial clearinghouse as a single point of intake for both the corporation and the program in order to facilitate obtaining an offer of coverage from an approved surplus lines clearinghouse insurer, before binding or renewing coverage by the corporation.

(b) Shall establish and maintain the operational systems and procedures necessary to implement the program.

(c) ~~(b)~~ May employ or otherwise contract with individuals or other entities for appropriate administrative or professional services to effectuate the plan within the corporation in accordance with the applicable purchasing requirements under s. 627.351 and, for purposes of implementing the commercial lines clearinghouse and providing offers of coverage from approved surplus lines clearinghouse insurers on or before January 1, 2027, contract with such individuals or entities in accordance with s. 287.057(3)(c).

(d) ~~(c)~~ May enter into contracts with any authorized insurer and any approved surplus lines clearinghouse insurer to participate in the program and accept an appointment by such insurer.

(e) ~~(d)~~ May provide funds to operate the program. Insurers and agents participating in the program are not required to pay a fee to offset or partially offset the cost of the program or

use the program for renewal of policies initially written through the clearinghouse. Notwithstanding this paragraph, any commercial lines clearinghouse administrator may charge approved surplus lines clearinghouse insurers participating in the program reasonable transaction, technology, administration, and other similar fees.

(f) ~~(e)~~ May develop an enhanced application that includes information to assist private insurers in determining whether to make an offer of coverage through the program.

(g) ~~(f)~~ For personal lines residential risks, may require that, before approving all new applications for coverage by the corporation, ~~that~~ every application be subject to a period of 2 business days when any insurer participating in the program may select the application for coverage. For commercial lines residential and commercial lines nonresidential risks, the corporation may require, before approving all new applications for commercial lines coverage by the corporation, that every application be subject to a period of 5 business days when any insurer participating in the program may select the application for coverage. The insurer may issue a binder on any policy selected for coverage for a period of at least 30 days but not more than 60 days.

(h) Shall, in creating the commercial lines clearinghouse, establish criteria to determine the capabilities necessary for the commercial lines clearinghouse administrator. For

facilitating offers of surplus lines coverage, such criteria must include confirmed expertise in the surplus lines market, at least 5 years of publicly available audited financial statements, the ability to facilitate all approved surplus lines clearinghouse insurers to participate in the commercial lines clearinghouse on terms established by the corporation, and other criteria that the corporation determines necessary to effectively establish, administer, and manage offers of surplus lines coverage through the commercial lines clearinghouse.

(i) Shall select a commercial lines clearinghouse administrator within 90 days after the effective date of this act.

(j) May allow the commercial lines clearinghouse administrator to establish procedures and account clearance requirements the commercial lines clearinghouse administrator deems necessary to ensure an orderly process for offers of coverage to be provided by approved surplus lines clearinghouse insurers participating in the commercial lines clearinghouse and to avoid multiple offers of coverage from the same insurer for the same risk.

(k) Must submit to the commercial lines clearinghouse administrator its coverage terms and conditions, deductible structures, and its unalterable indicated total cost of insurance coverage, which must include, but is not limited to, the premium, fees, surcharges, and applicable taxes for the

subject risk before any approved surplus lines clearinghouse insurer is provided a submission for coverage pursuant to the program by any applicant for new coverage from the corporation or any policyholder of the corporation. The commercial lines clearinghouse administrator shall provide the corporation's unalterable indicated coverage terms and conditions and deductible structures, but may not provide the indicated total cost of corporation insurance coverage, to the approved surplus lines clearinghouse insurers participating in the program. The commercial lines clearinghouse administrator shall then use the corporation's unalterable indication to determine whether any offers of coverage from approved surplus lines clearinghouse insurers satisfy the requirements set forth in s. 627.351(6)(oo) and subparagraph (5)(c)2. The corporation may not bind or otherwise communicate, indicate, or make an offer of coverage to an applicant or policyholder, or its agent, or otherwise accept coverage until 5 business days have elapsed from the date that it provided its unalterable indication to the commercial lines clearinghouse administrator unless the time limit is waived in writing. Any change to the corporation's coverage terms and conditions, deductible structures, or indicated total cost of insurance coverage constitutes a new submission by the corporation under this paragraph. The validation period described in this paragraph applies regardless of any proposed effective date, renewal date, or expiration date of the policy

and may not be shortened or bypassed based on timing considerations relating to binding or renewal.

(4) Any authorized insurer may participate in the program; however, participation is not mandatory for any insurer. Approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse but may not participate in the personal lines clearinghouse; however, participation in the program is not mandatory for any surplus lines insurer. Insurers making offers of coverage to new applicants or renewal policyholders through the program:

(a) May not be required to individually appoint any agent whose customer is underwritten and bound through the program. Notwithstanding s. 626.112, insurers are not required to appoint any agent on a policy underwritten through the program for as long as that policy remains with the insurer. Insurers may, at their election, appoint any agent or surplus lines agent whose direct or indirect customer is initially underwritten and bound through the program. In the event an insurer accepts a policy from an agent who is not appointed pursuant to this paragraph, and thereafter elects to accept a policy from such agent, the provisions of s. 626.112 requiring appointment apply to the agent.

(b) Must enter into a limited agency agreement with each agent or surplus lines agent that is not appointed in accordance with paragraph (a) and whose direct or indirect customer is

underwritten and bound through the program. In addition, a surplus lines agent that enters into a limited agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent whose customer is underwritten and bound through the program.

(c) Must enter into its standard agency agreement with each agent or surplus lines agent whose direct or indirect customer is underwritten and bound through the program when that agent or surplus lines agent has been appointed by the insurer pursuant to s. 626.112. In addition, a surplus lines agent that enters into a limited agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a standard agency or broker agreement with each producing agent whose customer is underwritten and bound through the program.

(d) Must comply with s. 627.4133(2) or, if the insurer is an approved surplus lines clearinghouse insurer, s. 626.9201.

(e) May participate through their single-designated managing general agent or broker or surplus lines agent; however, the provisions of paragraph (6)(a) regarding ownership, control, and use of the expirations continue to apply.

(f) For authorized insurers, must pay to the producing agent a commission equal to that paid by the corporation or the

usual and customary commission paid by the insurer for that line of business, whichever is greater.

(g) For approved surplus lines clearinghouse insurers, when coverage is placed through the clearinghouse with an approved surplus lines clearinghouse insurer, must pay a total commission or equivalent compensation on gross written premium, exclusive of fees, surcharges, and taxes, to the surplus lines agent, managing general agent, or managing general underwriter placing the risk. The surplus lines agent, managing general agent, or managing general underwriter must pay the producing agent a commission that results in an effective commission percentage at least equal to the commission percentage published by the corporation and in effect on January 1, 2026, calculated in the same manner and on the same basis used by the corporation, and shall retain the remainder of the total commission or equivalent compensation. This paragraph does not prohibit an agent from voluntarily accepting a lower commission at the agent's sole discretion. As used in this paragraph, the term "effective commission percentage" means the commission expressed as a percentage of premium, exclusive of all fees, assessments, surcharges, and taxes.

(5)(a) Notwithstanding s. 627.3517, any applicant for new personal lines coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from an authorized insurer through the program at a

premium that is at or below the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or for applicants for new coverage of a risk that is not a primary residence established in s. 627.351(6)(c)5.b. Whenever an offer of comparable coverage for a personal lines risk is received for a policyholder of the corporation at renewal from an authorized insurer through the program which is at or below the eligibility threshold for primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.a., or the eligibility threshold for risks that are not primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.b., the risk is not eligible for coverage with the corporation. In the event an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or the eligibility threshold for applicants for new coverage on a risk that is not a primary residence established in s. 627.351(6)(c)5.b., the applicant or insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. In the event an offer of coverage for a personal lines risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility

threshold for primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.a., or exceeds the eligibility threshold for risks that are not primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.b., the insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.a.(I) and b.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program. ~~As used in this subsection, the term "primary residence" has the same meaning as in s. 627.351(6)(c)2.a.~~

(b) Any applicant for new commercial lines residential coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold for applicants for new coverage established in s. 627.351(6)(c)5.c. Whenever an offer of comparable coverage for a commercial lines residential risk is received for a policyholder of the corporation at renewal from an authorized insurer through the program which is at or below the eligibility threshold in s. 627.351(6)(c)5.c., the risk is not eligible for coverage from the corporation. In the event that an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold established in s.

627.351(6)(c)5.c., the applicant or insured may elect to accept such coverage or may elect to accept or continue coverage with the corporation. In the event that an offer of coverage for a commercial lines residential risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility threshold for policyholders of the corporation established in s. 627.351(6)(c)5.c., the insured may elect to accept such coverage or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program.

(c)1. Except as provided in subparagraph 2., any applicant for new commercial lines residential coverage or commercial lines nonresidential coverage from the corporation and any policyholder of the corporation, when such applicant or corporation policyholder is offered commercial lines residential or commercial lines nonresidential coverage pursuant to the program by an approved surplus lines clearinghouse insurer, remains eligible for coverage from the corporation. The applicant or policyholder receiving an offer from an approved surplus lines clearinghouse insurer may elect to accept such coverage or may elect to accept or continue coverage with the corporation.

2. Any applicant for new commercial lines residential coverage or commercial lines nonresidential coverage from the

corporation and any policyholder of the corporation, when such applicant or corporation policyholder is offered commercial lines residential or commercial lines nonresidential coverage by an approved surplus lines insurer pursuant to the program and such offered coverage has material terms and conditions that are substantially equivalent to or better than coverage from the corporation as to all aspects of such coverage, as determined by the corporation through the clearinghouse process and applicable program standards, and the total cost of such insurance coverage is not more than 20 percent greater than the total cost of insurance coverage from the corporation, may elect to accept such coverage from the approved surplus lines clearinghouse insurer or may elect to accept or continue coverage with the corporation, but, if electing corporation coverage, such applicant or policyholder must pay a premium for corporation coverage that is subject to s. 627.351(6)(oo).

3. Section 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from an approved surplus lines clearinghouse insurer obtained through the program.

4. Any policyholder seeking coverage from the personal lines clearinghouse shall be offered coverage that has material terms and conditions that are substantially equivalent to or better than coverage from the corporation as to all aspects of such coverage.

(6) Independent insurance agents submitting new

applications for coverage or that are the agent of record on a renewal policy submitted to the program:

(a) Are granted and must maintain ownership and the exclusive use of expirations, records, or other written or electronic information directly related to such applications or renewals written through the corporation or through an insurer participating in the program, notwithstanding s. 627.351(5)(a), s. 627.351(6)(c)5.a.(I)(B) and (II)(B), or s. 627.351(6)(c)5.b.(I)(B) and (II)(B). Such ownership is granted for as long as the insured remains with the agency or until sold or surrendered in writing by the agent. Contracts with the corporation or required by the corporation or with any insurer or surplus lines agent may ~~must~~ not amend, modify, interfere with, or limit such rights of ownership. Such expirations, records, or other written or electronic information may be used to review an application, issue a policy, or for any other purpose necessary for placing such business through the program.

(b) May not be required to be appointed by any insurer participating in the program for policies written solely through the program, notwithstanding the provisions of s. 626.112.

(c) May accept an appointment from any insurer participating in the program.

(d) May enter into either a standard or limited agency agreement with the insurer, at the insurer's option, and may enter into agreements with a surplus lines agent.

Applicants ineligible for coverage in accordance with subsection (5) remain ineligible if their independent agent is unwilling or unable to enter into a standard or limited agency agreement with an insurer participating in the program.

(7) Exclusive agents submitting new applications for coverage or that are the agent of record on a renewal policy submitted to the program:

(a) Must maintain ownership and the exclusive use of expirations, records, or other written or electronic information directly related to such applications or renewals written through the corporation or through an insurer participating in the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and (II)(B) or s. 627.351(6)(c)5.b.(I)(B) and (II)(B). Contracts with the corporation or required by the corporation must not amend, modify, interfere with, or limit such rights of ownership. Such expirations, records, or other written or electronic information may be used to review an application, issue a policy, or for any other purpose necessary for placing such business through the program.

(b) May not be required to be appointed by any insurer participating in the program for policies written solely through the program, notwithstanding the provisions of s. 626.112.

(c) Must only facilitate the placement of an offer of coverage from an insurer whose limited servicing agreement is

approved by that exclusive agent's exclusive insurer.

(d) May enter into a limited servicing agreement with the insurer making an offer of coverage, and only after the exclusive agent's insurer has approved the limited servicing agreement terms. The exclusive agent's insurer must approve a limited service agreement for the program for any insurer for which it has approved a service agreement for other purposes.

Applicants ineligible for coverage in accordance with subsection (5) remain ineligible if their exclusive agent is unwilling or unable to enter into a standard or limited agency agreement with an insurer making an offer of coverage to that applicant.

(8) Submission of an application for coverage by the corporation to the program does not constitute the binding of coverage by the corporation, and failure of the program to obtain an offer of coverage by an insurer may not be considered acceptance of coverage of the risk by the corporation.

(9) The 45-day notice of nonrenewal requirement set forth in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by the corporation because the risk has received an offer of coverage pursuant to this section which renders the risk ineligible for coverage by the corporation.

~~(10) The program may not include commercial nonresidential policies.~~

(10)~~(11)~~ Proprietary business information provided to the

corporation's clearinghouse by insurers with respect to identifying and selecting risks for an offer of coverage is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(a) As used in this subsection, the term "proprietary business information" means information, regardless of form or characteristics, which is owned or controlled by an insurer and:

1. Is identified by the insurer as proprietary business information and is intended to be and is treated by the insurer as private in that the disclosure of the information would cause harm to the insurer, an individual, or the company's business operations and has not been disclosed unless disclosed pursuant to a statutory requirement, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public;

2. Is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as provided to the clearinghouse; and

3. Includes:

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

b. Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Proprietary business information may be found in underwriting

criteria or instructions which are used to identify and select risks through the program for an offer of coverage and are shared with the clearinghouse to facilitate the shopping of risks with the insurer.

(b) The clearinghouse may disclose confidential and exempt proprietary business information:

1. If the insurer to which it pertains gives prior written consent;

2. Pursuant to a court order; or

3. To another state agency in this or another state or to a federal agency if the recipient agrees in writing to maintain the confidential and exempt status of the document, material, or other information and has verified in writing its legal authority to maintain such confidentiality.

Section 3. The Division of Law Revision is directed to replace the phrase "the effective date of this act" wherever it occurs in this act with the date this act becomes a law.

Section 4. This act shall take effect upon becoming a law.

COMMERCE COMMITTEE

CS/HB 943 by Rep. Redondo
Citizens Property Insurance Corporation

AMENDMENT SUMMARY
February 24, 2026

Amendment #433051 by Rep. Redondo (strike-all):

- Provides that if there is insufficient commercial support for any component of the commercial lines clearinghouse, Citizens will be relieved of its obligation for that component.
- Provides that Citizens cannot pay for/subsidize the commercial clearinghouse's technology infrastructure or operating costs.
    - Citizens is responsible to pay for and operate its own infrastructure and technology systems so that it can connect and interact with the commercial clearinghouse. Citizens must also allow the clearinghouse administrator access to its technology systems.
- Clarifies that Citizens will implement a fee, separate from any rate or premium calculation, if a surplus lines insurer provides an offer of coverage within 120% of Citizens' offer and the policyholder elects to remain with Citizens.
- Provides that the determination of whether an offer of comparable coverage from an authorized insurer is within 120% of Citizens' offer must be made prior to the submission of Citizens' coverage terms and costs to the clearinghouse administrator.
- Clarifies that OIR must verify surplus lines insurers within 10 business days, but if verification is not completed within such time frame, the insurers are deemed to be verified.
- Provides that OIR may review the clearinghouse's operational processes and may submit written recommendations to Citizens if OIR determines there is material risk to Citizens' solvency.
    - If Citizens approves, such recommendations may be temporarily implemented.
- Amends the definition of "comparable coverage" as coverage that Citizens determines has material terms and conditions that are substantially equivalent to or better than coverage from Citizens.

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 Redondo offered the following:

Amendment (with title amendment)
Remove everything after the enacting clause and insert:

Section 1. Paragraph (oo) is added to subsection (6) of section 627.351, Florida Statutes, to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(oo) For commercial residential and commercial nonresidential risks, if an approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(6)(c)2. and the total cost of such coverage is not more than 20 percent greater than the total cost of insurance coverage from the corporation, the corporation may not issue or renew coverage unless it imposes an

equalization adjustment on such policy equal to the amount by which the total cost of insurance coverage offered by the approved surplus lines clearinghouse insurer exceeds the total cost of insurance coverage from the corporation. If the total cost of insurance from the approved surplus lines clearinghouse insurer does not exceed the total cost of corporation coverage, the corporation may not impose the equalization adjustment. If more than one approved surplus lines clearinghouse insurer offers coverage under s. 627.3518(6)(c)2., the lowest offered total cost of insurance coverage applies for purposes of this paragraph. The total cost of insurance coverage includes, but is not limited to, the premium, fees, surcharges, and applicable taxes. An offer submitted by a surplus lines clearinghouse insurer which is declined by the applicant or policyholder, expires, or is not accepted by the applicant or policyholder for any reason does not relieve the corporation from its obligation, if any, to impose an equalization adjustment as set forth in this paragraph. An equalization adjustment applied pursuant to this paragraph expires at the end of the policy term. For the purposes of this paragraph, the term "equalization adjustment" means a temporary policy-term-only adjustment applied solely for purposes of evaluating and comparing offers of coverage on a comparable basis under this section. An equalization adjustment does not constitute a rate, premium, surcharge, or filing; does not modify or affect any rate, rating plan, rule, or filing

approved for the corporation; and expires by operation of law at the end of the applicable policy term.

Section 2. Section 627.3518, Florida Statutes, is amended to read:

627.3518 Citizens Property Insurance Corporation policyholder eligibility clearinghouse program.—The purpose of this section is to provide a framework for the corporation to implement a clearinghouse program ~~by January 1, 2014~~.

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

(a) "Approved surplus lines clearinghouse insurer" means an eligible surplus lines insurer that has a financial strength rating of "A-" or higher and a financial size category of A-VII or higher from A.M. Best Company which the clearinghouse administrator recommends for participation in the program and which the office verifies meets the requirements for participation in the program within 10 business days after the commercial lines clearinghouse administrator's recommendation. If the office does not complete such verification within the 10-business-day period, the insurer shall be deemed verified for purposes of participation in the program.

(b) "Authorized insurer" means an insurer authorized to act as an insurer by a subsisting certificate of authority issued to the insurer by the office.

(c) "Commercial lines clearinghouse administrator" means the individual or entity employed or otherwise contracted by the

corporation to provide administrative or professional services to implement the commercial lines clearinghouse required pursuant to subparagraph (2)(b)1. within the corporation as set forth in paragraph (3)(b).

(d) "Comparable coverage" means coverage that has material terms and conditions that are substantially equivalent to or better than coverage from the corporation as to all aspects of such coverage, as determined by the corporation through the clearinghouse process and applicable program standards.

(e) "Corporation" means Citizens Property Insurance Corporation.

(f) ~~(b)~~ "Exclusive agent" means any licensed insurance agent that has, by contract, agreed to act exclusively for one company or group of affiliated insurance companies and is disallowed by the provisions of that contract to directly write for any other unaffiliated insurer absent express consent from the company or group of affiliated insurance companies.

(g) ~~(c)~~ "Independent agent" means any licensed insurance agent not described in paragraph (f) ~~(b)~~.

(h) "Primary residence" has the same meaning as in s. 627.351(6)(c)2.a.

(i) ~~(d)~~ "Program" means the clearinghouse created under this section, consisting of the personal lines clearinghouse and the commercial lines clearinghouse.

(j) "Surplus lines agent" means an insurance agent licensed pursuant to s. 626.927 or s. 626.9272.

(2)(a) The corporation shall establish a personal lines clearinghouse ~~in order~~ to confirm an applicant's eligibility with the corporation, ~~and~~ to enhance access of new applicants for personal lines coverage and existing personal lines policyholders of the corporation to offers of coverage from authorized insurers, and ~~the corporation shall establish a program for personal residential risks in order~~ to facilitate the diversion of ineligible applicants and existing policyholders from the corporation into the voluntary insurance market.

(b)1. The corporation shall amend its plan of operation and implement on or before January 1, 2027, a commercial lines clearinghouse in order to enhance access to offers of coverage from approved surplus lines clearinghouse insurers for new applicants for commercial residential coverage and commercial nonresidential coverage and existing commercial residential and commercial nonresidential policyholders of the corporation.

2. To facilitate the diversion of ineligible applicants and existing policyholders from the corporation to authorized insurers, the corporation shall implement, on or before January 1, 2027, a separate commercial lines clearinghouse to confirm eligibility for coverage from the corporation and to enhance access to offers of coverage from authorized insurers for new

applicants for commercial residential and commercial nonresidential coverage and existing commercial residential and commercial nonresidential policyholders of the corporation ~~shall also develop appropriate procedures for facilitating the diversion of ineligible applicants and existing policyholders for commercial residential coverage into the private insurance market and shall report such procedures to the President of the Senate and the Speaker of the House of Representatives by January 1, 2014~~.

(3) The corporation board shall establish the ~~clearinghouse~~ program as an organizational unit within the corporation. The program shall have all the rights and responsibilities in carrying out its duties as a licensed general lines agent and a surplus lines agent, but may not be required to employ or engage a licensed general lines agent or a surplus lines agent, or to maintain an insurance agency license to carry out its activities in the solicitation and placement of insurance coverage. In establishing the program, the corporation has all of the following rights and responsibilities ~~may~~:

(a) Before binding or renewing coverage by the corporation, the corporation:

1. May require all new applications for personal lines coverage, and all personal lines policies due for renewal, to be submitted for coverage to the program in order to facilitate obtaining an offer of coverage from an authorized insurer.

2. May, if the corporation establishes a clearinghouse pursuant to subparagraph (2)b.2., require all new applications for commercial lines coverage, and all commercial lines policies due for renewal, to be submitted for coverage to the program in order to facilitate obtaining an offer of coverage from an authorized insurer.

3. Shall require all new applications for commercial lines coverage, and all commercial lines policies due for renewal, to be initially submitted for coverage through the commercial lines clearinghouse as a single point of intake for both the corporation and the program in order to facilitate obtaining an offer of coverage from an approved surplus lines clearinghouse insurer ~~before binding or renewing coverage by the corporation~~.

(b) Shall establish and maintain the operational systems and procedures necessary to implement the program.

(c) May employ or otherwise contract with individuals or other entities for appropriate administrative or professional services to effectuate the plan within the corporation in accordance with the applicable purchasing requirements under s. 627.351 and, for purposes of implementing the commercial lines clearinghouse and providing offers of coverage from approved surplus lines clearinghouse insurers on or before January 1, 2027, contract with such individuals or entities in accordance with s. 287.057.

(d) ~~(c)~~ May enter into contracts with any authorized insurer and any approved surplus lines clearinghouse insurer to participate in the program and accept an appointment by such insurer.

(e) ~~(d)~~ May provide funds to operate the program. Insurers and agents participating in the program are not required to pay a fee to offset or partially offset the cost of the program or use the program for renewal of policies initially written through the clearinghouse. Notwithstanding this paragraph, any commercial lines clearinghouse administrator may charge approved surplus lines clearinghouse insurers participating in the program reasonable transaction, technology, administration, and other similar fees. All fees charged by the commercial lines clearinghouse administrator must be fair and reasonable.

(f) Shall include separate components for authorized insurers and approved surplus lines insurers with respect to the commercial lines clearinghouse, each of which shall be independently operated and independently funded.

(g) In the event that there is insufficient commercial support for any component of the commercial lines clearinghouse, shall be relieved of its obligations with respect to that component for which there is insufficient commercial support.

(h) Shall provide or permit access to shared or hosted technology, systems, interfaces, or applications programming interfaces to the commercial lines clearinghouse administrator,

provided that each retains operational control over and responsibility for its own technology, systems, interfaces, or applications. Notwithstanding paragraph (e), the corporation may not provide funds to support or offset the infrastructure or operations of the commercial lines clearinghouse or any component thereof, but shall fund and operate its own technology, systems, interfaces, or applications as necessary for the corporation to access and interface with the commercial lines clearinghouse.

(i) ~~(e)~~ May develop an enhanced application that includes information to assist private insurers in determining whether to make an offer of coverage through the program.

(j) ~~(f)~~ For personal lines residential risks, may require that, before approving all new applications for coverage by the corporation, ~~that~~ every application be subject to a period of 2 business days when any insurer participating in the program may select the application for coverage. For commercial lines residential and commercial lines nonresidential risks, the corporation may require, before approving all new applications for commercial lines coverage by the corporation, that every application be subject to a period of 5 business days when any insurer participating in the program may select the application for coverage. The insurer may issue a binder on any policy selected for coverage for a period of at least 30 days but not more than 60 days.

(k) Shall, in creating the commercial lines clearinghouse, establish criteria to determine the capabilities necessary for the commercial lines clearinghouse administrator. For facilitating offers of surplus lines coverage, such criteria must include confirmed expertise in the surplus lines market, at least 5 years of publicly available audited financial statements, the ability to facilitate all approved surplus lines clearinghouse insurers to participate in the commercial lines clearinghouse, and other criteria that the corporation determines necessary to effectively establish, administer, manage offers of surplus lines coverage through the commercial lines clearinghouse, and the ability to collect and remit, either directly or through a surplus lines agent, all taxes pursuant to s. 626.932 and service fees pursuant to s. 626.9325.

(l) Shall select a commercial lines clearinghouse administrator within 90 days after the effective date of this act.

(m) May allow the commercial lines clearinghouse administrator to establish procedures and account clearance requirements the commercial lines clearinghouse administrator deems necessary to ensure an orderly process for offers of coverage to be provided by authorized insurers or approved surplus lines clearinghouse insurers participating in the commercial lines clearinghouse and to avoid multiple offers of coverage from the same insurer for the same risk.

(n) Must submit to the commercial lines clearinghouse administrator its coverage terms and conditions, deductible structures, and unalterable indicated total cost of insurance coverage, which must include, but is not limited to, the premium, fees, surcharges, and applicable taxes for the subject risk before any approved surplus lines clearinghouse insurer is provided a submission for coverage pursuant to the program by any applicant for new coverage from the corporation or any policyholder of the corporation. Upon completion of such submission, the commercial lines clearinghouse administrator shall provide the corporation's unalterable indicated coverage terms and conditions and deductible structures, but may not provide the indicated total cost of corporation insurance coverage, to the approved surplus lines clearinghouse insurers participating in the program. The commercial lines clearinghouse administrator shall determine, through established procedures, whether a submission is complete before release, which submission requires, at a minimum, a validated application from the agent and the corporation's unalterable indicated total cost of insurance, coverage terms and conditions, and deductible structures. The commercial lines clearinghouse administrator shall then use the corporation's unalterable indication to determine whether any offers of coverage from approved surplus lines clearinghouse insurers satisfy the requirements set forth in s. 627.351(6)(oo) and subparagraph (6)(c)2. The corporation

may not bind or otherwise communicate, indicate, or make an offer of coverage to an applicant or policyholder, or its agent, or otherwise accept coverage until the commercial lines clearinghouse administrator has determined that a complete submission has been made, affirmatively releases one or more offers of coverage from approved surplus lines clearinghouse insurers, or affirms that no clearinghouse insurer offer of coverage has been made, and at least 5 business days have elapsed from the date of such release, unless waived in writing. Any change to the corporation's coverage terms and conditions, deductible structures, or indicated total cost of insurance coverage constitutes a new submission by the corporation under this paragraph. The validation period described in this paragraph applies regardless of any proposed effective date, renewal date, or expiration date of the policy and may not be shortened or bypassed based on timing considerations relating to binding or renewal.

(4) The corporation may share risk exposure and policy information with the commercial lines clearinghouse administrator and, through the commercial lines clearinghouse, the commercial lines clearinghouse administrator may use such information as necessary to operate and administer the commercial lines clearinghouse and ensure the orderly, timely, and transparent assessment of risks by insurers participating in the commercial lines clearinghouse.

(5) Any authorized insurer may participate in the program; however, participation is not mandatory for any insurer. Approved surplus lines clearinghouse insurers may participate in the commercial lines clearinghouse but may not participate in the personal lines clearinghouse; however, participation in the program is not mandatory for any surplus lines insurer. Insurers making offers of coverage to new applicants or renewal policyholders through the program:

(a) May not be required to individually appoint any agent whose customer is underwritten and bound through the program. Notwithstanding s. 626.112, insurers are not required to appoint any agent on a policy underwritten through the program for as long as that policy remains with the insurer. Insurers may, at their election, appoint any agent or surplus lines agent whose direct or indirect customer is initially underwritten and bound through the program. In the event an insurer accepts a policy from an agent who is not appointed pursuant to this paragraph, and thereafter elects to accept a policy from such agent, the provisions of s. 626.112 requiring appointment apply to the agent.

(b) Must enter into a limited agency agreement with each agent or surplus lines agent that is not appointed in accordance with paragraph (a) and whose direct or indirect customer is underwritten and bound through the program. In addition, a surplus lines agent that enters into a limited agency or broker

agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent whose customer is underwritten and bound through the program.

(c) Must enter into its standard agency agreement with each agent or surplus lines agent whose direct or indirect customer is underwritten and bound through the program when that agent or surplus lines agent has been appointed by the insurer pursuant to s. 626.112. In addition, a surplus lines agent that enters into a standard agency or broker agreement with an approved surplus lines clearinghouse insurer making an offer of coverage through the program must also enter into a limited agency or broker agreement with each producing agent whose customer is underwritten and bound through the program.

(d) Must comply with s. 627.4133(2) or, if the insurer is an approved surplus lines clearinghouse insurer, s. 626.9201.

(e) May participate through their designated ~~single-designated~~ managing general agent, managing general underwriter, ~~or~~ broker, or surplus lines agent; however, the provisions of paragraph (7)(a) ~~(6)(a)~~ regarding ownership, control, and use of the expirations continue to apply.

(f) For authorized insurers, must pay to the producing agent a commission equal to that paid by the corporation or the

usual and customary commission paid by the insurer for that line of business, whichever is greater.

(g) For approved surplus lines clearinghouse insurers, when coverage is placed through the clearinghouse with an approved surplus lines clearinghouse insurer, must pay a total commission or equivalent compensation on gross written premium, exclusive of fees, surcharges, and taxes, to the surplus lines agent, managing general agent, or managing general underwriter placing the risk. The surplus lines agent, managing general agent, or managing general underwriter must pay the producing agent a commission that results in an effective commission percentage at least equal to the commission percentage published by the corporation and in effect on January 1, 2026, calculated in the same manner and on the same basis used by the corporation, and shall retain the remainder of the total commission or equivalent compensation. This paragraph does not prohibit an agent from voluntarily accepting a lower commission at the agent's sole discretion. As used in this paragraph, the term "effective commission percentage" means the commission expressed as a percentage of premium, exclusive of all fees, assessments, surcharges, and taxes.

(6)(a) ~~(5)~~ Notwithstanding s. 627.3517, any applicant for new personal lines coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from an authorized insurer through the

program at a premium that is at or below the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or for applicants for new coverage of a risk that is not a primary residence established in s. 627.351(6)(c)5.b. Whenever an offer of comparable coverage for a personal lines risk is received for a policyholder of the corporation at renewal from an authorized insurer through the program which is at or below the eligibility threshold for primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.a., or the eligibility threshold for risks that are not primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.b., the risk is not eligible for coverage with the corporation. In the event an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold for applicants for new coverage of a primary residence established in s. 627.351(6)(c)5.a., or the eligibility threshold for applicants for new coverage on a risk that is not a primary residence established in s. 627.351(6)(c)5.b., the applicant or insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. In the event an offer of coverage for a personal lines risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility

threshold for primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.a., or exceeds the eligibility threshold for risks that are not primary residences of policyholders of the corporation established in s. 627.351(6)(c)5.b., the insured may elect to accept such coverage, or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.a.(I) and b.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program. ~~As used in this subsection, the term "primary residence" has the same meaning as in s. 627.351(6)(c)2.a.~~

(b) Any applicant for new commercial lines residential coverage from the corporation is not eligible for coverage from the corporation if provided an offer of comparable coverage from the corporation as to all aspects of such coverage from an authorized insurer through the program at a premium that is at or below the eligibility threshold for applicants for new coverage established in s. 627.351(6)(c)5.c. The determination of whether an offer of comparable coverage from an authorized insurer through the program is at or below the eligibility threshold must be made before the submission of the corporation's coverage terms and conditions, deductible structures, and unalterable indicated total cost of insurance is provided to the commercial lines clearinghouse administrator. Whenever an offer of comparable coverage from the corporation as

to all aspects of such coverage for a commercial lines residential risk is received for a policyholder of the corporation at renewal from an authorized insurer through the program which is at or below the eligibility threshold in s. 627.351(6)(c)5.c., the risk is not eligible for coverage from the corporation. In the event that an offer of coverage for a new applicant is received from an authorized insurer through the program, and the premium offered exceeds the eligibility threshold established in s. 627.351(6)(c)5.c., the applicant or insured may elect to accept such coverage or may elect to accept or continue coverage with the corporation. In the event that an offer of coverage for a commercial lines residential risk is received from an authorized insurer at renewal through the program, and the premium offered exceeds the eligibility threshold for policyholders of the corporation established in s. 627.351(6)(c)5.c., the insured may elect to accept such coverage or may elect to accept or continue coverage with the corporation. Section 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from an authorized insurer obtained through the program.

(c)1. Except as provided in subparagraph 2., any applicant for new commercial lines residential coverage or commercial lines nonresidential coverage from the corporation and any policyholder of the corporation, when such applicant or corporation policyholder is offered commercial lines residential

or commercial lines nonresidential coverage pursuant to the program by an approved surplus lines clearinghouse insurer, remains eligible for coverage from the corporation. The applicant or policyholder receiving an offer from an approved surplus lines clearinghouse insurer may elect to accept such coverage or may elect to accept or continue coverage with the corporation.

2. Any applicant for new commercial lines residential coverage or commercial lines nonresidential coverage from the corporation and any policyholder of the corporation, when such applicant or corporation policyholder is offered commercial lines residential or commercial lines nonresidential coverage by an approved surplus lines insurer pursuant to the program and such offered coverage is comparable coverage, and the total cost of such insurance coverage is not more than 20 percent greater than the total cost of insurance coverage from the corporation, may elect to accept such coverage from the approved surplus lines clearinghouse insurer or may elect to accept or continue coverage with the corporation, but, if electing corporation coverage, such applicant or policyholder must pay the total cost of insurance for corporation coverage that is subject to s. 627.351(6)(oo).

3. Section 627.351(6)(c)5.c.(I) does not apply to an offer of coverage from an approved surplus lines clearinghouse insurer obtained through the program.

(7)~~(6)~~ Independent insurance agents submitting new applications for coverage or that are the agent of record on a renewal policy submitted to the program:

(a) Are granted and must maintain ownership and the exclusive use of expirations, records, or other written or electronic information directly related to such applications or renewals written through the corporation or through an insurer participating in the program, notwithstanding s. 627.351(5)(a), s. 627.351(6)(c)5.a.(I)(B) and (II)(B), or s. 627.351(6)(c)5.b.(I)(B) and (II)(B). Such ownership is granted for as long as the insured remains with the agency or until sold or surrendered in writing by the agent. Contracts with the corporation or required by the corporation or with any insurer or surplus lines agent may ~~must~~ not amend, modify, interfere with, or limit such rights of ownership. Such expirations, records, or other written or electronic information may be used to review an application, issue a policy, or for any other purpose necessary for placing such business through the program.

(b) May not be required to be appointed by any insurer participating in the program for policies written solely through the program, notwithstanding the provisions of s. 626.112.

(c) May accept an appointment from any insurer participating in the program.

(d) May enter into either a standard or limited agency agreement with the insurer, at the insurer's option, and may enter into agreements with a surplus lines agent.

Applicants ineligible for coverage in accordance with subsection (6) ~~(5)~~ remain ineligible if their independent agent is unwilling or unable to enter into a standard or limited agency agreement with an insurer participating in the program.

(8) ~~(7)~~ Exclusive agents submitting new applications for coverage or that are the agent of record on a renewal policy submitted to the program:

(a) Must maintain ownership and the exclusive use of expirations, records, or other written or electronic information directly related to such applications or renewals written through the corporation or through an insurer participating in the program, notwithstanding s. 627.351(6)(c)5.a.(I)(B) and (II)(B) or s. 627.351(6)(c)5.b.(I)(B) and (II)(B). Contracts with the corporation or required by the corporation must not amend, modify, interfere with, or limit such rights of ownership. Such expirations, records, or other written or electronic information may be used to review an application, issue a policy, or for any other purpose necessary for placing such business through the program.

(b) May not be required to be appointed by any insurer participating in the program for policies written solely through the program, notwithstanding the provisions of s. 626.112.

(c) Must only facilitate the placement of an offer of coverage from an insurer whose limited servicing agreement is approved by that exclusive agent's exclusive insurer.

(d) May enter into a limited servicing agreement with the insurer making an offer of coverage, and only after the exclusive agent's insurer has approved the limited servicing agreement terms. The exclusive agent's insurer must approve a limited service agreement for the program for any insurer for which it has approved a service agreement for other purposes.

Applicants ineligible for coverage in accordance with subsection (6) ~~(5)~~ remain ineligible if their exclusive agent is unwilling or unable to enter into a standard or limited agency agreement with an insurer making an offer of coverage to that applicant.

(9) ~~(8)~~ Submission of an application for coverage by the corporation to the program does not constitute the binding of coverage by the corporation, and failure of the program to obtain an offer of coverage by an insurer may not be considered acceptance of coverage of the risk by the corporation.

(10) ~~(9)~~ The 45-day notice of nonrenewal requirement set forth in s. 627.4133(2)(b)5. applies when a policy is nonrenewed by the corporation because the risk has received an offer of

coverage pursuant to this section which renders the risk ineligible for coverage by the corporation.

~~(10) The program may not include commercial nonresidential policies.~~

(11) Proprietary business information provided to the corporation's clearinghouse by insurers with respect to identifying and selecting risks for an offer of coverage is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(a) As used in this subsection, the term "proprietary business information" means information, regardless of form or characteristics, which is owned or controlled by an insurer and:

1. Is identified by the insurer as proprietary business information and is intended to be and is treated by the insurer as private in that the disclosure of the information would cause harm to the insurer, an individual, or the company's business operations and has not been disclosed unless disclosed pursuant to a statutory requirement, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public;

2. Is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as provided to the clearinghouse; and

3. Includes:

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

b. Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Proprietary business information may be found in underwriting criteria or instructions which are used to identify and select risks through the program for an offer of coverage and are shared with the clearinghouse to facilitate the shopping of risks with the insurer.

(b) The clearinghouse may disclose confidential and exempt proprietary business information:

1. If the insurer to which it pertains gives prior written consent;

2. Pursuant to a court order; or

3. To another state agency in this or another state or to a federal agency if the recipient agrees in writing to maintain the confidential and exempt status of the document, material, or other information and has verified in writing its legal authority to maintain such confidentiality.

(12) To promote actuarial soundness, program integrity, and mitigation of solvency or assessment risk to the corporation, the office may review operational processes related to the program. Such review may include, but is not limited to, all of the following:

(a) Comparable coverage determinations upon complaint to the office by or on behalf of a policy applicant.

(b) Verification of the financial strength of approved surplus lines clearinghouse insurers participating in the program.

(c) The reasonableness of fees charged by the commercial lines clearinghouse administrator.

(d) The operational processes used by the commercial lines clearinghouse administrator to determine whether an offer of coverage from an insurer participating in the program precludes coverage from the corporation or requires an equalization adjustment by the corporation.

(e) The potential for material adverse impact to the corporation's surplus, solvency, or assessment exposure.

(13)(a) If, after a review under subsection (12), the office determines that program processes are creating a material risk to the solvency of the corporation, the office shall notify the corporation and submit written recommendations to the commission.

(b) Upon approval by the commission, the corporation may temporarily implement recommendations made by the office to address the solvency risk. Such recommendations may include, but are not limited to, all of the following:

1. Temporary suspension of the equalization adjustment authorized under s. 627.351(6)(oo).

2. Temporary exclusion of one or more participating insurers from the program.

3. Temporary modification of program procedural timelines.

4. If exigent circumstances exist, temporary suspension of the requirement that any applicant for new commercial residential coverage or commercial nonresidential coverage from the corporation and any policyholder of the corporation submit applications for coverage through the commercial lines clearinghouse.

(14) This section does not authorize rebates or any activity that would violate part IX of chapter 626. The corporation and the commercial lines clearinghouse administrator shall implement procedures to ensure that participating agents and insurers are not induced to violate part IX of chapter 626. The office may review such compliance procedures solely for the purpose of submitting recommendations to the commission under subsection (13).

Section 3. This act shall take effect upon becoming a law.

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 the Citizens Property Insurance Corporation; amending s. 627.351, F.S.; prohibiting the corporation from issuing or renewing coverage for

commercial residential and commercial nonresidential risks under certain circumstances; prohibiting the corporation from imposing an equalization adjustment under certain circumstances; providing applicability; specifying the components of the total cost of insurance coverage; specifying that the corporation is not relieved from an obligation to impose an equalization adjustment under certain circumstances; specifying that certain adjustments expire at a specified time; defining the term "equalization adjustment"; amending s. 627.3518, F.S.; deleting an obsolete provision; defining terms; revising the definition of the term "program"; requiring the corporation to establish a personal lines clearinghouse for specified purposes; requiring, on or before a specified date, the corporation to amend its plan of operation and implement a commercial lines clearinghouse for a specified purpose; requiring, on or before a specified date, the corporation to implement a separate commercial lines clearinghouse for specified purposes; deleting obsolete provisions; revising the program's rights and responsibilities; revising the rights and responsibilities the corporation has in establishing the program; authorizing the corporation to share risk exposure and

policy information with the commercial lines clearinghouse administrator; authorizing such administrator to use such information for a specified purpose; authorizing approved surplus lines clearinghouse insurers to participate in the commercial lines clearinghouse; prohibiting such insurers from participating in the personal lines clearinghouse; specifying that participation in the program is not mandatory for such insurers; revising prohibitions and requirements for insurers making offers of coverage to new applicants or renewal policyholders through the program; providing construction; defining the term "effective commission percentage"; specifying that applicants for new commercial lines residential coverage are not eligible for coverage from the corporation under certain circumstances; specifying the circumstances under which policyholders of the corporation are not eligible for new commercial lines residential coverage from the corporation; requiring that the determination of whether an offer of comparable coverage from an authorized insurer is at or below the eligibility threshold be made at a specified time; authorizing applicants or insureds to elect to accept coverage with authorized insurers or elect to accept or

continue coverage with the corporation under certain circumstances; authorizing insureds to elect to accept coverage with specified insurers or elect to accept or continue coverage with the corporation under certain circumstances; providing applicability; specifying that certain applicants and policyholders remain eligible for coverage from the corporation; authorizing such applicants and policyholders to elect to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; authorizing certain applicants and policyholders of the corporation to elect to accept coverage from clearinghouse insurers or elect to accept or continue coverage with the corporation; requiring such applicants or policyholders to pay a specified total cost of insurance for corporation coverage; providing applicability; revising the rights and authorizations for certain independent insurance agents; deleting a prohibition relating to commercial nonresidential policies; authorizing the Office of Insurance Regulation to review certain operational processes related to the program; specifying the contents of such review; requiring the office to notify the corporation and submit written recommendations to the Financial Services Commission

under certain circumstances; authorizing the corporation to temporarily implement certain recommendations; providing construction; requiring the corporation and the commercial lines clearinghouse administrator to implement specified procedures; authorizing the office to review such procedures; providing an effective date.

CS/CS/HB 951

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/CS/HB 951	**COMPANION BILL:** CS/SB 1074 (Gaetz)
TITLE: One-cent Piece	**LINKED BILLS:** None
SPONSOR(S): McFarland and Overdorf	**RELATED BILLS:** None

Committee References

Ways & Means	➤	Insurance & Banking	➤	Commerce
18 Y, 0 N, As CS		18 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill establishes rounding procedures for sales tax dealers who, due to the discontinuation of the penny, are unable to provide exact change. Under the bill, cash transactions may be rounded to the nearest nickel after the calculation of tax is accounted for. The bill confirms that rounding cash transactions in this manner does not alter the amount of tax owed. The bill also provides rounding provisions for cash payments made to secondary metals recyclers.

Additionally, the bill provides that the Florida Deceptive and Unfair Trade Practices Act does not apply to the rounding of consumer sales to the nearest nickel when the penny is no longer in production.

Fiscal or Economic Impact:
The Revenue Estimating Conference has not estimated the impact of the bill on state or local government revenues. Staff estimates the bill will not impact state or local government revenues.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill establishes rounding procedures for sales tax dealers who, due to the discontinuation of the penny, are unable to provide exact change. Specifically, the bill provides that if the one-cent piece (the penny) is no longer in production, an in-person cash transaction may be rounded to the nearest nickel.

The rounding rules for cash transactions, to be applied after tax is calculated and added to the sales price, would be as follows:

For amounts ending in:	Then round:
one or two cents	down to zero cents
three or four cents	up to five cents
six or seven cents	down to five cents
eight or nine cents	up to ten cents

Transactions already ending in zero or five cents are unchanged, and are not rounded.

The bill provides that cash has the same meaning as under 12 U.S.C. s. 4001, which defines cash as "United States coins and currency, including Federal Reserve notes."[1] The bill provides that noncash methods include:

- Electronic funds transfer;
- Check;
- Gift card;
- Money order;
- Credit card; and
- The noncash portion of a mixed tender transaction. (Section 1).

Rounding to the nearest nickel does not apply to transactions conducted electronically, and for mixed-tender transactions, rounding to the nearest nickel applies only to the portion of the transaction paid in cash. The bill further provides that rounding does not increase or decrease the amount of sales tax due for in-person cash transactions. Further, rounding will not alter or affect the exact amounts authorized, cleared, or settled through any noncash payment system. (Section 1)

The bill amends s. 501.212, F.S., to provide that the Florida Deceptive and Unfair Trade Practices Act does not apply to rounding a consumer sale to the nearest nickel if the one-cent piece is no longer in production. (Section 2)

The bill amends s. 538.235, F.S., to provide that cash payments made to secondary metals recyclers must be made in full or rounded up to the nearest nickel if the one-cent piece is no longer in production. (Section 3)

The bill takes effect upon becoming a law. (Section 4)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of the bill on state government revenues. Staff estimates that the bill will not impact state government revenues.

LOCAL GOVERNMENT:

The Revenue Estimating Conference has not estimated the impact of the bill on local government revenues. Staff estimates that the bill will not impact local government revenues.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Penny Production

The federal government has stopped manufacturing new pennies; however, the Federal Reserve will continue to recirculate the pennies still in existence, which are roughly 114 billion pennies.[2] The Treasury Department aims to help keep the existing supply of pennies in circulation by encouraging the public to spend their on-hand pennies, which will provide a smooth transition and allow retailers and point-of-sale system providers time to adapt to the change.[3]

[1] Federal reserve notes are United States dollar bills. *See* The Bureau of Engraving & Printing, *Currency,* https://www.bep.gov/currency (last visited Feb. 11, 2026).
[2] U.S. Department of the Treasury, *Penny Production Cessation FAQs* (December 23, 2025), *available at* https://home.treasury.gov/news/featured-stories/penny-production-cessation-faqs (last visited Jan. 20, 2026).
[3] *Id.*

Merchants may round transactions either up or down to the nearest five cents as pennies fall out of circulation.[4] However many states require sales tax to be calculated on the final sale price rounded to the nearest penny, so states and localities may need to amend their sales tax laws.[5]

Other countries, (e.g., Canada,[6] the Bahamas,[7] and several European Union countries[8]) have implemented rounding policies that eliminate the use of the one-cent coin in cash transactions using the same basic tenets:

- Round cash purchases down to the nearest nickel for totals ending in 1, 2, 6 or 7; round up to the nearest nickel for those ending in 3, 4, 8 or 9.
- Applies to only cash transactions.
- Occurs at the end of the transaction (after taxes are applied).
- Doesn't change the price for those possessing exact change.

Some states have proposed legislation or acted through state agencies[9]:

- Proposed legislation in New York (Assembly Bill A9274 and companion Senate Bill S8580) would require merchants to round final cash transactions based on the final cost of the item.
- Utah and Texas have provided guidelines on rounding.

The Florida Department of Revenue has published a Taxpayer Information Publication (TIP) advising retailers they must calculate Florida sales tax and discretionary sales surtax (local sales tax) on the actual sales price prior to any rounding[10]. The TIP also advises dealers to disclose their rounding methods for cash transactions prominently within the business.

Sales Tax

Florida's sales and use tax is a six percent levy on retail sales of a wide array of tangible personal property, admissions, transient lodgings, and commercial real estate rentals,[11] unless expressly exempted. Generally, the sales tax is added to the price of a taxable good and collected by the dealer from the purchaser at the time of sale. Sales tax represents the majority of Florida's General Revenue (projected 73.9 percent for FY 2024-25)[12] and is administered by the Department of Revenue (DOR) under ch. 212, F.S. Sales tax revenue is distributed via a formula found in s. 212.20, F.S., with roughly 89.6% going to the General Revenue Fund, 10.3% going to local governments,[13] and the remainder being distributed to specified trust funds or sports facilities.

For FY 2025-26, the Revenue Estimating Conference estimates that the sales tax collections under chapter 212, F.S., will result in more than $41 billion of total revenue, with distributions to the General Revenue Fund of roughly $37.4 billion.[14]

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[4] *Id.*
[5] *Id.*
[6] *Eliminating the Penny*, available at https://www.budget.canada.ca/2012/themes/theme2-eng.pdf (last visited Jan. 26, 2026).
[7] *Elimination of the One Cent Coin*, available at https://cdn.centralbankbahamas.com/download/075913500.pdf (last visited Jan. 26, 2026).
[8] *Rounding Rules and Cash Inflation When We No Longer Make Sense*, Federal Reserve Bank of Atlanta, available at https://www.atlantafed.org/blogs/macroblog/2025/11/03/rounding-rules-and-cash-inflation-when-we-no-longer-make-cents (last visited Jan. 26, 2026).
[9] National Conference of State Legislatures, *With Demise of the Penny, States Prepare for Change* by Joe Livingston (December 11, 2025) available at https://www.ncsl.org/state-legislatures-news/details/with-demise-of-the-penny-states-prepare-for-change (last visited Jan. 29, 2026).
[10] https://floridarevenue.com/taxes/tips/Documents/TIP_25A01-18.pdf
[11] Commercial real estate rentals are subject to a 2.0% sales tax pursuant to s. 212.031(1)(c), F.S.
[12] The Office of Economic and Demographic Research, *2024 Florida Tax Handbook*, p. 16 (last visited Jan. 26, 2026).
[13] The local government distributions include the Local Government Half-Cent Sales Tax Clearing Trust Fund under s. 218.61, F.S., county and municipal revenue sharing trust funds under s. 218.215, F.S., emergency distributions under s. 218.65, F.S., and a shift of a specified amount to counties that used to be funded from pari-mutuel revenues pursuant to s. 212.20(6)(d)6.a., F.S.
[14] Revenue Estimating Conference on General Revenue, held January 23, 2026 (last visited Jan. 29, 2026).

In 2021, Florida transitioned from the bracket system for calculating sales tax and discretionary sales surtax to a rounding algorithm.[15] Dealers are required to use a rounding algorithm that carries the tax computation to the third decimal place and always rounds up to the nearest whole cent when the third decimal place is greater than 4.[16] The DOR provides the following examples:[17]

- $5.045 rounds up to $5.05; and
- $3.213 rounds down to $3.21.

Dealers may compute the tax by applying the rounding algorithm to the combined taxable amount on an invoice or to the individual taxable items on an invoice.[18]

Dealer

Section 212.06(2)(a), F.S., defines "dealer" as including every person, as used in ch. 212, F.S., who manufactures or produces tangible personal property for sale at retail; for use, consumption, or distribution; or for storage to be used or consumed in Florida. The term is further defined with specifics in s. 212.06, F.S.

Florida Deceptive and Unfair Trade Practices Act (FRUTPA)

Defined in Part II of Chapter 501, F.S., the FRUTPA is Florida's main consumer-protection and fair-competition statute designed to police the marketplace making it unlawful to engage in unfair methods of competition or deceptive and unconscionable acts in the conduct of trade or commerce.

Section 501.212, F.S., provides circumstances in which the FRUTPA rules do not apply.

Secondary Metals Recyclers

Section 538.18(11), F.S., defines "secondary metals recycler" as a person who:

- Is engaged, from a fixed location, in the business of purchase transactions or gathering or obtaining ferrous or nonferrous metals that have served their original economic purpose or is in the business of performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential economic value; or
- Has facilities for performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential economic value, other than by the exclusive use of hand tools, by methods including, without limitation, processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content thereof.

[15] *See* ch. 2021-2, Laws of Fla. *See also* the Florida Department of Revenue, Tax Information Publication (April 28, 2021), *available at* https://floridarevenue.com/taxes/tips/Documents/TIP_21A01-02.pdf (last visited Jan. 20, 2026).
[16] *Id*.
[17] *Id.*
[18] *Id. See also* s. 212.12(10)(b), F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	18 Y, 0 N, As CS	2/2/2026	Aldridge	Kurtz
THE CHANGES ADOPTED BY THE COMMITTEE:	• Revised the bill to make rounding to the nearest nickel permissive rather than required. • Added rounding provision for secondary metals recyclers. • Made non-substantive revisions to align bill language with Senate companion.			
Insurance & Banking Subcommittee	18 Y, 0 N, As CS	2/11/2026	Brackett	Highsmith
THE CHANGES ADOPTED BY THE COMMITTEE:	• Added a definition for "cash." • Clarified that the following payment methods do not constitute cash: electronic funds transfers, checks, gift cards, money orders, credit cards, or the non-cash portion of a mixed-tender transaction. • Made non-substantive technical changes.			
Commerce Committee			Hamon	Highsmith

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

A bill to be entitled

An act relating to the one-cent piece; amending s. 212.12, F.S.; defining the term "cash"; authorizing dealers to round to the nearest nickel in certain circumstances; specifying the methodology for such rounding; providing applicability and construction; amending s. 501.212, F.S.; providing that rounding to the nearest nickel is not a deceptive and unfair trade practice in certain circumstances; amending s. 538.235, F.S.; requiring that certain cash payments be made in the full amount due or rounded in a specified manner in certain circumstances; providing an effective date.

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

Section 1. Paragraph (c) is added to subsection (10) of section 212.12, Florida Statutes, to read:

212.12 Dealer's credit for collecting tax; penalties for noncompliance; powers of Department of Revenue in dealing with delinquents; rounding; records required.—

(10)

(c)1. For purposes of this paragraph, the term "cash" has the same meaning as defined in 12 U.S.C. s. 4001.

2. If the 1-cent piece is no longer in production, an in-

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

person cash transaction may be rounded to the nearest nickel using the following methodology:

a. If the final digit of a cash transaction ends in 1 or 2 cents, it must be rounded down to zero.

b. If the final digit of a cash transaction ends in 3 or 4 cents, it must be rounded up to 5 cents.

c. If the final digit of a cash transaction ends in 6 or 7 cents, it must be rounded down to 5 cents.

d. If the final digit of a cash transaction ends in 8 or 9 cents, it must be rounded up to 10 cents.

e. Cash transactions ending in 0 or 5 cents are not rounded.

3. Rounding to the nickel applies only to cash transactions. Rounding to the nickel does not apply to any transaction for which payment is made by a noncash method, including electronic funds transfer; check; gift card; money order; credit card; or mixed tender, except to the extent that cash is dispersed to the purchaser.

4. Rounding to the nickel does not alter the sales price, the amount of tax collected under this chapter, or any surcharges, assessments, or fees imposed on the sale.

5. Rounding to the nickel may apply to the amount of the transaction or to the amount of change tendered to the purchaser.

6. Rounding to the nickel does not alter or affect the

exact amounts authorized, cleared, or settled through any noncash payment system or electronic transaction.

Section 2. Subsection (8) is added to section 501.212, Florida Statutes, to read:

501.212 Application.—This part does not apply to:

(8) Rounding a consumer sale to the nickel if the 1-cent piece is no longer in production.

Section 3. Subsections (2) and (3) of section 538.235, Florida Statutes, are renumbered as subsections (3) and (4), respectively, and a new subsection (2) is added to that section, to read:

538.235 Method of payment.—

(2) Any cash payment made to a seller under this section shall be made in the full amount due or rounded up to the nearest nickel if the 1-cent piece is no longer in production.

Section 4. This act shall take effect upon becoming a law.

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 989	**COMPANION BILL:** CS/SB 1562 (Trumbull)
TITLE: Motor Vehicle Manufacturers, Importers, and Distributors and Franchised Motor Vehicle Dealers	**LINKED BILLS:** None
SPONSOR(S): Yeager	**RELATED BILLS:** None

Committee References

Industries & Professional Activities 16 Y, 1 N, As CS	➤	Commerce

SUMMARY

Effect of the Bill:
The bill prohibits a licensed motor vehicle manufacturer, distributor, importer or factory branch (licensee) that sells 1,000 or more vehicles of a particular line-make to motor vehicle dealers within the state during any 12-month period from selling more than 33.33 percent of such vehicles to any single dealer or group of dealers with common ownership or control. However, the bill exempts any licensee that had a franchised dealer in the state as of January 1, 2026, or if they are not otherwise prohibited from owning or operating their own dealership.

The bill expands the grounds on which a licensee may prevent or reject the succession, transfer, assignment, or sale of a motor vehicle dealership franchise to include when such action would result in the licensee selling more than 33.33 percent of its wholesale volume in the state to any single dealer or group of dealers with common ownership or control.

Fiscal or Economic Impact:
The bill does not appear to have a fiscal impact on state or local government. The bill may have an indeterminate impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill prohibits a licensed motor vehicle manufacturer, distributor, importer or factory branch (licensee) that sells 1,000 or more vehicles of a particular line-make to motor vehicle dealers within the state during any 12-month period from selling more than 33.33 percent of such vehicles to any single dealer or group of dealers with common ownership or control. (Section 1)

The bill provides that a group of dealers is commonly owned or controlled when:
- One dealer owns or controls more than 30 percent of another dealer; or
- The same person or entity owns or controls more than 30% of each dealer. (Section 1)

However, the bill exempts any licensee that had a franchised dealer in the state as of January 1, 2026, or if they are not otherwise prohibited from owning or operating their own dealership. (Section 1)

The bill expands the grounds on which a licensee may prevent or reject the succession, transfer, assignment, or sale of a motor vehicle dealership franchise to include when such action would result in the licensee selling more than 33.33 percent of its wholesale volume in the state to any single dealer or group of dealers with common ownership or control, in violation of ch. 320, F.S. (Sections 1 and 2)

The bill provides an effective date of July 1, 2026. (Section 3)

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have a positive economic impact on franchised dealers in the state as it protects their current business model.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Automobile Dealership Act

The Florida Automobile Dealership Act (Act)[1] governs the licensure of, and contractual relationship between motor vehicle manufacturers,[2] distributors,[3] and importers,[4] and provides substantial protections for motor vehicle dealers. The Division of Motor Vehicles (Division) within the Department of Highway Safety and Motor Vehicles (DHSMV) administers and enforces the Act, which generally specifies:[5]

- Motor vehicle manufacturers, distributors, and importers (applicants or licensees) must be licensed under the Act to engage in business in Florida, and the conditions under which the DHSMV may deny, suspend, or revoke such licenses;
- The requirements for licensees wishing to discontinue, cancel, modify, or otherwise replace a franchise agreement with a dealer, and the conditions under which the DHSMV may deny such a request;
- The procedures licensees must follow to add a franchised dealership in an area already served by a franchised dealer, the protest process, and the DHSMV's role in such circumstances;
- The damages assessable against a licensee who violates the Act; and
- The DHSMV's authority to adopt rules to implement the Act.

Motor Vehicle Dealers

Under the Act, motor vehicle dealers[6] are classified as either franchised dealers or independent dealers. A franchised motor vehicle dealer is any person or business who engages in the business of repairing, servicing, buying, selling, or dealing in motor vehicles pursuant to a franchise agreement.[7] An independent motor vehicle

[1] Ch. 70-424, Laws of Fla., codified in ch. 320, F.S.

[2] "Manufacturer" means any person, whether a resident or nonresident of this state, who manufactures or assembles motor vehicles or who manufactures or installs on previously assembled truck chassis special bodies or equipment which, when installed, form an integral part of the motor vehicle and which constitute a major manufacturing alteration. The term includes a central or principal sales corporation or other entity through which, by contractual agreement or otherwise, it distributes its products. S. 320.60(11), F.S.

[3] "Distributor" means a person, resident or nonresident, who, in whole or in part, sells or distributes motor vehicles to motor vehicle dealers or who maintains distributor representatives. S. 320.60(5), F.S.

[4] "Importer" means any person who imports vehicles from a foreign country into the United States or into this state for the purpose of sale or lease. S. 320.60(7), F.S.

[5] S. 320.011, F.S.; ss. 320.60-320.70, F.S.

[6] "Motor vehicle dealer" means any person, firm, company, corporation, or other entity, who holds a license pursuant to s. 320.27, F.S., as a "franchised motor vehicle dealer" and, for commission, money, or other things of value, repairs or services motor vehicles or used motor vehicles pursuant to a franchise agreement; sells, exchanges, buys, leases or rents, or offers, or attempts to negotiate a sale or exchange of any interest in, motor vehicles; or is engaged wholly or in part in the business of selling motor vehicles, whether or not such motor vehicles are owned by such person, firm, company, or corporation. Further, any person who repairs or services three or more motor vehicles or used motor vehicles; buys, sells, or deals in three or more motor vehicles in any 12-month period; or offers or displays for sale three or more motor vehicles in any 12-month period is presumed to be a motor vehicle dealer, with exceptions. S. 320.60(13), F.S.

[7] "Franchise agreement" means a contract, franchise, new motor vehicle franchise, sales and service agreement, or dealer agreement or any other terminology used to describe the contractual relationship between a manufacturer, factory branch, distributor, or importer, and a motor vehicle dealer, pursuant to which the motor vehicle dealer is authorized to transact business pertaining to motor vehicles of a particular line-make. "Line-make vehicles" are those motor vehicles which are offered for sale, lease, or distribution under a common name, trademark, service mark, or brand name of the manufacturer of

dealer is any person or business other than a franchised or wholesale motor vehicle dealer[8] who engages in the business of buying, selling, or dealing in motor vehicles, and who may service and repair motor vehicles.[9]

Currently, a person or entity may not engage in business as a motor vehicle dealer without first obtaining a motor vehicle dealer license. Generally, only dealers may advertise vehicles belonging to others, unless the sale arises from a bona fide legal proceeding, court order, estate settlement, or operation of law. However, a vehicle owner may advertise and sell vehicles titled in their own name without a license.[10]

Restrictions on Owning or Operating Dealerships

The Act prohibits licensees, manufacturers, distributors, agents of a manufacturer or distributor, or any parent, subsidiary, common entity,[11] officer, or representative of a licensee from owning or operating a dealership in Florida for the sale or service of a line-make of motor vehicles that are already offered for sale under a franchise agreement with a dealer in this state.[12] However, if a manufacturer has no franchised dealers in the state for a line-make, they may be allowed to sell directly to consumers.

Other instances in which a manufacturer or distributor may own or operate a dealership include when the licensee:

- Operates a dealership temporarily, not to exceed one year, during the transition between owners.
- Temporarily operates a dealership to broaden diversity within its dealer body or provide opportunities to qualified persons who lack the resources to purchase the dealership outright, in a bona fide relationship with an independent person[13] who has made a significant investment and is reasonable expected to acquire full ownership.
- Operates a dealership when DHSMV, after a hearing, determines that no independent person is available in the community or territory to own and operate the dealership in a manner consistent with the public interest.

In all such cases, the dealership must be continually offered for sale to independent persons at a fair and reasonable price, and approval of the sale of a proposed dealer may not be unreasonably withheld.[14]

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same. However, motor vehicles sold or leased under multiple brand names or marks shall constitute a single line-make when they are included in a single franchise agreement and every motor vehicle dealer in this state authorized to sell or lease any such vehicles has been offered the right to sell or lease all of the multiple brand names or marks covered by the single franchise agreement. S. 320.60(1) and (14), F.S.

[8] "Wholesale motor vehicle dealer" means any person who engages exclusively in the business of buying, selling, or dealing in motor vehicles at wholesale or with motor vehicle auctions. S. 320.27(c), F.S.

[9] S. 320.27(c), F.S.

[10] S. 320.27(2), F.S.

[11] "Common entity" means a person or business who is directly or indirectly controlled by, or has more than 30 percent of its equity interest directly or indirectly owned by, a manufacturer, importer, distributor, or licensee, or an affiliate thereof; or who has more than 30 percent of its equity interest directly or indirectly controlled or owned by one or more persons who also directly or indirectly control or own more than 30 percent of the equity interests of a manufacturer, an importer, a distributor, or a licensee, or an affiliate thereof. S. 320.60(2)(a), F.S.

[12] S. 320.645(1), F.S.

[13] "Independent person" means a person who is not an agent; a parent; a subsidiary; a common entity; an officer; a director; or an employed representative of a licensee, a manufacturer, an importer, or a distributor. S. 320.60(8), F.S.

[14] S. 320.645(1), F.S.

Manufacturer, Factory Branch, Distributor, and Importer Licenses

Under the Act, motor vehicle manufacturers, factory branches, distributors, and importers must be licensed before engaging in business in the state. No motor vehicle may be sold,[15] leased, or offered for sale or lease in this state unless the manufacturer, importer, or distributor of such motor vehicle is licensed under s. 320.61, F.S.[16]

Denying, Revoking, or Suspending a License

A motor vehicle manufacturer, distributor, or importer license may be denied, suspended, or revoked, for a specific location or statewide, if there is sufficient evidence of repeated violations of ch. 320, F.S., demonstrating a pattern of misconduct.[17] Current law identifies a substantial, enumerated list of conduct in which licensees are prohibited from engaging. Grounds for denying, suspending, or revoking a license generally arise from the licensee's dealings with its franchised motor vehicle dealers.[18]

Succession of a Motor Vehicle Dealership

Current law prohibits a licensee from preventing or refusing to accept the succession of a motor vehicle dealership franchise to a dealer's legal heir or devisee, notwithstanding the terms of any franchise agreement. A licensee may reject a proposed successor only if:[19]

- The heir or devisee fails to meet the licensee's written, reasonable, and uniformly applied minimum qualifications for dealer applicants; or
- Following notice and an administrative hearing, the succession is shown to be detrimental to the public interest or the licensee's representation.

Termination, Cancellation, or Nonrenewal of a Franchise Agreement

Current law requires licensees to repurchase certain property from a dealer following the voluntary or involuntary termination, cancellation or nonrenewal of a franchise agreement. Property subject to repurchase includes new vehicles with limited mileage, new and resalable parts and accessories purchased directly from the licensee, undamaged signs bearing the licensee's trademark, and special tools, automotive service equipment, and data processing equipment recommended or supplied by the licensee.[20] Specifically, the licensee must pay the dealer the net cost paid by the dealer for each new car or truck in the dealer's inventory with mileage of 2,000 miles or less, or a motor cycle with mileage of 100 miles or less, not counting mileage placed on the vehicle before it was delivered to the dealer.[21] Licensees are also responsible for reasonable costs associated with transporting, handling, packing, storing, and loading the property.

If the termination, cancellation or nonrenewal results from a plan, scheme, or corporate action intended to reduce the number of franchised dealers, or from bankruptcy or cessation of a line-make, the licensee must additionally compensate the dealer for the fair market value of the franchise, reflecting the goodwill of the dealership within its

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[15] "Sell" or "sold" includes accepting a deposit or receiving a payment for the retail purchase, lease, or other use of a motor vehicle; accepting a reservation from a retail consumer for a specific motor vehicle identified by a vehicle identification number or other product identifier; setting the retail price for the purchase, lease, or other use of a motor vehicle, but does not include setting a manufacturer's suggested retail price; offering or negotiating with a retail consumer terms for the purchase, lease, or other use of a motor vehicle; offering or negotiating with a retail consumer a value for a motor vehicle being traded in as part of the purchase, lease, or other use of a motor vehicle, but does not include a website or other means of electronic communication that identifies to a consumer a conditional trade-in value and that contains language informing the consumer that the trade-in value is not binding on any motor vehicle dealer; any transaction where the title of a motor vehicle or a used motor vehicle is transferred to a retail consumer; or any retail lease transaction where a retail consumer leases a vehicle for a period of at least 12 months, but does not include administering lease agreements, taking assignments of leases, performing required actions pursuant to such leases, or receiving payments under a lease agreement that was originated by a motor vehicle dealer. S. 320.60(16), F.S.

[16] S. 320.61, F.S.

[17] S. 320.64, F.S.

[18] *Id*.

[19] S. 320.64(16), F.S.

[20] S. 320.64(36), F.S.

[21] S. 320.64(36)(a)1, F.S.

community or territory. Compensation is generally due upon tender of the property, with clear procedures for returning inventory and other items. Certain transactions, including the sale of the dealer's assets or ownership interests, are exempt from these repurchase requirements.

Transfer, Assignment, or Sale of Franchise Agreements

A motor vehicle dealer may sell, assign, transfer, or otherwise dispose of a franchise agreement to another person, including a corporation established to hold the franchise. A licensee may only refuse or penalize such a transfer if:[22]

- The proposed transferee, or the transferee's controlling executive management, is not of good moral character; or
- The transferee does not meet the licensee's written, reasonable, and uniformly applied qualifications regarding financial capacity and business experience.

A dealer seeking to transfer a franchise must provide written notice to the licensee, including the transferee's name, address, financial qualifications, and recent business experience. Subsequently, the licensee has 60 days to object in writing and specify the material reasons for rejecting the transferee. If the licensee does not respond within 60 days, the transfer is considered approved.[23] Further, any transfer is valid only if the transferee agrees in writing to comply with all existing franchise requirements, with ownership changed to the transferee.[24]

Industry Background

Historically, Florida's motor vehicle industry has been one of the largest in the country, driven by sustained population growth, high vehicle demand, and a dense network of franchised dealerships across the state. In 2024, Florida's dealership network was credited with creating over 186,400 jobs and contributing over $115 billion to the state economy.[25] As of June 2025, Florida's annual new motor vehicle sales ranked third overall in the United States, totaling almost $60 million in sales in the first half of the year.[26] Florida also had the third most motor vehicle dealers in the nation, with 943 dealers.[27]

However, the motor vehicle retail market is increasingly dominated by large dealer groups. Ongoing consolidation through mergers, acquisitions, and multi-brand ownership has concentrated market share among fewer corporate entities, many of which operate countless dealerships across the state or nationwide. For example, AutoNation, one of the largest motor vehicle retailers in the U.S., operates 51 of its 267 nationwide retail locations in Florida, where it sells 31 different motor vehicles brands, including domestic, import, and premium luxury lines.[28]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 429 - Motor Vehicle Manufacturers and Franchised Motor Vehicle Dealers	Yeager/ *Leek*	The bill became effective July 1, 2025.
2023	CS/CS/HB 637 - Motor Vehicle Dealers, Manufacturers, Importers, and Distributors	Shoaf/ *Avila*	The bill became effective July 1, 2023.

[22] S. 320.643(1)(a), F.S.
[23] *Id*.
[24] *Id*.
[25] Florida Automobile Dealers Association, *Driving Florida's Economy, Annual Contribution of Florida's New-Car Dealers*, available at https://www.flada.org/about-fada/economic-impact/ (last visited Jan. 31, 2026).
[26] National Automobile Dealers Association, *NADA Data 2025: Midyear Report*, at 5, available at https://www.nada.org/media/4694/download?inline (last visited Jan. 31, 2026).
[27] *Id*. at 3.
[28] *See* AutoNation, *2024 Annual Report*, https://s21.q4cdn.com/504511082/files/doc_financials/2024/ar/AutoNation-2025-Annual-Report.pdf (last visited Jan. 31, 2026).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee	16 Y, 1 N, As CS	2/5/2026	Anstead	Bunnell
THE CHANGES ADOPTED BY THE COMMITTEE:	• Prohibited a licensee that sells 1,000 or more vehicles during a 12 month period from selling more than 33.3% of such vehicles to any dealer or dealers with common ownership or control. • Revised the qualifications of "common ownership or control" for motor vehicle dealers. • Added an exemption for any line-make of motor vehicles for which there is currently a licensed franchised dealer in the state. • Expanded the grounds on which a licensee may prevent or reject the succession, transfer, assignment, or sale of a motor vehicle dealership franchise.			
Commerce Committee			Hamon	Bunnell

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

A bill to be entitled

An act relating to motor vehicle manufacturers, importers, and distributors and franchised motor vehicle dealers; amending s. 320.64, F.S.; authorizing a licensee to reject the ownership succession of a motor vehicle dealer if such succession will cause violation of certain provisions; clarifying what motor vehicles a licensee must repurchase from a motor vehicle dealer upon termination of a franchise agreement; providing that a licensee who distributes 1,000 or more motor vehicles of a particular line-make to motor vehicle dealers in this state during any 12-month period must have established a network of at least three independent motor vehicle dealers in this state; providing applicability; amending s. 320.643, F.S.; authorizing a licensee to reject a proposed change in ownership if such change would cause violation of certain provisions; providing an effective date.

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

Section 1. Subsection (16) and paragraph (a) of subsection (36) of section 320.64, Florida Statutes, are amended, and subsection (44) is added to that section, to read:

320.64 Denial, suspension, or revocation of license; grounds.—A license of a licensee under s. 320.61 may be denied, suspended, or revoked within the entire state or at any specific location or locations within the state at which the applicant or licensee engages or proposes to engage in business, upon proof that the section was violated with sufficient frequency to establish a pattern of wrongdoing, and a licensee or applicant shall be liable for claims and remedies provided in ss. 320.695 and 320.697 for any violation of any of the following provisions. A licensee is prohibited from committing the following acts:

(16)(a) Notwithstanding the terms of any franchise agreement, the applicant or licensee prevents or refuses to accept the succession to any interest in a franchise agreement by any legal heir or devisee under the will of a motor vehicle dealer or under the laws of descent and distribution of this state; provided, the applicant or licensee is not required to accept a succession:

1. When ~~where~~ such heir or devisee does not meet licensee's written, reasonable, and uniformly applied minimal standard qualifications for dealer applicants;

2. ~~or~~ Which, after notice and administrative hearing pursuant to chapter 120, is demonstrated to be detrimental to the public interest or to the representation of the applicant or licensee; or

3. When the direct result of such succession will cause the applicant or licensee to be in violation of subsection (44).

(b) Nothing in this subsection ~~contained herein~~, however, shall prevent a motor vehicle dealer, during his or her lifetime, from designating any person as his or her successor in interest by written instrument filed with and accepted by the applicant or licensee. A licensee who rejects the successor transferee under this subsection shall have the burden of establishing in any proceeding where such rejection is in issue that the rejection of the successor transferee complies with this subsection.

(36)(a) Notwithstanding the terms of any franchise agreement, in addition to any other statutory or contractual rights of recovery after the voluntary or involuntary termination, cancellation, or nonrenewal of a franchise, failing to pay the motor vehicle dealer, as provided in paragraph (d), the following amounts:

1. The net cost paid by the dealer for each new motor vehicle other than motorcycles ~~car or truck~~ in the dealer's inventory with mileage of 2,000 miles or less, or each new ~~a~~ motorcycle in the dealer's inventory with mileage of 100 miles or less, exclusive of mileage placed on the motor vehicle before it was delivered to the dealer.

2. The current price charged for each new, unused, undamaged, or unsold part or accessory that:

a. Is in the current parts catalog and is still in the original, resalable merchandising package and in an unbroken lot, except that sheet metal may be in a comparable substitute for the original package; and

b. Was purchased by the dealer directly from the manufacturer or distributor or from an outgoing authorized dealer as a part of the dealer's initial inventory.

3. The fair market value of each undamaged sign owned by the dealer which bears a trademark or trade name used or claimed by the applicant or licensee or its representative which was purchased from or at the request of the applicant or licensee or its representative.

4. The fair market value of all special tools, data processing equipment, and automotive service equipment owned by the dealer which:

a. Were recommended in writing by the applicant or licensee or its representative and designated as special tools and equipment;

b. Were purchased from or at the request of the applicant or licensee or its representative; and

c. Are in usable and good condition except for reasonable wear and tear.

5. The cost of transporting, handling, packing, storing, and loading any property subject to repurchase under this section.

(44)(a) The applicant or licensee has directly or indirectly distributed 1,000 or more motor vehicles of a particular line-make to motor vehicle dealers in this state during any 12-month period and has directly or indirectly distributed more than 33.33 percent of those same line-make motor vehicles during that 12-month period to one motor vehicle dealer or to multiple motor vehicle dealers that share common ownership or control. For purposes of this subsection, a motor vehicle dealer shares common ownership or control with another motor vehicle dealer if:

1. It is directly or indirectly controlled by or has more than 30 percent of its equity interest directly or indirectly owned by another motor vehicle dealer; or

2. It has more than 30 percent of its equity interest directly or indirectly controlled or owned by one or more persons who also directly or indirectly control or own more than 30 percent of the equity interests of another motor vehicle dealer.

(b) This subsection does not apply to any line-make of motor vehicle for which there exists a licensed franchised dealer in this state as of January 1, 2026, or to an applicant or licensee who is not prohibited by s. 320.645 from owning or operating a motor vehicle dealer.

A motor vehicle dealer who can demonstrate that a violation of,

or failure to comply with, any of the preceding provisions by an applicant or licensee will or may adversely and pecuniarily affect the complaining dealer, shall be entitled to pursue all of the remedies, procedures, and rights of recovery available under ss. 320.695 and 320.697.

Section 2. Subsections (1) and (2) of section 320.643, Florida Statutes, are amended to read:

320.643 Transfer, assignment, or sale of franchise agreements.—

(1)(a) Notwithstanding the terms of any franchise agreement, a licensee shall not, by contract or otherwise, fail or refuse to give effect to, prevent, prohibit, or penalize or attempt to refuse to give effect to, prohibit, or penalize any motor vehicle dealer from selling, assigning, transferring, alienating, or otherwise disposing of its franchise agreement to any other person or persons, including a corporation established or existing for the purpose of owning or holding a franchise agreement, unless the licensee proves at a hearing pursuant to a complaint filed by a motor vehicle dealer under this section that the sale, transfer, alienation, or other disposition:

1. Is to a person who is not, or whose controlling executive management is not, of good moral character;

2. Is to a person who ~~or~~ does not meet the written, reasonable, and uniformly applied standards or qualifications of the licensee relating to financial qualifications of the

transferee and business experience of the transferee or the transferee's executive management; or

3. Would directly cause the licensee to be in violation of s. 320.64(44).

(b) A motor vehicle dealer who desires to sell, assign, transfer, alienate, or otherwise dispose of a franchise shall notify, or cause the proposed transferee to notify, the licensee, in writing, setting forth the prospective transferee's name, address, financial qualifications, and business experience during the previous 5 years. A licensee who receives such notice may, within 60 days following such receipt, notify the motor vehicle dealer, in writing, that the proposed transferee is not a person qualified to be a transferee under this section and setting forth the material reasons for such rejection. Failure of the licensee to notify the motor vehicle dealer within the 60-day period of such rejection shall be deemed an approval of the transfer. No such transfer, assignment, or sale shall be valid unless the transferee agrees in writing to comply with all requirements of the franchise then in effect, but with the ownership changed to the transferee.

(c) ~~(b)~~ A motor vehicle dealer whose proposed sale is rejected may, within 60 days following such receipt of such rejection, file with the department a complaint for a determination that the proposed transferee has been rejected in violation of this section. The licensee has the burden of proof

with respect to all issues raised by the complaint. The department shall determine, and enter an order providing, that the proposed transferee is either qualified or is not and cannot be qualified for specified reasons, or the order may provide the conditions under which a proposed transferee would be qualified. If the licensee fails to file such a response to the motor vehicle dealer's complaint within 30 days after receipt of the complaint, unless the parties agree in writing to an extension, or if the department, after a hearing, renders a decision other than one disqualifying the proposed transferee, the franchise agreement between the motor vehicle dealer and the licensee is deemed amended to incorporate such transfer or amended in accordance with the determination and order rendered, effective upon compliance by the proposed transferee with any conditions set forth in the determination or order.

(2)(a) Notwithstanding the terms of any franchise agreement, a licensee shall not, by contract or otherwise, fail or refuse to give effect to, prevent, prohibit, or penalize, or attempt to refuse to give effect to, prevent, prohibit, or penalize, any motor vehicle dealer or any proprietor, partner, stockholder, owner, or other person who holds or otherwise owns an interest therein from selling, assigning, transferring, alienating, or otherwise disposing of, in whole or in part, the equity interest of any of them in such motor vehicle dealer to any other person or persons, including a corporation established

or existing for the purpose of owning or holding the stock or ownership interests of other entities, unless the licensee proves at a hearing pursuant to a complaint filed by a motor vehicle dealer under this section that the sale, transfer, alienation, or other disposition:

1. Is to a person who is not, or whose controlling executive management is not, of good moral character; or

2. Would directly cause the licensee to be in violation of s. 320.64(44).

(b) A motor vehicle dealer, or any proprietor, partner, stockholder, owner, or other person who holds or otherwise owns an interest in the motor vehicle dealer, who desires to sell, assign, transfer, alienate, or otherwise dispose of any interest in such motor vehicle dealer shall notify, or cause the proposed transferee to so notify, the licensee, in writing, of the identity and address of the proposed transferee. A licensee who receives such notice may, within 60 days following such receipt, notify the motor vehicle dealer in writing that the proposed transferee is not a person qualified to be a transferee under this section and setting forth the material reasons for such rejection. Failure of the licensee to notify the motor vehicle dealer within the 60-day period of such rejection shall be deemed an approval of the transfer. Any person whose proposed sale of stock is rejected may file within 60 days after ~~of~~ receipt of such rejection a complaint with the department

alleging that the rejection was in violation of the law or the franchise agreement. The licensee has the burden of proof with respect to all issues raised by such complaint. The department shall determine, and enter an order providing, that the proposed transferee either is qualified or is not and cannot be qualified for specified reasons; or the order may provide the conditions under which a proposed transferee would be qualified. If the licensee fails to file a response to the motor vehicle dealer's complaint within 30 days after ~~of~~ receipt of the complaint, unless the parties agree in writing to an extension, or if the department, after a hearing, renders a decision on the complaint other than one disqualifying the proposed transferee, the transfer shall be deemed approved in accordance with the determination and order rendered, effective upon compliance by the proposed transferee with any conditions set forth in the determination or order.

(c) ~~(b)~~ Notwithstanding paragraph (a), a licensee may not reject a proposed transfer of a legal, equitable, or beneficial interest in a motor vehicle dealer to a trust or other entity, or to any beneficiary thereof, which is established by an owner of any interest in a motor vehicle dealer for purposes of estate planning, if the controlling person of the trust or entity, or the beneficiary, is of good moral character.

Section 3. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/HB 989 by Rep. Yeager
Motor Vehicle Manufacturers, Importers, and Distributors and Franchised Motor Vehicle Dealers

AMENDMENT SUMMARY
February 24, 2026

Amendment # 608133 by Rep. Yeager (lines 104-119):

- Provides that a licensed motor vehicle manufacturer, distributor, or importer that distributes more than 1,000 motor vehicles in the state of Florida must comply with an additional requirement.

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 Yeager offered the following:

Amendment (with title amendment)

Remove lines 104-119 and insert:

during any 12-month period and has:

1. Directly or indirectly distributed more than 33.33 percent of those same line-make motor vehicles during that 12-month period to one motor vehicle dealer or to multiple motor vehicle dealers that share common ownership or control; or

2. If the applicant or licensee, or its common entity, manufactures, distributes, or imports any other line-make of motor vehicles which are offered for sale in this state under a franchise agreement with an independent person, the applicant or licensee has not offered to enter into a franchise agreement for the particular line-make with no fewer than three of the

independent persons with a franchise agreement for at least one such other line-make, or all such persons if there exists less than three.

(b) For purposes of this subsection, a motor vehicle dealer shares common ownership or control with another motor vehicle dealer if:

1. It is directly or indirectly controlled by or has more than 30 percent of its equity interest directly or indirectly owned by another motor vehicle dealer; or

2. It has more than 30 percent of its equity interest directly or indirectly controlled or owned by one or more persons who also directly or indirectly control or own more than 30 percent of the equity interests of another motor vehicle dealer.

(c) This subsection does not apply to any line-make of

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

Remove lines 10-15 and insert:
agreement; providing that a licensee who distributes 1,000 or more motor vehicles of a particular line-make to motor vehicle dealers in this state during any 12-month period must meet certain requirements; providing applicability; amending s. 320.643

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 1039	**COMPANION BILL:** CS/SB 1038 (Gruters)
TITLE: Establishment and Administration of a State Cryptocurrency Reserve	**LINKED BILLS:** None
SPONSOR(S): Snyder and Weinberger	**RELATED BILLS:** None

Committee References

Insurance & Banking 18 Y, 0 N, As CS	➤	Commerce

SUMMARY

Effect of the Bill:
The bill establishes a state cryptocurrency reserve as a special fund assigned to the State Board of Administration. The bill provides that the Executive Director of the State Board of Administration has custody of the reserve and is responsible for its administration and management. The bill specifies the sources of reserve funds and creates criteria that cryptocurrencies must meet to be eligible for the reserve. The bill creates requirements for custodians and liquidity providers. The bill permits the Executive Director to transfer funds out of the reserve under limited conditions. The bill creates an advisory committee and requires the Executive Director to publish and submit biennial reports to the President of the Senate and the Speaker of the House of Representatives containing information on assets in the reserve.

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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Establishment of the Florida Strategic Cryptocurrency Reserve

The bill establishes a cryptocurrency[1] reserve as a special fund assigned to the State Board of Administration ("SBA"). (Section 1).

The bill provides that the Executive Director of the State Board of Administration ("Executive Director") has custody of and administers and manages the reserve. (Section 1).

The bill provides that the reserve will consist of:

- Money transferred or deposited to the credit of the reserve by legislative appropriation.
- Revenue that the Legislature dedicates for deposit to the credit of the reserve.
- Cryptocurrency purchased using money in or received by the reserve.
- Investment earnings and interest or rewards earned on assets in the reserve. (Section 1).

[1] The bill defines cryptocurrency as virtual currency that is not issued by any central authority, is designed to function as a medium of exchange, and uses encryption technology to regulate the generation of units of currency, to verify fund transfers, and to prevent counterfeiting.

Legislative appropriation:
The bill provides that the Legislature may appropriate funds for deposit to the credit of the reserve for the purposes of:

- Investing in cryptocurrency.
- Administering and managing the reserve. (Section 1).

Authority and responsibilities of the Executive Director
To administer and manager the reserve, the bill authorizes the Executive Director to acquire, exchange, sell, supervise, manage, or retain any kind of investments as long as the Executive Director does so while exercising the care, skill, and caution that a prudent investor exercising reasonable care would do. (Section 1).

While administering and managing the reserve, the bill requires the Executive Director to consider the purposes, terms, distribution requirements, and other circumstances pertaining to the reserve as well as the investment of all the assets of the reserve rather than a single investment. (Section 1).

The bill permits the Executive Director to use derivatives, if the Executive Director determines that doing so is in the best interest of the reserve. (Section 1).

The bill authorizes the Executive Director to spend cryptocurrency in the reserve or use the net proceeds from the sale of cryptocurrency in the reserve to pay the reasonable costs of administering and managing the reserve. (Section 1).

Market capitalization
The bill requires cryptocurrency to have had an average market capitalization of at least $100 billion over the most recent 12-month period to be eligible for the reserve.[2] (Section 1).

Third-party contracts
The bill permits the Executive Director to contract with one or more of the following parties for the administration or management of the reserve:

- A technology provider of a secure custody solution.
- A qualified custodian that uses a secure custody solution.
- A qualified liquidity provider to facilitate the purchase and sale of assets in the reserve. (Section 1).

The bill defines "secure custody solution" as a technological system that meets all of the following criteria:

- The cryptographic private keys[3] are:
  - Known only by and can only be accessed by the governmental entity[4] or the qualified custodian.
  - Kept in an encrypted environment and can be accessed only through fully encrypted channels.
  - Never stored on or accessible through a smartphone.
- The hardware containing the cryptographic private keys is kept in a secure data center.[5]
- Transactions require authorization under a multiparty governance structure.

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[2] As of February 2026, Bitcoin (BTC), Ethereum (ETH), and Tether (USDT) are the only cryptocurrencies that would satisfy the market cap requirement, with market caps of approximately $1.3 trillion, $235 billion, and $183 billion, respectively. https://www.forbes.com/digital-assets/crypto-prices/ (last visited Feb. 12, 2026).
[3] The bill defines "private key" as a unique element of cryptographic data used for signing transactions on blockchain, known only to the owner. 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.
[4] The bill defines "governmental entity" to have the same meaning as in s. 215.986, F.S. which provides that it means "a state, regional, county, municipal, special district, or other political subdivision, whether executive, judicial, or legislative, including, but not limited to, a department, a division, a board, a bureau, a commission, an authority, a district, or an agency thereof, or a public school, a Florida College System institution, a state university, or an associated board."
[5] The bill provides that a "secure data center" means a physical facility that maintains third-party certifications, utilizes certified cryptographic hardware, enforces physical and environmental security, and ensures logical isolation.

- User access control is enforced and all actions taken by users are logged. A smartphone may be used, but only to authenticate authorized users of the secure custody solution.
- The provider of the technological system has implemented a disaster recovery protocol ensuring state access to assets if the provider becomes unavailable.
- The technological system is routinely reviewed through code audits and penetration testing, and any security issues are promptly addressed. (Section 1).

The bill defines "qualified custodian" as a state or federally chartered financial institution or other entity regulated by this state which is authorized to have custody of virtual currencies on behalf of its clients. (Section 1).

The bill defines "qualified liquidity provider" as an entity meeting all of the following requirements:
- Is licensed or regulated under applicable federal or state law.
- Maintains audited financial statements prepared by a regulated auditor.
- Has at least 5 years of experience trading in the digital assets industry.
- Maintains an office and has a registered principal in this state.
- Is certified by the SBA that they meet the above requirements. (Section 1).

The bill permits the Executive Director to contract with a certified public accountant to perform an independent audit of the reserve. (Section 1).

State Treasury

The bill authorizes money in the reserve to be invested with the State Treasury. The bill provides that the Executive Director may only transfer money in the reserve to the State Treasury when authorized by the Legislature in the General Appropriations Act or other law. (Section 1).

Florida Strategic Cryptocurrency Reserve Advisory Committee

The bill establishes the Florida Strategic Reserve Advisory Committee to advise the Executive Director regarding the administration and management of the reserve, including:
- Recommendations for valuing assets in the reserve.
- The establishment of prudent investment policies relating to the investment objectives of and asset allocation in the reserve.
- Recommendations for the establishment of prudent custody and security policies for the reserve. (Section 1).

The advisory committee is composed of the following five members:
- The Executive Director, who serves as the chair.
- Four members appointed by the SBA and confirmed by the Senate as follows:
  - Three members with expertise in cryptocurrency investments.
  - One member with expertise in digital asset security. (Section 1).

Members of the committee are not entitled to receive compensation for service on the committee, but may be reimbursed for per diem and travel expenses.[6] (Section 1).

Appointed members serve for 4-year terms. A vacancy must be filled for remainder of the unexpired term and in the same manner as the original appointment. (Section 1).

[6] S. 112.061, F.S.

Biennial report

The bill requires the Executive Director to publish and submit to the President of the Senate and the Speaker of the House of Representatives a report that includes:

- The amount of cryptocurrency held in the reserve on the last day of the preceding fiscal year biennium.
- An estimate of the monetary value of the cryptocurrency held in the reserve on the last day of the preceding fiscal year biennium.
- Any changes in the amount and estimated monetary value of cryptocurrency in the reserve during the period the cryptocurrency has been held in the reserve, separated by the type of cryptocurrency.
- A description of the actions taken by the Executive Director to administer and manage the reserve during the preceding fiscal year biennium. (Section 1).

The Executive Director must publish and submit this report no later than December 31 of each even-numbered calendar year. (Section 1).

Effective date

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

RULEMAKING:

The bill requires the SBA to adopt rules as necessary to administer the Florida Strategic Cryptocurrency Reserve.

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:

The bill may have an indeterminate fiscal impact on the state government, to the extent the reserve yields returns on investments and to the extent that the state government incurs costs to administer and manage the reserve.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector, to the extent that the reserve yields returns on investments.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

State Board of Administration

The State Board of Administration ("SBA") was created by the Florida Constitution as Florida's principal independent investment management organization.[7] The SBA is primarily responsible for investing the proceeds of the Florida Retirement System Pension Plan, administering the Florida Retirement System Investment Plan, managing the Florida Hurricane Catastrophe Fund, running Florida PRIME, and investing the proceeds of more than 25 other funds directed to the SBA by the Florida Legislature.[8]

The Governor, Chief Financial Officer, and Attorney General serve as the SBA's Board of Trustees ("Trustees"), and delegate operational authority to an executive director.[9] Additionally, there is a nine-member investment advisory

[7] Art. IV, s. 4(e) Fla. Const. (1968); State Board of Administration, About the SBA, https://www.sbafla.com/about-the-sba/ (last visited Feb. 11, 2026).
[8] State Board of Administration, About the SBA, https://www.sbafla.com/about-the-sba/ (last visited Feb. 11, 2026).
[9] S. 215.44, F.S., S. 215.441, F.S.

council that reviews investments and makes recommendations to the SBA regarding investment policy, strategy, and procedures.[10]

Qualified public depositories

Unless a specific exemption applies, state and local governments must deposit public funds in a bank or savings association that has been designated by the Chief Financial Officer ("CFO")[11] as a Qualified Public Depository ("QPD") under the Florida Security for Public Deposits Act.[12]

To be designated as a QPD by the CFO, a bank, savings bank, or savings association must:

- Have authority to accept deposits because it has been chartered and regulated by the state or federal government;
- Have its principal place of business in Florida, or a branch office in Florida;
- Have deposit insurance pursuant to the Federal Deposit Insurance Act[13] or the National Credit Union Share Insurance Fund[14];
- Have procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits;
- Make determinations about the provision of services or the denial of services based on an analysis of risk factors unique to each customer;
- Not engage in the unsafe and unsound practice of denying, canceling, suspending, or terminating its services to a person on specified grounds; and
- Meet any other requirements of the Florida Security for Public Deposits Act.[15]

QPDs must secure public deposits with a pledge of eligible collateral, to protect the deposit against losses that could occur in the event of insolvency or default.[16] The amount of collateral required is based on statutory guidelines and the QPD's overall financial condition.[17]

Public deposits include, but are not limited to, time deposit accounts, demand deposit accounts, and nonnegotiable certificates of deposits; they do not include moneys in deposit notes, securities, mutual funds, and similar investments.[18]

Cryptocurrency

Virtual currency, or cryptocurrency, is a digital representation of value that functions as a medium of exchange but lacks legal tender status.[19] In some environments, virtual currency operates like "real" currency[20] (i.e., the coin and

[10] S. 215.444, F.S.
[11] The Chief Financial Officer ("CFO") serves as the chief fiscal officer of the state, responsible for settling and approving all accounts against the state and keeping all state funds and securities. Section 4(c), Art. IV, Florida Constitution; S. 17.001, F.S.
[12] Ss. 280.01, F.S. and 280.03(1)(b), F.S. Certain public deposits, including those that are fully collateralized under other laws and moneys contributions to the state retirement system that are held in the System Trust Fund, are exempt pursuant to s. 280.03(3), F.S.
[13] 12 U.S.C. ss. 1811 et. seq.
[14] 12 U.S.C. ss. 1783 et. seq.
[15] Ch. 280, F.S.
[16] Ss. 280.04 and 280.041(6), F.S.
[17] S. 280.04, F.S., and Rule 69C-2.024, F.A.C.
[18] S. 280.02(23), F.S.
[19] S. 560.103(36), F.S.
[20] Often referred to as "fiat" currency.

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).[21]

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. [22] 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.[23]

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).[24] 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.[25] 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.[26] Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric "public keys" rather than by personal names.[27] Virtual currency wallets are interfaces that store and transfer virtual currency.[28]

Federal law

On March 6, 2025, President Trump signed an executive order ("Executive Order") that established a Strategic Bitcoin Reserve which is capitalized with all Bitcoin held by the Department of Treasury that was finally forfeited as part of criminal or civil asset forfeiture proceedings or in satisfaction of any civil money penalty imposed by any executive department or agency and is not needed for other specified reasons. The Strategic Bitcoin Reserve consists of approximately 207,189 Bitcoin with an estimated value of $13.7 billion.[29]

The Executive Order also established an office known as the "United States Digital Asset Stockpile" ("Stockpile") to administer and maintain control of custodial accounts that are capitalized with all digital assets owned by the Department of Treasury, other than Bitcoin that were finally forfeited as part of criminal or civil asset forfeiture proceedings and that are not needed to satisfy certain requirements.[30] The Stockpile consists of cryptocurrencies (such as Ethereum or Solana), stablecoin, non-fungible tokens, and potentially other tokenized assets.[31]

State reserves

Florida does not currently have a virtual currency or cryptocurrency reserve. Texas[32], New Hampshire[33], and Arizona[34] have adopted laws creating a reserve for Bitcoin or digital assets, or both. Several states have pending

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[21] IRS, *Digital assets*, https://www.irs.gov/filing/digital-assets (last visited Feb. 5, 2026).
[22] *Id.*
[23] *Id.*
[24] 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 Feb. 5, 2026).
[25] *Id.*
[26] *Id.*
[27] *Id.*
[28] 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 Feb. 5, 2026).
[29] BiTBO, *USA Bitcoin Reserve Tracker*, available at: US Bitcoin Reserve (last visited Feb. 5, 2026).
[30] Authenticated U.S. Government Information GPO, *Executive Order 14233-Establishment of the Strategic Bitcoin Reserve and United States Digital Asset Stockpile*, March 6, 2025, available at: DCPD-202500335.pdf (last visited Feb. 5, 2026).
[31] DigitalFinanceNews.com, *Managing the U.S. Digital Asset Stockpile: Operational Complexities, Accounting Challenges, and Regulatory Implications*, July 1, 2025, available at: Managing the U.S. Digital Asset Stockpile: Operational Complexities, Accounting Challenges, and Regulatory Implications – Digital Finance News (last visited Jan. 18, 2026).
[32] Tex. Gov't Code Ann ss. 403.701-403.709 (Subchapter V) (2025) (establishing Texas Strategic Bitcoin Reserve).
[33] N.H. Rev. Stat. Ann. (RSA) s. 6:8-d (2025) (establishing the Strategic Reserve).
[34] Ariz. Rev. Stat. Ann. s. 41-180 (2025) (establishing Bitcoin and Digital Assets Reserve Fund).

legislation creating a digital asset or cryptocurrency reserve or authorizing public funds to be invested in such assets.[35]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	18 Y, 0 N, As CS	2/11/2026	Brackett	Highsmith
THE CHANGES ADOPTED BY THE COMMITTEE:	• Changed the administrator of the reserve from the Chief Financial Officer to the Executive Director of the SBA. • Established the cryptocurrency reserve as a fund assigned to the SBA. • Removed a provision that would have authorized the Chief Financial Officer to temporarily transfer funds from the reserve to the State Treasury for purposes of funding Florida's National Guard during emergencies because existing law does not authorize the State Board of Administration to make such transfers. • Modified the definition for "secure custody solution." • Modified the definition for "cryptocurrency." • Added definitions for "blockchain," "distributed ledger," "governmental entity," and "secure data center." • Changed the market capitalization requirement from $500 billion in the most recent 24-months to $100 billion in the most recent 12-months.			
Commerce Committee			Hamon	Highsmith

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

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[35] *See* AZ S.B. 1042 (2026), IL H.B. 1844 (2025-2026), MD H.B. 51 (2026), MI H.B. 4087 (2025-2026), OH H.B. 18 (136th GA), OH S.B. 57 (136th GA), PA H.B. 2664 (2025), TN H.B. 1695 (2026), WV S.B. 143 (2026).

A bill to be entitled

An act relating to the establishment and administration of a state cryptocurrency reserve; creating s. 215.987, F.S.; providing definitions; establishing the Florida Strategic Cryptocurrency Reserve as a special fund assigned to the State Board of Administration; providing for the custody, administration, and management of the reserve; providing sources of the reserve; authorizing the Legislature to appropriate funds for deposit to the credit of the reserve for specified purposes; authorizing the executive director of the board to pay certain costs using the cryptocurrency in the reserve or the net proceed from the sale of cryptocurrency in the reserve; providing for investment of money in the reserve; authorizing transfer of the reserve money to the State Treasury under certain circumstances; providing requirements for cryptocurrency to be purchased for the reserve; authorizing contracts with third parties for the administration or management of the reserve; authorizing the executive director to use derivatives under certain circumstances; authorizing contracts with certified public accountants for independent audits; establishing the Florida Strategic Cryptocurrency Reserve Advisory Committee within the

board; providing for committee membership; providing duties and terms of committee members; providing reporting requirements; requiring the board to adopt rules; providing an effective date.

WHEREAS, cryptocurrencies are assets with strategic potential for enhancing this state's financial resilience and positioning this state for the future digital economy, and

WHEREAS, cryptocurrencies can serve as a hedge against inflation and economic volatility, and

WHEREAS, the establishment of a cryptocurrency reserve serves the public purpose of providing enhanced financial security to residents of this state, NOW, THEREFORE,

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

Section 1. Section 215.987, Florida Statutes, is created to read:

215.987 State cryptocurrency reserve.—

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

(a) "Airdrop" means a gratuitous distribution of cryptocurrency to users of a blockchain or protocol, generally made in a broad, equitable, and nondiscretionary manner.

(b) "Blockchain" means a mathematically secured, chronological, decentralized, distributed, and digital ledger or

database that consists of records of transactions that cannot be altered retroactively.

(c) "Committee" means the Florida Strategic Cryptocurrency Reserve Advisory Committee established in this section.

(d) "Cryptocurrency" means a virtual currency that is not issued by any central authority, is designed to function as a medium of exchange, and uses encryption technology to regulate the generation of units of currency, to verify fund transfers, and to prevent counterfeiting.

(e) "Distributed ledger" means technology in which data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

(f) "Fork" means a change to the protocol of a distributed ledger system which creates a separate ledger, which may result in a new cryptocurrency that shares a common transaction history with the previous cryptocurrency up to the point of change.

(g) "Governmental entity" has the same meaning as in s. 215.986(1).

(h) "Private key" means a unique element of cryptographic data used for signing transactions on blockchain, known only to the owner.

(i) "Qualified custodian" means a state or federally chartered financial institution or other entity regulated by

this state which is authorized to have custody of virtual currencies on behalf of its clients.

(j) "Qualified liquidity provider" means an entity that meets all of the following requirements:

1. Is licensed or regulated under applicable federal or state law.

2. Maintains audited financial statements prepared by a regulated auditor.

3. Has at least 5 years of experience trading in the digital assets industry.

4. Maintains an office and has registered principal in this state.

5. Has certified in a manner prescribed by the State Board of Administration that the provider meets the requirements of subparagraphs 1.-4.

(k) "Reserve" means the Florida Strategic Cryptocurrency Reserve established in this section.

(l) "Secure custody solution" means a technological product or blended product and service meeting all of the following criteria:

1. The cryptographic private keys are:

a. Exclusively known by and accessible to the governmental entity or the qualified custodian.

b. Contained within an encrypted, hardware-secured environment and used only to sign and authorize cryptocurrency

transactions through end-to-end encrypted channels.

c. Never stored on or accessible through a smartphone.

2. The hardware containing the cryptographic private keys is maintained in a secure data center. As used in this subparagraph, the term "secure data center" means a physical facility that maintains third-party certifications, uses certified cryptographic hardware, enforces physical and environmental security, and ensures logical isolation.

3. A multiparty governance structure for authorizing transactions is implemented, user access control is enforced, and all user-initiated actions are logged. A smartphone may be used, but only to authenticate authorized users of the secure custody solution, including through biometric authentication.

4. The provider of the technological product or blended product and service has implemented a disaster recovery protocol ensuring state access to assets if the provider becomes unavailable.

5. The technological product or blended product and service undergoes regular code audits and penetration testing, with identified vulnerabilities promptly addressed.

(2) ESTABLISHMENT; ADMINISTRATION.—

(a) The Florida Strategic Cryptocurrency Reserve is established as a special fund assigned to the State Board of Administration. The executive director of the board has custody of and shall administer and manage the reserve. The reserve

consists of:

1. Money transferred or deposited to the credit of the reserve by legislative appropriation.

2. Revenue that the Legislature by general law dedicates for deposit to the credit of the reserve.

3. Cryptocurrency purchased using money in or received by the reserve, including any cryptocurrency:

a. Derived from the fork of a distributed ledger; or

b. Distributed pursuant to an airdrop to this state's cryptocurrency addresses.

4. Investment earnings and interest or rewards earned on assets in the reserve.

(b) To administer and manage the reserve, the executive director may acquire, exchange, sell, supervise, manage, or retain any kind of investments that a prudent investor exercising reasonable care, skill, and caution would acquire, exchange, sell, supervise, manage, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing for the reserve, taking into consideration the investment of all the assets of the reserve rather than a single investment.

(c) The Legislature may appropriate funds for deposit to the credit of the reserve for the purposes of:

1. Investing in cryptocurrency.

2. Administering and managing the reserve.

(d) The executive director may spend cryptocurrency in the reserve or use the net proceed from the sale of cryptocurrency in the reserve to pay the reasonable costs associated with administering and managing the reserve.

(e) Money in the reserve may be invested with the State Treasury pool.

(f) The executive director may transfer money in the reserve to the State Treasury only when authorized by the Legislature in the General Appropriations Act or other law.

(3) MARKET CAPITALIZATION REQUIREMENT.—To be eligible to be purchased for the reserve, a cryptocurrency must have an average market capitalization of at least $100 billion over the most recent 12-month period.

(4) THIRD-PARTY CONTRACTS AND PERMISSIBLE TRANSACTIONS; AUDITS.—

(a) The executive director may contract with one or more third-party entities for the administration or management of the reserve, including:

1. A technology provider of a secure custody solution.

2. A qualified custodian that uses a secure custody solution.

3. A qualified liquidity provider to facilitate the purchase and sale of assets in the reserve.

(b) If the executive director determines it is in the best interest of the reserve, the executive director may use

derivatives.

(c) The executive director may contract with a certified public accountant to perform an independent audit of the reserve.

(5) FLORIDA STRATEGIC CRYPTOCURRENCY RESERVE ADVISORY COMMITTEE.—

(a) There is established the Florida Strategic Cryptocurrency Reserve Advisory Committee within the State Board of Administration.

(b) The committee shall be composed of the following five members:

1. The executive director, who shall serve as the chair.

2. Four members appointed by the board as a resource to the Board of Trustees of the State Board of Administration, subject to confirmation by the Senate, as follows:

a. Three members with expertise in cryptocurrency investments.

b. One member with expertise in digital asset security.

(c) The committee shall advise the executive director regarding the administration and management of the reserve, including:

1. Recommendations for valuing assets in the reserve.

2. The establishment of prudent investment policies relating to the investment objectives of and asset allocation in the reserve.

3. Recommendations for the establishment of prudent custody and security policies for the reserve.

(d) A member of the committee is not entitled to receive compensation for service on the committee.

(e) Appointed members shall serve for 4-year terms. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment.

(6) BIENNIAL REPORT.—

(a) No later than December 31 of each even-numbered calendar year, the executive director shall publish and submit to the President of the Senate and the Speaker of the House of Representatives a report that includes:

1. The amount of cryptocurrency held in the reserve on the last day of the preceding fiscal year biennium.

2. An estimate of the monetary value of the cryptocurrency held in the reserve on the last day of the preceding fiscal year biennium.

3. Any changes in the amount and estimated monetary value of cryptocurrency in the reserve during the period the cryptocurrency has been held in the reserve, disaggregated by the cryptocurrency type.

4. A description of the actions taken by the executive director to administer and manage the reserve during the preceding fiscal year biennium.

(7) RULEMAKING.—The State Board of Administration shall

adopt rules as necessary to administer the Florida Strategic Cryptocurrency Reserve.

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

COMMERCE COMMITTEE

CS/HB 1039 by Rep. Snyder
Establishment and Administration of a State Cryptocurrency Reserve

AMENDMENT SUMMARY
February 24, 2026

Amendment #635237 by Rep. Snyder (strike-all):

- Clarifies that the reserve shall be a fund assigned to the State Board of Administration.
- Provides an objective for the reserve, which is capital preservation and growth that aligns with broad market exposure to investments authorized by the bill.
- Clarifies that the State Board of Administration, rather than its executive director, is responsible for administering and managing the reserve.
- Clarifies that the State Board of Administration may dispose of any cryptocurrency that is not compliant with federal or state law.
- Specifies that the bill does not create a private cause of action.
- Clarifies that the State Board of Administration must include specified information about the reserve in its annual report.
- Changes the effective date to January 1, 2027.

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 Snyder offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Section 215.987, Florida Statutes, is created to read:

215.987 State cryptocurrency reserve fund.—

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

(a) "Airdrop" means a gratuitous distribution of cryptocurrency to users of a blockchain or protocol, generally made in a broad, equitable, and nondiscretionary manner.

(b) "Board" means the State Board of Administration.

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

(d) "Committee" means the Florida Strategic Cryptocurrency Reserve Fund Advisory Committee established in this section.

(e) "Cryptocurrency" means a virtual currency that is not issued by any central authority, is designed to function as a medium of exchange, and uses encryption technology to regulate the generation of units of currency, to verify fund transfers, and to prevent counterfeiting.

(f) "Distributed ledger" means technology in which data is shared across a network that creates a public digital ledger of verified transactions or information among network participants and cryptography is used to link the data to maintain the integrity of the public ledger and execute other functions.

(g) "Fork" means a change to the protocol of a distributed ledger system which creates a separate ledger, which may result in a new cryptocurrency that shares a common transaction history with the previous cryptocurrency up to the point of change.

(h) "Governmental entity" has the same meaning as in s. 215.986(1).

(i) "Private key" means a unique element of cryptographic data used for signing transactions on blockchain.

(j) "Qualified custodian" means a state or federally chartered financial institution or other entity regulated by this state which is authorized to have custody of virtual currencies on behalf of its clients.

(k) "Qualified liquidity provider" means an entity that meets all of the following requirements:

1. Is licensed or regulated under applicable federal or state law.

2. Maintains audited financial statements prepared by a regulated auditor.

3. Has at least 5 years of experience trading in the digital assets industry.

4. Maintains an office and has registered principal in this state.

5. Has certified in a manner prescribed by the State Board of Administration that the provider meets the requirements of subparagraphs 1.-4.

(l) "Reserve" means the Florida Strategic Cryptocurrency Reserve Fund established in this section.

(m) "Secure custody solution" means a technological product or blended product and service meeting all of the following criteria:

1. The cryptographic private keys are:

a. Exclusively known by and accessible to the governmental entity or the qualified custodian.

b. Contained within an encrypted, hardware-secured environment and used only to sign and authorize cryptocurrency transactions through end-to-end encrypted channels.

c. Never stored on or accessible through a smartphone.

2. The hardware containing the cryptographic private keys is maintained in a secure data center. As used in this subparagraph, the term "secure data center" means a physical facility that maintains third-party certifications, uses certified cryptographic hardware, enforces physical and environmental security, and ensures logical isolation.

3. A multiparty governance structure for authorizing transactions is implemented, user access control is enforced, and all user-initiated actions are logged. A smartphone may be used, but only to authenticate authorized users of the secure custody solution, including through biometric authentication.

4. The provider of the technological product or blended product and service has implemented a disaster recovery protocol ensuring state access to assets if the provider becomes unavailable.

5. The technological product or blended product and service undergoes regular code audits and penetration testing, with identified vulnerabilities promptly addressed.

(2) ESTABLISHMENT; ADMINISTRATION.—

(a) The Florida Strategic Cryptocurrency Reserve Fund is established as a special fund assigned to the State Board of Administration. The objective of the Reserve is to grow the Reserve as large as possible to ensure the long term financial sovereignty of the state. The board has custody of and shall administer and manage the reserve. The reserve consists of:

1. Money transferred or deposited to the credit of the reserve by legislative appropriation.

2. Revenue that the Legislature by general law dedicates for deposit to the credit of the reserve.

3. Cryptocurrency purchased using money in or received by the reserve, including:

a. Cryptocurrency derived from the fork of a distributed ledger, the retention of which has been approved by the board; or

b. Cryptocurrency distributed pursuant to an airdrop to this state's cryptocurrency addresses, the retention of which has been approved by the board.

4. Investment earnings and interest or rewards earned on assets in the reserve.

(b) To administer and manage the reserve, the board may acquire, exchange, sell, supervise, manage, or retain authorized investments that a prudent investor exercising reasonable care, skill, and caution would acquire, exchange, sell, supervise, manage, or retain in light of the objective of the reserve, taking into consideration the investment of all the assets of the reserve rather than a single investment.

(c) The Legislature may appropriate funds for deposit to the credit of the reserve for the purposes of:

1. Investing in cryptocurrency.

2. Administering and managing the reserve.

(d) The board may spend cryptocurrency in the reserve or use the net proceed from the sale of cryptocurrency in the reserve to pay the reasonable costs associated with administering and managing the reserve. Costs and fees of the board for investment services shall be deducted from the reserve.

(e) The board may transfer money in the reserve to the State Treasury only when authorized by the Legislature in the General Appropriations Act or other law.

(f) Cryptocurrency received by the Reserve that is not compliant with applicable federal or state law may be disposed of by the board in accordance with applicable law.

(3) MARKET CAPITALIZATION REQUIREMENT.—To be eligible to be purchased for the reserve, a cryptocurrency must have an average market capitalization of at least $100 billion over the most recent 12-month period.

(4) THIRD-PARTY CONTRACTS AND PERMISSIBLE TRANSACTIONS; AUDITS.—

(a) The board may contract with one or more third-party entities for the administration or management of the reserve, including:

1. A technology provider of a secure custody solution.

2. A qualified custodian that uses a secure custody solution.

3. A qualified liquidity provider to facilitate the purchase and sale of assets in the reserve.

(b) If the board determines it is in the best interest of the reserve, the board may use derivatives.

(c) The board may contract with a certified public accountant to perform an independent audit of the reserve.

(5) FLORIDA STRATEGIC CRYPTOCURRENCY RESERVE FUND ADVISORY COMMITTEE.—

(a) There is established the Florida Strategic Cryptocurrency Reserve Fund Advisory Committee within the State Board of Administration.

(b) The committee shall be composed of the following five members as a resource to the Board of Trustees of the State Board of Administration, subject to confirmation by the Senate, as follows:

1. The executive director of the board, who shall serve as the chair.

2. Three members appointed by the board with expertise in cryptocurrency investments.

2. One member appointed by the board with expertise in digital asset security.

(c) The committee shall advise the board regarding the administration and management of the reserve, including:

1. Recommendations for valuing assets in the reserve.

2. The establishment of prudent investment policies relating to the investment objectives of and asset allocation in the reserve.

3. Recommendations for the establishment of prudent custody and security policies for the reserve.

(d) A member of the committee is not entitled to receive compensation for service on the committee.

(e) Appointed members shall serve for 4-year terms. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment.

(6) This section does not create a private cause of action related to compliance with the requirements of this section.

(7) RULEMAKING.—The State Board of Administration shall adopt rules as necessary to administer the Florida Strategic Cryptocurrency Reserve Fund.

Section 2. Paragraph (g) is added to subsection (5) of section 215.44, Florida Statutes, to read:

(g) With respect to the Florida Strategic Cryptocurrency Reserve Fund, the following information:

1. The amount of cryptocurrency held in the reserve on the last day of the preceding fiscal year.

2. An estimate of the monetary value of the cryptocurrency held in the reserve on the last day of the preceding fiscal year.

3. Any changes in the amount and estimated monetary value of cryptocurrency in the reserve during the period the cryptocurrency has been held in the reserve, disaggregated by the cryptocurrency type.

4. A description of the actions taken by the board to administer and manage the reserve during the preceding fiscal year.

Section 3. This act shall take effect January 1, 2027.

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

Remove lines 12-21 and insert:
authorizing the board to pay certain costs using the cryptocurrency in the reserve or the net proceed from the sale of cryptocurrency in the reserve; providing for investment of money in the reserve; authorizing transfer of the reserve money to the State Treasury under certain circumstances; providing requirements for cryptocurrency to be purchased for the reserve; authorizing contracts with third parties for the administration or management of the reserve; authorizing the board to use

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 1075	**COMPANION BILL:** CS/CS/SB 1014 (Mayfield)
TITLE: Municipal Utility Connections	**LINKED BILLS:** None
SPONSOR(S): Sirois and Oliver	**RELATED BILLS:** None

Committee References

Economic Infrastructure	➤	Intergovernmental Affairs	➤	Commerce
14 Y, 1 N		8 Y, 3 N, As CS		

SUMMARY

Effect of the Bill:
The bill requires a municipality to extend utility service to other municipalities or property owners located outside its municipal boundaries if certain conditions are met. The bill requires the municipality to determine if sufficient capacity exists and provides the method for a requesting municipality or property owner to challenge that determination.

The bill also revises provisions relating to rural electric cooperatives. Specifically, the bill:

- Allows notice of member meetings to be provided by e-mail and requires a longer notice period for meetings for electing trustees.
- Increases the required minimum quorum for member meetings.
- Requires each cooperative to address certain matters in its bylaws and appoint one or more inspectors to ensure accurate elections for trustees.
- Authorizes cooperatives to use an internet-based online voting system, provides requirements for the voting system, and allows members voting using such a system to count toward quorum in certain instances.

Fiscal or Economic Impact:
None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Municipal Utility Services

The bill establishes requirements related to the provision of municipal utility services to municipalities or property owners outside the municipal boundaries.

The bill requires a municipality that operates utility services to allow another municipality or property owner outside its municipal boundaries to connect with or use its utility services if each of the following conditions is met:

- The utility system has sufficient system capacity[1] to serve the requested connection without materially impairing service to existing utility customers.
- The property is not within the service territory of another water or wastewater utility, as applicable.

[1] "Capacity" in utility services refers to the maximum amount or volume of product (electricity, water, gas) that can be provided at a specific point in time under specific conditions. *See e.g.*, U.S. Energy Information Administration, *Electricity explained: Electricity generation, capacity, and sales in the United States*, https://www.eia.gov/energyexplained/electricity/electricity-in-the-us-generation-capacity-and-sales.php (last visited Feb. 17, 2026).

- The property is within one mile of a main line of the municipal utility, measured by the closest property boundary line from such main line.
- The requesting municipality or property owner agrees to pay all applicable rates and charges authorized by law.[2] (Section 1)

The bill provides that where the conditions above are not met, another municipality or a property outside municipal boundaries may still connect to the utility subject to an agreement. (Section 1)

The bill prohibits a municipality from declining to extend service to property outside of its municipal boundaries on the sole basis that the owner refuses to agree to the property's annexation by the municipality that controls the utility, unless the property is subject to an annexation agreement or developer agreement on or before July 1, 2026. (Section 1)

The bill provides that a municipality must, within 30 days after receipt of a connection application from a municipality or property owner outside its municipal boundaries, make a written capacity determination. The determination must be based on generally accepted engineering standards and current system data. (Section 1)

The bill establishes certain requirements where the municipality denies a connection request. Specifically:

- If the connection request is denied due to lack of capacity, the denial must include specific engineering findings identifying the deficient components of the system.
- A requesting municipality or property owner denied connection with or use of utility services may appeal the capacity determination to the circuit court in the county in which the municipality or property is located. The court must review the determination de novo.[3]
- If the court finds that the municipality's denial was in violation of the provisions of the bill, the court must order the connection and award the prevailing party reasonable attorney fees and court costs, unless the municipality providing utility services demonstrates by clear and convincing evidence that the denial was based on a good faith, reasonable engineering determination of insufficient capacity. (Section 1)

The bill provides that a private company or corporation granted a privilege or franchise by a municipality to operate utility services may allow connection by another municipality or property owner by agreement. (Section 1)

The bill clarifies that it does not prohibit a municipality from imposing reasonable impact fees, connection fees, or infrastructure contributions necessary to fund system expansion required for a new connection. (Section 1)

Rural Electric Cooperatives

Notice Requirements

The bill authorizes rural electric cooperatives to provide notice of member meetings by electronic mail. For any meeting at which an election of trustees or of successors to trustees will be held, the bill requires the notice to be provided not less than 30 days nor more than 45 days before the date of the meeting and to state the name or names of those nominated and certified for such elections. (Section 2)

Membership List

The bill requires the board of trustees of a cooperative, by January 1, 2027, and annually thereafter, to prepare an updated list of the names of all members showing each member's name in alphabetical order and, if applicable, the

[2] The requesting municipality or property owner must agree to pay all rates and charges imposed by the municipal utility in accordance with s. 180.191, F.S.

[3] "De novo," is a Latin term that means "anew," "from the beginning," or "afresh." A court that hears a case de novo decides the issues without reference to any conclusions or findings made by a lower or previous court. *See e.g.*, Cornell Law School, Legal Information Institute, *de novo*, https://www.law.cornell.edu/wex/de_novo (last visited Feb. 17, 2026).

voting district[4] in which each member receives service. The board of trustees must make the list available upon request of any member of the cooperative. At each meeting of members, any member or the member's proxy is entitled to inspect the list at any time during the meeting or any adjournment. (Section 2)

Quorum

The bill increases the required minimum quorum to transact business at meetings of cooperative members. The bill provides that five percent of all members constitutes a quorum, except that twenty-five percent of all members is required to constitute a quorum for any meeting at which an election of trustees is to be held. In addition to counting members that appear in person or vote by mail toward these quorum requirements, as allowed under current law, the bill allows members that vote electronically to be counted for determination of quorum. (Section 2)

Board of Trustees Elections

The bill requires a cooperative to address certain matters in its bylaws related to elections of trustees. Specifically, the bylaws must prescribe:

- A process by which members may nominate one or more individuals for election as a trustee or as a successor to a trustee.
- A process by which the board of trustees may certify that a nominee meets the qualifications for trustee set forth in Florida law and in the bylaws of the cooperative.
- A process by which a nominee who is not certified by the board may challenge the noncertification decision. (Section 3)

The bill requires a cooperative, for each meeting of members at which an election for trustees or successors to trustees is to be conducted, to appoint one or more inspectors to carry out certain duties related to the vote. An inspector may be an officer or an employee of the cooperative. The bill requires each inspector to faithfully execute the duties of inspector with strict impartiality and according to the best of the inspector's ability. The bill requires the inspector or inspectors to:

- Determine the number of votes represented at the meeting, whether in person, electronically, or by proxy;
- Determine the validity of proxy appointments and ballots, and of mail-in ballots;
- Count the votes; and
- Make a written report of the results. (Section 3)

Voting

The bill authorizes a cooperative to conduct elections electronically through an internet-based online voting system for any matter requiring a vote of members, provided that each member voting electronically consents to do so. In order to provide online voting, the cooperative must provide each member with:

- A method to authenticate the member's identity to the online voting system.
- A method to confirm, at least 14 days before the voting deadline, that the member's electronic device can successfully communicate with the online voting system.
- A method that is consistent with the election and voting procedures in the cooperative's bylaws. (Section 4)

Additionally, the bill requires that an online voting system used by a cooperative must be able to:

- Authenticate the member's identity.
- Authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.
- Transmit a receipt from the online voting system to each member who casts an electronic vote.
- Permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific member.[5]
- Store and keep electronic ballots accessible for recount, inspection, and review purposes. (Section 4)

[4] Section 425.11, F.S., provides circumstances and conditions under which a cooperative's service territory may be divided into two or more voting districts.

[5] This provision applies only if a cooperative's bylaws provide for secret ballots for the election of trustees.

The bill provides that a member voting electronically must be counted as being in attendance at the meeting for purposes of determining a quorum but that when a quorum is established based on members voting electronically, no substantive vote of the members may be taken on any issue other than the issues specifically identified in the electronic vote. (Section 4)

The bill requires that online voting be approved by a resolution of the board of trustees of the cooperative and requires that notice of a meeting at which the board resolution will be considered must be given to each member in accordance with the notice requirements for member meetings. The bill also provides that if at least 25 percent of the members petition the board of trustees to adopt a resolution for electronic voting for the next scheduled election, the board must hold a meeting within 21 days after receipt of the petition to adopt such resolution. The resolution approving online voting must:

- Provide that members receive notice of the opportunity to vote through an online voting system;
- Establish reasonable procedures and deadlines for members to consent, electronically or in writing, to online voting; and
- Establish reasonable procedures and deadlines for members to opt out of online voting after giving consent. (Section 4)

The bill provides that a member's consent to online voting is valid until the member opts out of online voting pursuant to the procedures established by the board of trustees. (Section 4)

The bill provides an effective date of July 1, 2026.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Local Government Authority

Pursuant to s. 2(b), Art. VIII of the State Constitution, municipalities have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services. Municipalities may exercise any power for municipal purposes, except when expressly prohibited by law.[6] The legislative body of each municipality has the power to enact legislation on any subject upon which the state Legislature may act with certain exceptions.[7] Under their home rule power and as otherwise provided or limited by law or agreement, municipalities may provide utilities to citizens and entities within the municipality's corporate boundaries, in unincorporated areas, and even in other municipalities.

Municipal Utility Services

Many municipalities own and operate electric utilities and natural gas utilities and govern the operation of those utilities through ordinance, code, or policies. Currently, there are 35 municipal electric utilities in the state and 27 municipally owned natural gas utilities.[8] Municipal electric and natural gas utility rates are not directly regulated by the Florida Public Service Commission (PSC), however, the PSC does have jurisdiction over municipal electric utilities for matters related to rate structure, power plant transmission line site certification, general reporting

[6] Section 166.021(2), F.S., provides that any activity or power which may be exercised by the state or its political subdivisions is considered a municipal purpose.
[7] Pursuant to s. 166.021(3), F.S., a municipality may not enact legislation on the following: the subjects of annexation, merger, and exercise of extraterritorial power, which require general law or special law; any subject expressly prohibited by the constitution; any subject expressly preempted to state or county government by the constitution or by general law; and any subject preempted to a county pursuant to a county charter adopted under the authority of the State constitution.
[8] Florida Public Service Commission (PSC), *Facts and Figures of the Florida Utility Industry (2025)*, at pages 1, 14, available at https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/General/FactsAndFigures/April%202025.pdf (last visited Feb. 17, 2026).

jurisdiction, service territory and territory disputes, energy efficiency reporting, ten-year site plans, reporting on system hardening and resiliency, reporting on net metering, audits related to regulatory assessment fees, monitoring renewable energy, reporting on facilities inspection and vegetation management, and ensuring a reliable, coordinated power grid.[9] Many of these utilities provide service to customers located outside of the municipality's boundaries.[10]

Municipalities are authorized by general law to provide water and sewer utility services.[11] With respect to public works projects, including water and sewer utility services,[12] municipalities may extend and execute their corporate powers outside of their corporate limits as "desirable or necessary for the promotion of the public health, safety and welfare."[13] A municipality may not extend or apply these corporate powers within the corporate limits of another municipality.[14] In general, however, local governments may enter into mutually advantageous agreements to provide services or facilities to other localities.[15] Further, the law specifically authorizes a municipality to negotiate agreement to terms and conditions upon which any other municipality and the owners of lands outside its corporate limits or within the limits of another municipality may connect with its utility services.[16] Municipal water and sewer utility systems are exempt from PSC jurisdiction.

Florida law authorizes a municipality that operates a water or sewer utility outside of its municipal boundaries to impose higher rates, fees, and charges on customers receiving service outside of its corporate boundaries compared those imposed on customers within its boundaries. The municipality can accomplish this in two ways:

- It may add a surcharge of up to 25 percent of the rates, fees, and charges imposed on customers within its boundaries. This mechanism does not require a public hearing.[17]
- It may set separate rates, fees, and charges for customers outside its boundaries based on the same factors used to set rates for customers within its boundaries. It may then add a surcharge of up to 25 percent of these charges, provided that the total of all such rates, fees, and charges for service to customers outside its boundaries may not exceed the total charges to customers within its boundaries by more than 50 percent for corresponding service. Rates set in this manner require a public hearing at which all users served or to be served by the water or sewer utilities and all other interested persons will have an opportunity to be heard concerning the proposed rates.[18]

Trial Courts

The State Constitution establishes a two-tier system of trial courts granting distinct jurisdiction to county courts and to circuit courts.[19] County courts have limited jurisdiction set by statute and hear matters such as traffic offenses, landlord-tenant disputes, small claims cases up to $8,000, misdemeanor criminal matters, local

[9] Presentation on *Florida Public Power*, Florida Municipal Electric Association (Feb. 9, 2023), slide 3, available at https://www.flhouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3226&Session=2023&DocumentType=Meeting+Packets&FileName=ecc+2-9-23.pdf (last visited Feb. 17, 2026).
[10] S. 367.022(2), F.S.
[11] Pursuant to s. 180.06, F.S., a municipality may "provide water and alternative water supplies;" "provide for the collection and disposal of sewage, including wastewater reuse, and other liquid wastes;" and "construct reservoirs, sewerage systems, trunk sewers, intercepting sewers, pumping stations, wells, siphons, intakes, pipelines, distribution systems, purification works, collection systems, treatment and disposal works" to accomplish these purposes.
[12] Other public works projects authorized under s. 180.06, F.S., include alternative water supplies, maintenance of water flow and bodies of water for sanitary purposes, garbage collection and disposal, airports, hospitals, jails, golf courses, gas plants and distribution systems, and related facilities.
[13] S. 180.02(2), F.S.
[14] *Id.*
[15] *See* s. 163.01, F.S.
[16] S. 180.19, F.S.
[17] S. 180.191(1)(a), F.S.
[18] S. 180.191(1)(b), F.S.
[19] Art. V, ss. 5 and 6, Fla. Const.

government ordinance violations, and monetary disputes up to $50,000.[20] There are 67 county courts, one for each county in the state.[21] Circuit courts, meanwhile, have general jurisdiction to hear all matters not within the county courts' jurisdiction, including dissolution of marriage and other "family law" proceedings, felony criminal matters, juvenile delinquency and dependency proceedings, probate proceedings, guardianship matters, and monetary disputes over $50,000.[22] There are 20 circuit courts in Florida, one for each judicial circuit.[23]

Rural Electric Cooperatives

Rural electric cooperatives[24] are electric utilities that are owned by their members.[25] 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.[26]

Rural electric cooperatives have their origin in the Rural Electrification Act of 1936 (REA),[27] signed by President Franklin D. Roosevelt as part of his "New Deal" policy.[28] At the time, about 90 percent of urban areas had electricity, while only ten percent of farms did.[29] The REA provided federal loans for the installation of electrical systems in rural areas, and empowered local farmers, residents, and businesses to join together to create their own electric utilities.[30] The first cooperative electric companies in Florida were incorporated in 1937.[31]

As of 2025, there were eighteen rural electric cooperatives in Florida, operating in 57 of Florida's 67 counties and having a total membership of more than 2.7 million customers.[32] 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.[33]

In addition to providing electric service, cooperatives in Florida are authorized to own and operate water and sewer systems.[34] To promote economic development, a cooperative may provide any energy or nonenergy services to its membership.[35]

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[20] Office of the State Courts Administrator, *Trial Courts – County,* https://www.flcourts.gov/Courts-System/Court-Structure/Trial-Courts-County (last visited Feb. 17, 2026).
[21] *Id.*
[22] Office of the State Courts Administrator, *Trial Courts - Circuit*, https://www.flcourts.gov/Courts-System/Court-Structure/Trial-Courts-Circuit (last visited Feb. 17, 2026).
[23] *Id.*
[24] 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."
[25] 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."
[26] University of Wisconsin Center for Cooperatives, *Research on the Economic Impact of Cooperatives*, https://reic.uwcc.wisc.edu/electric/ (last visited Feb. 17, 2026).
[27] The Rural Electrification Act of 1936, Pub. L. No. 74-432, 49 Stat. 1363, (May 20, 1936), codified at 7 U.S.C. §§ 901-18.
[28] Living New Deal, Jonathan Shipley, *A Light Went On: New Deal Rural Electrification Act*, Dec. 5, 2020, https://livingnewdeal.org/a-light-went-on-new-deal-rural-electrification-act/ (last visited Feb. 17, 2026).
[29] *Id.*
[30] *Id.*; Florida Electric Cooperative Association (FECA), *Our History*, https://feca.com/our-history/ (last visited Feb. 17, 2026).
[31] FECA, *Our History*, *supra* note 30.
[32] PSC, *Facts & Figures of the Florida Utility Industry 2025*, *supra* note 8 at p. 1; FECA, *Our History*, *supra* note 30.
[33] FECA, *Our History*, *supra* note 30.
[34] S. 425.04(4), F.S.
[35] S. 425.04(17), F.S.

Cooperative Bylaws

Each rural electric cooperative is required to adopt bylaws that set forth the rights and duties of its members and trustees consistent with Florida law.[36] The original bylaws of a cooperative are adopted by the board of trustees, but subsequent adoption, amendment, or repeal of bylaws requires a vote by the members of the cooperative.[37]

Member Meetings

Each cooperative is required to hold an annual member meeting, at such time and place as provided in the bylaws.[38] Special meetings may be called by the board of trustees, by any three trustees, by not less than 10 percent of the members, or by the president of the cooperative.[39] At least 10 days before the meeting, but not less than 45 days before the meeting, a cooperative must provide written or printed notice, either personally or by mail, stating the time and place of each meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.[40]

One percent of all members of the cooperative, present in person, constitutes a quorum for the transaction of business at meetings, unless the bylaws prescribe a greater percentage for a quorum.[41] If the bylaws permit voting by proxy or by mail, members so voting are counted as present in person for determination of a quorum for the matters listed and identified on the mail ballot or proxy.[42]

Member Votes

Any motion or matter before a meeting of the members must be approved by a majority of the quorum.[43] Each member is entitled to one vote on each matter submitted to a vote at a meeting, and a cooperative may permit voting in person, by mail through an absentee ballot, or by limited proxy,[44] but a cooperative may not allow voting by general proxy.[45]

If a cooperative permits voting by limited proxy, a member must record his or her vote for or against the issue or issues specifically listed on the proxy.[46] No person may vote as proxy for more than three members at any meeting of the members except as otherwise permitted in the bylaws.[47] Additionally, no limited proxy is valid for a period longer than 90 days after the date of the first meeting for which the proxy is given, and every proxy is revocable, at any time, at the pleasure of the member executing it.[48]

Board of Trustees

Each cooperative is governed by a board of not less than five trustees elected by the cooperative's membership.[49] A trustee must be a member of the cooperative, or of another cooperative that is a member of the cooperative, for which he or she serves as trustee.[50] The bylaws must prescribe the number of trustees and their qualifications,

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[36] S. 425.08, F.S.
[37] *Id.*
[38] S. 425.09(2), (4), F.S.
[39] S. 425.09(3), F.S.
[40] S. 425.09(5), F.S.
[41] S. 425.09(6), F.S.
[42] S. 425.09(6), F.S.
[43] S. 425.09(6), F.S.
[44] A limited proxy is one on which a member has recorded a vote for or against an issue or issues specifically listed on the proxy. S. 425.09(7), F.S. By contrast, a general proxy allows a proxy holder to vote however he or she sees fit on any matter that may be considered meeting. *See, e.g.,* Fla. Dep't of Prof. Regulation, *What is the difference between a general proxy and a limited proxy?*, updated Sep. 2, 2025, https://myfloridalicense.custhelp.com/app/answers/detail/a_id/2039/~/what-is-the-difference-between-a-general-proxy-and-a-limited-proxy%3F (last visited Feb. 17, 2026).
[45] S. 425.09(6)-(7), F.S.
[46] S. 425.09(7), F.S.
[47] *Id.*
[48] *Id.*
[49] S. 425.10(1), F.S.; FECA, *Our History*, *supra* note 30.
[50] S. 425.10(1), F.S. Some rural electric cooperatives are comprised of member cooperatives rather than individual customers. For example, Seminole Electric Cooperative is a generation and transmission cooperative whose member organizations are

other than those provided for by law, as well as the manner of holding meetings of the board of trustees and of the election of trustees and their successors in the case of vacancies.[51]

Each trustee holds office for the term for which he or she was elected until the next following annual meeting of the members or until their successors are elected and qualified.[52] At each annual meeting or, in case of failure to hold the annual meeting as specified in the bylaws, at a special meeting called for that purpose, the members must elect trustees to hold office until the next following annual meeting of the members, except as otherwise provided by law.[53] The bylaws may provide that, rather than electing the whole number of trustees annually, the trustees may be divided into three classes serving three-year terms, with the terms of one class expiring at each succeeding annual meeting.[54]

Florida law also provides that the bylaws of a cooperative may divide the territory in which it supplies electric energy to its members into two or more voting districts.[55] For each such district, the bylaws may provide that:

- A designated number of trustees must be elected by the members residing therein; or
- A designated number of delegates must be elected by such members; or
- Both such trustees and delegates must be elected by such members.[56]

If a cooperative establishes such districts, the bylaws may prescribe the manner in which a voting district, its members, and any delegates and trustees elected therefrom shall function. The bylaws may also prescribe the powers of the delegates, which may include the power to elect trustees. No member at any voting district meeting and no delegate at any meeting may vote by proxy or by mail.[57]

Online Voting Systems

In 2015, Florida law authorized condominium associations, cooperative property associations, and homeowners' associations to conduct elections and other membership votes through an internet-based online voting system if a member consents, electronically or in writing, to online voting.[58] In order to provide online voting, the association must provide each member with:

- A method to authenticate the member's identity to the online voting system.
- A method to confirm, at least 14 days before the voting deadline, that the member's electronic device can successfully communicate with the online voting system.
- A method that is consistent with the election and voting procedures in the association's bylaws.[59]

An online voting system used by such associations must be:

- Able to authenticate the member's identity.
- Able to authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.
- Able to transmit a receipt from the online voting system to each member who casts an electronic vote.

retail distribution cooperatives. Seminole Elec. Coop., Inc., *About*, https://www.seminole-electric.com/about/ (last visited Feb. 17, 2026).

[51] S. 425.10(1), F.S.

[52] S. 425.10(2), F.S.

[53] *Id.*

[54] S. 425.10(3), F.S.

[55] S. 425.11, F.S.

[56] *Id.*

[57] *Id.*

[58] Ss. 718.128, 719.129, and 720.317(1), F.S.

[59] Ss. 718.128(1), 719.129(1), and 720.317(1)(a), F.S. Condominium associations must also provide, for elections of the board, a method to transmit an electronic ballot to the online voting system that ensures the secrecy and integrity of each ballot. S. 718.128(1)(b), F.S.

- Able to permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific member.[60]
- Able to store and keep electronic ballots accessible to election officials for recount, inspection, and review purposes.[61]

Online voting offers benefits over in-person or mail-in voting, such as reduced costs, increased member participation, increased accuracy compared to paper votes, decreased meeting times, and improved efficiency in voting and inspections.[62] Some online voting system providers advertise as having products specifically designed to comply with Florida law to allow members in condominium, cooperatives, and homeowners' associations to cast their votes online.[63]

Elections Inspectors

An inspector of elections serves as a manager or referee in public or private elections. In Florida election law, each polling place is managed by a board of inspectors, and ch. 101, F.S., prescribes certain duties of inspectors related to conducting the election, such as verifying voter identification and keeping a list of registered voters available for designated poll watchers.[64]

Additionally, Florida law authorizes all private corporations, and requires some, to appoint one or more inspectors to act at a meeting of shareholders in connection with determining voting results.[65] These inspectors must:

- Ascertain the number of shares outstanding and the voting power of each;
- Determine the shares represented at a meeting;
- Determine the validity of proxy appointments and ballots;
- Count the votes; and
- Make a written report of the results.[66]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 1523 - Utility Services	Busatta	Died in Senate

[60] This requirement applies to condominium associations and cooperative property associations for elections of the board of administration, and to a homeowners' association if its bylaws provide for secret ballots for the election of directors.
[61] Ss. 718.128(2), 719.129(2), and 720.317(1)(b), F.S.
[62] Ben Solomon, Fla. Cmty. Ass'n Prof'ls, *Everything You Need to Know about Electronic (Online) Voting in Florida*, Oct. 2019, https://www.fcapgroup.com/flcaj/flcaj-articles/everything-you-need-to-know-about-electronic-online-voting-in-florida/ (last visited Feb. 17, 2026).
[63] *See, e.g.*, eVoteMAX, https://evotemax.com/ (last visited Feb. 17, 2026); CondoVoter, https://www.condovoter.com/florida-homeowner-association-elections (last visited Feb. 17, 2026).
[64] *See* ss. 101.043, 101.23, and 101.71, F.S.
[65] S. 607.0729(1), F.S.
[66] S. 607.0729(2), F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	14 Y, 1 N	1/28/2026	Keating	Rubottom
Intergovernmental Affairs Subcommittee	8 Y, 3 N, As CS	2/12/2026	Darden	Burgess
THE CHANGES ADOPTED BY THE COMMITTEE:	• Revised requirements for which properties must be allowed to connect to municipal utilities. • Provided that a municipality may not require annexation as a condition of providing utility service to a property. • Revised provisions relating to rural electric cooperatives' notice requirements, quorum, and electronic voting.			
Commerce Committee			Hamon	Rubottom

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

A bill to be entitled

An act relating to utilities; amending s. 180.19, F.S.; requiring municipalities that operate utility services to allow other municipalities and property owners outside its municipal boundaries to connect with and use the utility services under specified conditions; prohibiting municipalities that operate utility services from denying requests by property owners outside its municipal boundaries to connect with or use the utility services based on specified criteria; providing an exception; requiring municipalities to make certain determinations within a specified timeframe; providing for appeal of such determinations; providing for the award of attorney fees and court costs; providing that municipalities are not liable for such fees and costs under certain conditions; providing construction; amending s. 425.09, F.S.; authorizing notices for rural electrical cooperative board of trustees meetings to be delivered by e-mail; revising notice requirements for meetings during which elections will occur; requiring the board of trustees, beginning on a specified date, to annually prepare a list of cooperative members and to make the list available for certain inspection; revising quorum requirements; authorizing electronic

voting; amending s. 425.10, F.S.; requiring the bylaws of rural electrical cooperatives to include specified provisions relating to the nomination of members for election to the board of trustees; requiring the appointment of election inspectors; providing duties of election inspectors; creating s. 425.30, F.S.; authorizing rural electric cooperatives to conduct elections and membership votes through electronic voting under certain conditions; requiring members voting electronically to be counted for quorum purposes; prohibiting substantive votes when a quorum is based on the number of members voting electronically; requiring electronic voting to be authorized by a resolution of the board of trustees; providing requirements for such resolutions; providing for members to consent to and opt out of electronic voting; providing applicability; providing for cooperative members to petition the board of trustees to adopt electronic voting; providing an effective date.

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

Section 1. Section 180.19, Florida Statutes, is amended to read:

180.19 Use by other municipalities and by individuals outside corporate limits.—

(1)(a) A municipality that operates utility services ~~which constructs any works as are~~ authorized under ~~by~~ this chapter shall allow a~~, may permit any other~~ municipality or property owner ~~and the owners or association of owners of lots or lands~~ outside of its municipal boundaries ~~corporate limits or within the limits of any other municipality,~~ to connect with or use the utility services if:

1. The utility system has sufficient treatment, transmission, and distribution capacity to serve the requested connection without materially impairing service to existing utility customers;

2. The property is not within the service area of another water or wastewater utility, as applicable;

3. The property is within 1 mile of a main line of the utility system, measured by the closest property boundary line from the main line; and

4. The requesting municipality or property owner agrees to pay all applicable rates, fees, and charges authorized under s. 180.191.

(b) If the conditions in paragraph (a) are not met, connection with or use of the utility services are ~~utilities mentioned in this chapter~~ upon such terms and conditions as may be agreed between the ~~such~~ municipalities or the municipality

and the property owner~~, and the owners or association of owners of such outside lots or lands~~.

(c) A municipality that operates utility services may not deny a request for connection with or use of utility services by a property owner outside of its municipal boundaries on the sole basis that the property owner refuses to assent or otherwise consent to the property being annexed by the municipality, unless the property is subject to an annexation agreement or developer agreement on or before July 1, 2026.

(2)(a) A municipality that operates utility services must make a written capacity determination within 30 days after receipt of a completed application for connection from a municipality or property owner under subsection (1). The determination must be based on generally accepted engineering standards and current system data. A denial of connection with or use of utility services due to a lack of capacity must include specific engineering findings identifying the deficient components of the system.

(b) A requesting municipality or property owner denied connection with or use of utility services may appeal the capacity determination to the circuit court in the county in which the municipality or property is located. The court must review the determination de novo.

(c) If the court finds that the municipality refused to allow the connection in violation of this subsection, the court

must order the connection and award the prevailing party reasonable attorney fees and court costs to be paid by the municipality operating the utility services.

(d) The municipality operating the utility services is not liable for attorney fees or court costs under paragraph (c) if the municipality demonstrates by clear and convincing evidence that the denial was based on a good faith, reasonable engineering determination of insufficient capacity.

(3) ~~(2)~~ Any private company or corporation organized to accomplish the purposes of ~~set forth in~~ this chapter that~~, which~~ has been granted a privilege or franchise by a municipality to operate utility services~~,~~ may allow a municipality or property owner ~~permit the owners or association of owners of lots or lands~~ outside of the boundaries of the granting ~~said~~ municipality ~~granting said privilege or franchise, or other municipality,~~ to connect with and use the utility services ~~operated by the said private company or corporation~~ upon such terms as may be agreed between the ~~said~~ private company or corporation and the ~~owners or association of owners of said lots or lands or the said~~ municipality or property owner.

(4) This section does not prohibit a municipality from imposing reasonable impact fees, connection fees, or infrastructure contributions necessary to fund system expansion required for a new connection.

Section 2. Subsections (6), (7), and (8) of section

425.09, Florida Statutes, are renumbered as subsections (7), (8), and (9), respectively, subsection (5) and present subsection (6) are amended, and a new subsection (6) is added to that section, to read:

425.09 Members.—

(5) Except as hereinafter otherwise provided, written or printed notice stating the time and place of each meeting of members, and in the case of a special meeting the purpose or purposes for which the meeting is called, must ~~shall~~ be given to each member, ~~either~~ personally, ~~or~~ by mail, or by e-mail, not less than 10 days or ~~nor~~ more than 45 days before the date of the meeting. For any meeting at which an election of trustees or successors to trustees will be held, the notice must be provided not less than 30 days or more than 45 days before the date of the meeting and must state the name or names of those nominated and certified for the election as provided in this chapter.

(6) By January 1, 2027, and annually thereafter, the board of trustees shall prepare an updated, alphabetical list of the names of all members and, if applicable, the voting district established under s. 425.11 in which each member receives service. The board of trustees shall make the list available upon request of any member of the cooperative. At each meeting of members, any member or the member's proxy is entitled to inspect the list at any time during the meeting or any adjournment.

(7) ~~(6)~~ Effective January 1, 2027, 5 ~~One~~ percent of all members, present in person, constitutes ~~shall constitute~~ a quorum for the transaction of business at all meetings of the members, except that a quorum shall be 25 percent of all members present in person at any meeting at which an election of trustees or successors to trustees will be held. ~~unless~~ The bylaws may prescribe the presence of a greater percentage of the members for a quorum. Notwithstanding the requirement that members be present in person in order to be counted in determining a quorum, the bylaws may permit voting by limited proxy, ~~or~~ by mail, or electronically through an Internet-based online voting system and members so voting shall be counted as present in person for determination of a quorum. A majority of a quorum is required to approve any motion or matter before a meeting of the members. Members voting by mail, ~~or~~ limited proxy, or electronically through an Internet-based online voting system may ~~shall~~ not be counted on any matter raised at a meeting that ~~which~~ was not specifically listed and identified on the mail ballot, ~~or~~ proxy, or Internet-based online voting system. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 3. Subsections (4), (5), and (6) of subsection (1) of section 425.10, Florida Statutes, are renumbered as subsections (5), (6), and (7), respectively, subsection (1) is

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

amended, and a new subsection (4) is added to that section, to read:

425.10 Board of trustees.—

(1) The business and affairs of a cooperative shall be managed by a board of not less than five trustees, each of whom shall be a member of the cooperative or of another cooperative which shall be a member thereof. The bylaws shall prescribe the number of trustees, their qualifications, other than those provided for in this chapter, the manner of holding meetings of the board of trustees and of the election of successors to trustees who shall resign, die, or otherwise be incapable of acting. The bylaws must prescribe a process by which members may nominate one or more individuals for election as a trustee or a successor to a trustee, a process by which the board of trustees may certify that a nominee meets the qualifications for a trustee or a successor to a trustee as set forth in the bylaws and this chapter, and a process by which a nominee who is not certified by the board of trustees may challenge the noncertification decision. The bylaws may also provide for the removal of trustees from office and for the election of their successors. Without approval of the members, trustees shall not receive any salaries for their services as trustees and, except in emergencies, shall not be employed by the cooperative in any capacity involving compensation. The bylaws may, however, provide that a fixed fee and expenses of attendance, if any, may

be allowed to each trustee for attendance at each meeting of the board of trustees and that such may be allowed for the performance of other cooperative business, provided it has prior approval of the board of trustees.

(4)(a) For each meeting of members at which an election for trustees or successors to trustees is to be conducted, a cooperative must appoint one or more inspectors to carry out the duties under paragraph (b). Each inspector must faithfully execute the duties under paragraph (b) with strict impartiality and according to the best of his or her ability. An inspector may be an officer or employee of the cooperative.

(b) An inspector must:

1. Determine the number of votes represented at the meeting, whether in person, electronically, or by proxy.

2. Determine the validity of mail-in ballots and proxy appointments and ballots.

3. Count the votes.

4. Make a written report of the results.

Section 4. Section 425.31, Florida Statutes, is created to read:

425.31 Electronic voting.—

(1) A cooperative may conduct elections and other membership votes through an Internet-based online voting system

if a member consents, electronically or in writing, to online voting and if all of the following requirements are met:

(a) The cooperative provides each member with:

1. A method to authenticate the member's identity to the online voting system.

2. A method to confirm, at least 14 days before the voting deadline, that the member's electronic device can successfully communicate with the online voting system.

3. A method that is consistent with the election and voting procedures provided in the cooperative's bylaws.

(b) The cooperative uses an online voting system that is:

1. Able to authenticate the member's identity.

2. Able to authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.

3. Able to transmit a receipt from the online voting system to each member who casts an electronic vote.

4. Able to permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific member. This subparagraph only applies if the cooperative's bylaws provide for secret ballots for the election of trustees.

5. Able to store and keep electronic ballots accessible for recount, inspection, and review purposes.

(2) A member voting electronically pursuant to this section must be counted as being in attendance at the meeting

for purposes of determining a quorum. A substantive vote of the members may not be taken on any issue other than the issues specifically identified in the electronic vote when a quorum is established based on members voting electronically pursuant to this section.

(3) This section applies to a cooperative that provides for and authorizes an online voting system pursuant to this section by a resolution of the board of trustees. The resolution must provide that members receive notice of the opportunity to vote through an online voting system; establish reasonable procedures and deadlines for members to consent, electronically or in writing to online voting; and establish reasonable procedures and deadlines for members to opt out of online voting after giving consent. Written notice of a meeting at which the resolution regarding online voting will be considered must be given to each member in accordance with the notice requirements for member meetings under s. 425.09.

(4) A member's consent to online voting is valid until the member opts out of online voting pursuant to the procedures established by the board of trustees under subsection (3).

(5) This section may apply to any matter that requires a vote of the members.

(6) If at least 25 percent of the members of a cooperative petition the board of trustees to adopt a resolution for electronic voting for the next scheduled election, the board of

trustees must hold a meeting within 21 days after receipt of the petition to adopt such resolution. The board of trustees must receive the petition within 180 days after the date of the last scheduled annual meeting.

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

Commerce Committee

CS/HB 1075 by Reps. Sirois and Oliver
Utilities

AMENDMENT SUMMARY
February 24, 2026

Amendment #511053 by Rep. Oliver (line 121):

- Adds provisions requiring a municipality that provides water or wastewater utility services to an economic development zone located outside its municipal boundaries to enter into an interlocal agreement with a county in which it provides such service under certain circumstances.
- Adds provisions prohibiting a municipality from applying certain regulations to a wastewater utility upgrade project under certain circumstances.

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 Oliver offered the following:

Amendment (with title amendment)

Remove lines 121-124 and insert:

(4)(a) A municipality that operates water or wastewater utility services outside of its municipal boundaries must enter into an interlocal agreement pursuant to s. 163.01 with a county in which it provides such service if all of the following conditions are met:

1. The county has designated an area located outside such municipal boundaries but within the county as an economic development zone;

2. The economic development zone is located entirely or partially within the municipal utility's service territory; and

3. The economic development zone is geographically surrounded by unincorporated area of the county, except that a portion of its boundary may abut the municipal boundary of the municipality.

(b) The interlocal agreement must address the provision of water and wastewater services to the entire economic development zone to ensure, to the maximum extent practicable, the provision of safe, efficient, and sufficient service to meet current and forecasted needs of the economic development zone. The agreement must, at a minimum:

1. Define service and maintenance responsibilities for facilities and infrastructure required to provide such services, including all necessary supporting infrastructure;

2. Establish and define responsibilities for capacity planning, infrastructure expansion, and cost allocation for the investments needed to provide such services;

3. Provide timelines and permitting procedures to ensure the timely and reliable delivery of such services; and

4. Include procedures for amending the agreement and for dispute resolution to prevent unreasonable delay in the provision of such services.

(c) The interlocal agreement must be executed within 12 months after the effective date of this act or within 12 months after the designation of the economic development zone, whichever occurs later.

(d) An extension of utility service made pursuant to an interlocal agreement under this subsection is not subject to any other provision of this section related to the establishment of a new agreement for extension of service.

(5) This section does not prohibit a municipality from imposing reasonable impact fees, connection fees, or infrastructure contributions necessary to fund system expansion required for a new connection.

Section 2. Section 166.0487, Florida Statutes, is created to read:

166.0487 Limitation on municipal regulation of wastewater utility infrastructure on property owned by another political subdivision.--

(1) As used in this section:

(a) "Wastewater utility upgrade project" means a project to improve the operation or efficiency or to expand the capacity of existing wastewater utility infrastructure in a manner intended, in whole or in part, to prevent or reduce pollution.

(b) “Wastewater utility infrastructure” includes wastewater treatment plants, lift stations, vacuum stations, pump stations, and appurtenances.

(2) A municipality may not apply a comprehensive plan amendment or a land use regulation, including, but not limited to a land development regulation, setback requirement, lot size requirement, or use restriction, to a wastewater utility upgrade

project proposed by another political subdivision that owns the property on which the infrastructure is located when all of the following conditions are met:

(a) The existing wastewater utility infrastructure is located within the municipal boundaries of the municipality applying the land use regulation;

(b) The land use regulation is more burdensome or restrictive than the regulations that applied at the time the infrastructure was originally installed and would prevent, hinder, obstruct, or increase the cost of the proposed wastewater utility upgrade project; and

(c) The wastewater utility infrastructure is owned or operated by:

1. The political subdivision that owns the property;

2. A private firm operating under a wastewater facility privatization contract as provided in part III of chapter 153; or

3. A private company operating under a franchise granted by a municipality as provided in chapter 180.

(3) The prohibition of subsection (1) does not apply to any property that:

(a) Does not have any wastewater utility infrastructure installed at the time the land use regulation is adopted by the municipality, and

(b) Would be acquired or developed for wastewater utility purposes by another political subdivision as part of the proposed wastewater utility upgrade project.

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

Remove line 17 and insert:
conditions; requiring municipalities that operate water and wastewater utility services to negotiate interlocal agreements with counties under certain conditions; providing minimum requirements for such agreements; establishing a deadline for executing such agreements; providing construction; creating s. 166.0487, F.S.; providing definitions; prohibiting a municipality from applying certain regulations to wastewater utility upgrade projects under specified circumstances; amending s.

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/CS/CS/HB 1093	**COMPANION BILL:** CS/SB 1362 (Harrell)
TITLE: Vertiports	**LINKED BILLS:** None
SPONSOR(S): Spencer and Alvarez, J.	**RELATED BILLS:** None

Committee References

Economic Infrastructure	Ways & Means	Transportation & Economic Development Budget	Commerce
14 Y, 1 N, As CS	18 Y, 0 N, As CS	13 Y, 0 N, As CS	

SUMMARY

Effect of the Bill:
The bill amends Florida law to specifically include vertiports and charging systems as qualifying projects for funding under public-private partnerships between state and private entities.

The bill authorizes the Florida Department of Transportation (FDOT) to fund all of the project costs of a public vertiport if federal funds are not available. If federal funds are available, FDOT may fund up to 80 percent of the nonfederal share of the project costs.

Fiscal or Economic Impact:
The bill authorizes, but does not necessarily require, additional funding within the Work Program or other existing department operational resources. The bill authorizes FDOT to fund 100 percent of the project costs of a public vertiport. If FDOT elects to fund vertiport projects it is anticipated these expenditures will be absorbed within available Work Program revenues.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill amends Florida law to specifically include vertiports and charging systems as qualifying projects for funding under public-private partnerships between state and private entities. (Section 1)

The bill authorizes the Florida Department of Transportation (FDOT) to fund all of the project costs of a public vertiport if federal funds are not available. If federal funds are available, FDOT may fund up to 80 percent of the nonfederal share of the project costs. (Section 2)

The bill provides an effective date of July 1, 2026. (Section 3)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill authorizes, but does not necessarily require, additional funding within the Work Program or other existing department operational resources.

The bill authorizes FDOT to fund 100 percent of the project costs of a public vertiport. If FDOT elects to fund vertiport projects it is anticipated these expenditures will be absorbed within available Work Program revenues.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Advanced Air Mobility

Advanced air mobility (AAM) is an umbrella term for aircraft that are typically highly automated, electrically powered, and have vertical take-off and landing capability.[1]

Numerous uses for AAM are being explored, including air taxi, air cargo, and public services. Air taxis feature passenger transportation within and around urban and regional areas, including routes connecting city centers to airports or to neighboring city centers. Air cargos uses feature cargo transportation supporting the middle-mile of logistics, generally seen as from the cargo port to the distribution center. Public service uses, such as search and rescue, disaster relief, and air ambulance operations are other catalysts for innovation in AAM.

FDOT is currently laying the groundwork to build an intercity AAM "Aerial Highway Network" to connect major metropolitan areas across Florida.[2] In addition to performing research and development at its SunTrax test facility to accelerate operational viability, FDOT is developing custom curriculums to establish unique requirements for licensing to safely operate within the AAM Network.[3]

SunTrax, located in Polk County, has been designated as the research and development testing hub of the Florida's AAM program.[4] Early development phases of vertiport demonstration will consist of a passenger terminal, at-grade vertiports, access roads with vehicle staging, eVTOL parking positions and charging station, and a research and development hangar.[5]

eVTOL Aircraft

The term "electric vertical takeoff and landing (eVTOL) aircraft" is not defined in Florida law. However, the term eVTOL aircraft generally refers to electric-powered aircraft that vertically take off and land. Similar to a helicopter, eVTOL aircraft hover and fly and are typically designed to carry two to six people, including a pilot.[6]

Vertiports

Generally, a vertiport is an area of land, water, or structure used, or intended to be used, to support the landing, takeoff, taxiing, parking, and storage of powered-lift aircraft or other aircraft that vertiport design and performance standards established by the FAA can accommodate.[7]

For the purposes of applying to the Florida Department of Commerce for funding to develop vertiports, Florida law currently defines the term "vertiport" as "a system or infrastructure with supporting services and equipment used for landing, ground handling, and takeoff of manned or unmanned vertical takeoff and landing (VTOL) aircraft."[8]

Florida Airport Development and Assistance Act

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[1] Federal Aviation Administration, *Advanced Air Mobility: Air Taxis*, https://www.faa.gov/air-taxis (last visited Jan. 27, 2026).
[2] Florida Department of Transportation, *From the Ground to the Skies: Florida's Aerial Highway Network*, November 2025. Available at https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/aviation/aam/fdot-2025-advanced-mobility_strategy.pdf?sfvrsn=19eb551c_1 (last visited Jan. 27, 2026).
[3] *Id*.
[4] Central Florida Development Council, SunTrax Named Florida's Home for Advanced Air Mobility, Positioning Polk as Statewide Innovation Leader, https://www.cfdc.org/suntrax-named-floridas-home-for-advanced-air-mobility-positioning-polk-as-statewide-innovation-leader/ (last visited Jan. 23, 2026).
[5] SunTrax Air, https://suntraxfl.com/suntrax-air/ (last visited Jan. 23, 2026).
[6] Matthew Urwin, *Electricity-powered flying taxis are almost ready for liftoff*, December 3, 2024, available at: https://builtin.com/articles/evtol-aircraft (last visited Jan. 23, 2026).
[7] Federal Aviation Administration, *Advanced Air Mobility Infrastructure*, https://www.faa.gov/airports/new_entrants/aam_infrastructure (last visited Jan. 27, 2026).
[8] S. 288.102(d), F.S.

The Florida Airport Development and Assistance Act (FADAA)[9] provides FDOT with certain statutory duties regarding aviation development and assistance. These duties include providing financial and technical assistance to airports[10] and encouraging the maximum allocation of federal funds to local airport projects.[11]

For purposes of the FADAA, the term "public-use airport" means any publicly owned airport which is used or to be used for public purposes.[12] Further, the term "eligible agency" means a political subdivision of the state or an authority which owns or seeks to develop a public-use airport.[13]

FDOT's annual legislative budget request for aviation and airport development projects is based on the funding required for development projects in its aviation and airport work program. DOT must prioritize funding to support the planning, design, and construction of proposed projects by local sponsors, with special emphasis on projects for runways and taxiways, including the painting and marking of runways and taxiways, lighting, other related airside activities, and airport access transportation facility projects on airport property.[14]

FDOT is authorized to fund certain aviation and airport-related projects, subject to certain requirements and limits on airport funding from the State Transportation Trust Fund (STTF). Requirements can be based on the airport type, availability of federal funds, project type, and size of the airport.[15]

Public-private Partnerships

Public-private partnerships (P3s) are contractual arrangements between public entities and private sector entities[16] that facilitate increased private sector involvement in the funding and execution of public building and infrastructure projects.[17] These agreements enable the collaboration of skills and assets from both public and private sectors to provide services or facilities for the benefit of the general public.

Responsible public entities (RPEs)[18] may engage in P3 projects aimed at developing an extensive array of public-use facilities or projects that fulfill a public purpose. Examples of qualifying projects[19] include those for mass transit, vehicle parking, airports or seaports, educational facilities, and public sector buildings or complexes such as courthouses or city halls. RPEs must adhere to specific requirements, including protocols for reviewing and approving proposals.

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[9] S. 332.003, F.S., through s. 332.007, F.S.
[10] S. 332.006(4), F.S.
[11] S. 332.006(8), F.S.
[12] S. 332.004(14), F.S.
[13] S. 332.004(7), F.S.
[14] S. 332.007(4)(a), F.S.
[15] S. 332.007(7), F.S.
[16] "Private entity" means any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other private business entity. S. 255.065(1)(g), F.S.
[17] S. 255.065(2)(b), F.S.
[18] "Responsible public entity" means a county, municipality, school district, special district, or any other political subdivision of the state; a public body corporate and politic; or a regional entity that serves a public purpose and is authorized to develop or operate a qualifying project. S. 255.065(1)(j), F.S.
[19] "Qualifying project" means a facility or project that serves a public purpose; an improvement, including equipment, of a building that will be principally used by a public entity or the public at large or that supports a service delivery system in the public sector; a water, wastewater, or surface water management facility or other related infrastructure; or projects that involve a facility owned or operated by the governing board of a county, district, or municipal hospital or health care system, or projects that involve a facility owned or operated by a municipal electric utility, only those projects that the governing board designates as qualifying projects. S. 255.065(1)(i), F.S.

Federal Airport Investment Partnership Program

The federal Airport Investment Partnership Program,[20] authorizes private companies to own, manage, lease, and develop public airports. Public airport sponsors and private operators may jointly manage an airport. The airport owner or leaseholder may be exempt from repayment of federal grants, return of property acquired with federal assistance, and the use of proceeds from the airport's sale or lease to be used exclusively for airport purposes.[21]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	14 Y, 1 N, As CS	1/28/2026	Keating	Dallas
THE CHANGES ADOPTED BY THE COMMITTEE:	• Provided that vertiports that are collocated with a public airport are entitled to sovereign immunity to the same extent as a public airport operator. • Provided for future legislative review and repeal of the bill's liability immunity provisions.			
Ways & Means Committee	18 Y, 0 N, As CS	2/2/2026	Aldridge	Kurtz
THE CHANGES ADOPTED BY THE COMMITTEE:	Removed the language creating a sales tax exemption for specified eVTOL expenses			
Transportation & Economic Development Budget Subcommittee	13 Y, 0 N, As CS	2/18/2026	Davis	McAuliffe
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed the language providing sovereign immunity protections for operators of vertiports collocated with public airports. • Removed the language providing preemption over specified aspects of vertiport regulation and operations. • Removed the requirement that FDOT adopt model vertiport siting code. • Removed the establishment of vertiport demonstration corridors by FDOT.			
Commerce Committee			Hamon	Dallas

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

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[20] 49 U.S.C. s. 47134, the program was previously known as the Airport Privatization Pilot Program.
[21] Federal Aviation Administration, *Airport Investment Partnership Program*, formerly Airport Privatization Pilot Program, https://www.faa.gov/airports/airport_compliance/privatization (last visit Jan. 23, 2026).

A bill to be entitled

An act relating to vertiports; amending s. 255.065, F.S.; revising the definition of the term "qualifying project"; amending s. 332.007, F.S.; revising the definition of the term "airport infrastructure"; authorizing the Department of Transportation to fund up to specified percentages of public vertiport project costs; providing an effective date.

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

Section 1. Paragraph (i) of subsection (1) of section 255.065, Florida Statutes, is amended to read:

255.065 Public-private partnerships.—

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

(i) "Qualifying project" means:

1. A facility or project that serves a public purpose, including, but not limited to, any ferry or mass transit facility, vehicle parking facility, airport or seaport facility, rail facility or project, fuel supply facility, oil or gas pipeline, medical or nursing care facility, recreational facility, sporting or cultural facility, or educational facility or other building or facility that is used or will be used by a public educational institution, or any other public facility or infrastructure that is used or will be used by the public at

large or in support of an accepted public purpose or activity;

2. An improvement, including equipment, of a building that will be principally used by a public entity or the public at large or that supports a service delivery system in the public sector;

3. A water, wastewater, or surface water management facility or other related infrastructure; ~~or~~

4. Notwithstanding any provision of this section, for projects that involve a facility owned or operated by the governing board of a county, district, or municipal hospital or health care system, or projects that involve a facility owned or operated by a municipal electric utility, only those projects that the governing board designates as qualifying projects pursuant to this section; or

5. Vertiports and charging systems.

Section 2. Paragraph (c) of subsection (2) of section 332.007, Florida Statutes, is amended, and paragraph (e) is added to subsection (6) of that section, to read:

332.007 Administration and financing of aviation and airport programs and projects; state plan.—

(2)

(c) Each commercial service airport as defined in s. 332.0075 shall establish and maintain a comprehensive airport infrastructure program to ensure the ongoing preservation of airport infrastructure and facilities in safe and serviceable

condition. For purposes of this paragraph, the term "airport infrastructure" means the facilities, systems, and structural components of an airport necessary for the safe and efficient movement of people and goods. The term includes vertiport pads, safety zones, charging systems, grid upgrades, and resilience energy systems. Beginning November 1, 2025, and annually thereafter, each commercial service airport shall provide a certification to the department, in a manner prescribed by the department, that it has established and maintains a comprehensive airport infrastructure program. The comprehensive airport infrastructure program report, and related documents and records, must be open to inspection by the department and maintained by the airport for at least 5 years. The comprehensive airport infrastructure program must, at a minimum, include all of the following:

1. Identification of airport infrastructure subject to inspection and the schedule for the completion of such inspections, taking into consideration the age, type, intended use, and criticality of the infrastructure to undisrupted commercial or cargo operations.

2. A preventative maintenance program for routine maintenance of airport infrastructure, for both commercial and cargo operations.

3. A plan to complete any necessary repairs to, or rehabilitation or reconstruction of, airport infrastructure,

including prioritization and anticipated timeframe for completion of the work.

4. A progress report of inspections and their outcomes, preventative maintenance, and previously identified repair to, or rehabilitation or reconstruction of, airport infrastructure. The progress report must include any changes in timeline for completion, changes in cost estimates, and reasons any inspection, preventative maintenance, or repair or rehabilitation did not take place.

(6) Subject to the availability of appropriated funds, the department may participate in the capital cost of eligible public-use airport and aviation development projects in accordance with the following rates, unless otherwise provided in the General Appropriations Act or the substantive bill implementing the General Appropriations Act:

(e) When federal funds are not available, the department may fund up to 100 percent of the project costs of a public vertiport. If federal funds are available, the department may fund up to 80 percent of the nonfederal share of such project costs.

Section 3. 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 #: CS/CS/HB 1177	**COMPANION BILL:** SB 1512 (Burgess)
TITLE: Spaceport Operations and Space Florida	**LINKED BILLS:** HB 1179 Sirois
SPONSOR(S): Sirois	**RELATED BILLS:** None

Committee References

Ways & Means 18 Y, 1 N, As CS	➤ Transportation & Economic Development Budget 13 Y, 0 N, As CS	➤ Commerce

SUMMARY

Effect of the Bill:
The bill provides that Space Florida is not subject to the competitive bidding requirements of s. 255.20, F.S., when purchasing professional or construction services, or both, using funds that are not appropriated by the Legislature.

The bill also provides that operational oversight, management, and day-to-day administration of each spaceport in Florida is vested in the spaceport's director or commander and requires each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan. The bill requires each spaceport to maintain an updated list of spaceport site readiness development projects and specifies the types of projects to be included on the list. Additionally, the bill defines the term "quintimodal transportation hub" and requires Space Florida to enhance and promote development and use of such hubs in Florida.

Fiscal or Economic Impact:
The bill creates new responsibilities and requirements for Florida's spaceports and Space Florida. The costs of the reporting, planning, and coordinating requirements provided in the bill will be absorbed within the existing resources of Florida's spaceports and Space Florida.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill provides that Space Florida is not subject to the competitive bidding requirements of s. 255.20, F.S., when purchasing professional or construction services, or both, using funds that are not appropriated by the Legislature. The bill requires that for such purchases Space Florida attest in writing that the funds used are not appropriated by the legislature. (Section 1)

The bill distinguishes the authority of individual spaceports in relation to Space Florida's authority. In particular, the bill provides that, notwithstanding any other provision of Space Florida's governing statutes, authority over the operational oversight, management, and day-to-day administration of each spaceport shall be vested in the spaceport director or commander[1] for that facility. The bill prohibits Space Florida from exercising direct control over local operational decisions unless specifically requested in writing by the spaceport director or commander or required to comply with applicable federal law or regulation. The bill provides that these terms do not diminish Space Florida's authority to finance, lease, or own spaceport facilities or to coordinate economic development initiatives across multiple spaceport territories. Further, the bill specifies that Space Florida is responsible for statewide strategic planning, financing, economic development, and intergovernmental coordination. These provisions do not apply to federal property. (Sections 2 and 4)

[1] The bill defines "spaceport director or commander" to mean "the individual designated by the governing body, agency, or military authority of a spaceport territory to administer the operations, maintenance, safety, and local agreements of that facility."

The bill requires each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan. Each spaceport must submit its plan annually to Space Florida. The bill provides that these operational governance plans are not subject to approval by Space Florida. (Section 4)

The bill also requires each spaceport to maintain an updated list of spaceport site readiness development projects consistent with its operational governance plan and with Space Florida's spaceport master plan. The bill specifies that the projects to be included on this list include, but are not limited to, utility and commodity supply extension, transportation infrastructure expansion, environmental reviews, and similar activities that, if completed, will support the future expansion of spaceport operations and related space and hypersonic industry activities, such as payload processing, manufacturing, and testing. Each spaceport must submit its project list annually to Space Florida. (Section 4)

The bill requires Space Florida, in coordination with the Department of Transportation (DOT), metropolitan planning organizations, and local governments, to enhance and promote the development and use of quintimodal transportation hubs in this state. The bill defines a quintimodal transportation hub as a spaceport territory within which interconnected transportation facilities are available to move people or property by means of road, railroad, airport, seaport, and spaceport facilities. (Sections 2 and 3)

The bill updates cross references to conform to the provisions of the bill. (Sections 5, 6, 7)

The bill is effective July 1, 2026. (Section 8)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill creates new responsibilities and requirements for Florida's spaceports and Space Florida. The costs of the reporting, planning, and coordinating requirements provided in the bill will be absorbed within the existing resources of Florida's spaceports and Space Florida.

LOCAL GOVERNMENT:

The bill creates new responsibilities and requirements for spaceports which are controlled by local airport authorities. The costs of the reporting, planning, and coordinating requirements provided in the bill will be absorbed within the existing resources of those spaceports.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Space Florida

The Legislature passed the Space Florida Act in 2006,[2] which consolidated Florida's three existing space entities – Florida Space Authority, Florida Space Research Institute, and Florida Aerospace Finance Corporation – into a single entity called Space Florida.[3] Space Florida is established as an independent special district, a body politic and corporate, and a subdivision of the state.[4] Space Florida is subject to the provisions of the Uniform Special District Accountability Act, which governs issues like operations, financial reporting, taxation, assessments, elections, compliance with general law, and comprehensive planning.[5]

[2] Ch. 2006-60, Laws of Fla.
[3] *See* ss. 331.301, F.S., *through* 331.371, F.S.
[4] S. 331.302(1), F.S.
[5] S. 331.302(5), F.S.

Space Florida's objectives include supporting the growth and development of a sustainable and world-leading aerospace industry in Florida.[6] Space Florida acts as Florida's point of contact for state aerospace-related activities with federal agencies, the military, state agencies, businesses, and the private sector.[7] Space Florida is authorized to purchase or construct facilities, set rates, fees, and charges for the use of facilities, undertake joint financing with municipalities or private sector entities, and execute contracts with persons or spaceport users to facilitate the financing, construction, leasing, or sale of any project.[8]

Powers and Duties of Space Florida

Florida law provides certain powers to Space Florida, including, but not limited to:[9]

- Using a corporate seal;
- Using patents, copyrights, and trademarks;
- Lending and investing money;
- Acquiring certain properties;
- Executing contracts;
- Issuing revenue bonds;
- Making expenditures for entertainment and travel expenses and business clients, guests, and other authorized persons; and
- Fixing and collecting fees, loan payments, rental payments, and other charges in connection with financing agreements.

Florida law also gives Space Florida certain duties, including, but not limited to, creating a business plan, entering into agreements and cooperating with other state agencies, and consulting with appropriate federal agencies.[10] Specifically, Space Florida is required to:

- Enter into agreements with the Department of Education, DOT, the Department of Commerce, and CareerSource Florida.[11]
- In cooperation with the Department of Commerce, collaborate to develop a plan to retain, expand, attract, and create aerospace industry entities, public or private, which results in the creation of high-value-added businesses and jobs in Florida.[12]
- Develop, in cooperation with the Department of Commerce, a plan to provide financing assistance to aerospace businesses.[13]
- Carry out its responsibilities for spaceport operations by:[14]
    - Seeking federal support and developing partnerships to renew and upgrade the infrastructure and technologies at the Cape Canaveral Air Force Station, the John F. Kennedy Space Center, and the Eastern Range.
    - Supporting federal efforts to clarify roles and responsibilities of federal agencies in an effort to streamline access for commercial launch users.
    - Pursuing the development of commercial spaceports in the state in partnership with counties or municipalities, the Federal Government, or private entities.
    - Promoting and facilitating launch activity within the state by supporting and assisting the efforts of commercial launch operators to obtain authorization from federal agencies for launching from Florida.
    - Consulting, as necessary, with the appropriate federal, state, and local authorities, including the National Aeronautics and Space Administration, Federal Aviation Administration, Department of

[6] S. 331.302(1), F.S.
[7] S. 331.3011(3), F.S.
[8] S. 331.305, F.S.
[9] *Id.*
[10] S. 331.3051, F.S.
[11] S. 331.3051(2), F.S.
[12] S. 331.3051(3), F.S.
[13] S. 331.3051(6), F.S.
[14] S. 331.3051(7), F.S.

Defense, DOT, Florida National Guard, and industry on establishing and operating spaceport infrastructure and facilities in the state.

Board of Directors

The Space Florida board of directors is comprised of nine voting members and three ex officio, nonvoting members. The governor (or designee of the governor) serves ex officio as the chair and a voting member of the board and appoints five additional voting board members with experience in the aerospace industry, bond finance, a relevant academic field, or other specified airport or aircraft operations. The remainder of the voting board members consists of the Secretary of Transportation, one member appointed by the President of the Senate, and one member appointed by the Speaker of the House of Representatives.

The governor selects the three ex officio, nonvoting members of the board, which consist of a representative of the Jacksonville Aviation Authority, a representative of the Titusville-Cocoa Airport Authority, and an employee or official of a port district or port authority.[15]

Public Works Projects

Chapter 255, F.S., provides the procurement process for public construction works. A public works project is an activity that is paid for with any state-appropriated funds and involves 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 system, gas or electrical substation, or other facility, project, or portion thereof owned in whole or in part by any political subdivision.[16] Section 255.20, F.S., requires governmental entities to competitively award each project that is estimated to cost more than $300,000 to an appropriately licensed contractor. For electrical work, a governmental entity must competitively bid a project that is estimated to cost more than $75,000.[17]

The term "competitively award" means to award contracts based on the submission of sealed bids, proposals submitted in response to a request for proposal, proposals submitted in response to a request for qualifications, or proposals submitted for competitive negotiation.[18]

Except as required by federal or state law, the state or any political subdivision[19] that contracts for a public works project may not:[20]

- Prevent a certified, licensed, or registered contractor, subcontractor, or material supplier or carrier, from participating in the bidding process based on the geographic location of the headquarters or offices of the party, unless the local government is the sole source of funding for the project;
- Require a contractor, subcontractor, or material supplier or carrier engaged in the project to:
  - Pay employees a predetermined amount of wages or prescribe any wage rate;
  - Provide employees a specified type, amount, or rate of employee benefits;
  - Control, limit, or expand staffing; or
  - Recruit, train, or hire employees from a designated, restricted, or single source.
- Prohibit any contractor, subcontractor, or material supplier or carrier from submitting a bid on the project if such individual is able to perform the work described and is qualified, licensed, or certified as required by state law.

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[15] S. 331.3081, F.S.
[16] S. 255.0992(1)(b), F.S.
[17] S. 255.20(1), F.S.
[18] S. 255.20(1), F.S.
[19] "Political subdivision" means a separate agency or unit of local government created or established by law or ordinance and the officers thereof. The term includes, but is not limited to, a county; a city, town, or other municipality; or a department, commission, authority, school district, taxing district, water management district, board, public corporation, institution of higher education, or other public agency or body thereof authorized to expend public funds for construction, maintenance, repair, or improvement of public works. *See* s. 255.0992(1)(a), F.S.
[20] S. 255.0992, F.S.

Spaceports in Florida

Under Florida law, a spaceport is defined as any area of land or water developed by Space Florida and intended for public use or for the launching, takeoff, and landing of spacecraft and aircraft, including any appurtenant areas which are used or intended for public use, for spaceport buildings, or for other spaceport facilities, spaceport projects, or rights-of-way.[21] Florida law designates certain real property within the state as "spaceport territory,"[22] including Cape Canaveral Spaceport in Brevard County, Cecil Spaceport in Duval County, Eglin Air Force Base in Okaloosa County, Cape San Blas in Gulf County, Space Coast Regional Airport and Spaceport in Brevard County, Homestead Air Reserve Base in Miami-Dade County, and Tyndall Air Force Base in Bay County.[23]

The Federal Aviation Administration (FAA) is responsible for licensing launch and reentry operations at commercial spaceports.[24] An FAA license is not required for space activities that the federal government carries out for its own purposes, such as some NASA or U.S. Department of Defense launches.[25] Currently, three Florida spaceports are licensed by the FAA. The Cape Canaveral Spaceport is licensed by the FAA for vertical and horizontal launch and for reentry operations.[26] Cecil Spaceport, operated by the Jacksonville Aviation Authority, and Space Coast Spaceport, operated by the Titusville-Cocoa Airport Authority, are licensed by the FAA for horizontal launch operations.[27]

Spaceport Planning

Space Florida must develop a spaceport master plan for expansion and modernization of space transportation facilities within spaceport territories. The plan must contain recommended projects to meet current and future commercial, national, and state space transportation requirements. Further, the plan must identify appropriate funding levels and include recommendations on appropriate sources of revenue that may be developed to contribute to the State Transportation Trust Fund.

Space Florida must submit the spaceport master plan to any appropriate metropolitan planning organization for review of intermodal impacts and to DOT for inclusion in its five-year work program of qualifying aerospace discretionary capacity improvement projects. Subject to availability of appropriated funds, DOT may participate in the capital cost of such projects.

Quintimodal Transportation Hubs

Brevard County hosts the world's only quintimodal transportation hub, providing access to five modes of transportation: space, air, rail, sea, and road.[28]

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[21] S. 331.303(17), F.S.
[22] S. 331.304, F.S.
[23] Space Florida, *Spaceport System Territory*, https://www.spaceflorida.gov/spaceport-system-territory (last visited Feb. 19, 2026).
[24] U.S. Department of Transportation, Federal Aviation Administration, *Commercial Space Transportation Activities,* https://www.faa.gov/newsroom/commercial-space-transportation-activities (last visited Feb. 19, 2026).
[25] *Id.*
[26] U.S. Department of Transportation, Federal Aviation Administration, *Spaceports by State,* https://www.faa.gov/space/spaceports_by_state#fl_sflc (last visited Feb. 19, 2026).
[27] *Id.*
[28] NASA, Partnerships, *Partnering with Kennedy Space Center*, https://public.ksc.nasa.gov/partnerships/partnering-with-ksc/benefits-of-partnership/five-modes-of-transportation/ (last visited Feb. 19, 2026).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	18 Y, 1 N, As CS	2/10/2026	Aldridge	Berg
THE CHANGES ADOPTED BY THE COMMITTEE:	• Revised sales tax exemption language for clarity; • Provided that authority over operational oversight, management, and day-to-day administration of each spaceport in Florida is vested in the spaceport's director or commander; • Required each spaceport to develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan; • Required each spaceport to maintain an updated list of spaceport site readiness development projects and specifies the types of projects to be included on the list; • Provided that powers and duties specified for spaceports under new section do not apply to federal property; and • Defined the term "quintimodal transportation hub" and required Space Florida to enhance and promote development and use of such hubs in Florida.			
Transportation & Economic Development Budget Subcommittee	13 Y, 0 N, As CS	2/16/2026	Davis	McAuliffe
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed the language that certain property being used by a private lessee pursuant to a project authorized by Space Florida may qualify for a property tax exemption. • Removed the language that creates a sales tax exemption for certain machinery and equipment owned by Space Florida and leased pursuant to a project authorized by Space Florida.			
Commerce Committee			Hamon	Rubottom

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

A bill to be entitled

An act relating to spaceport operations and Space Florida; amending s. 331.302, F.S.; providing that Space Florida is not an agency and is not subject to certain bidding and contract procedures under certain conditions; amending s. 331.303, F.S.; defining the terms "quintimodal transportation hub" and "spaceport director or commander"; amending s. 331.3051, F.S.; requiring Space Florida to enhance and promote the development and use of quintimodal transportation hubs in this state; creating s. 331.3052, F.S.; providing powers and duties of spaceport operators; providing applicability and construction; amending ss. 330.41, 331.310, and 692.201, F.S.; conforming cross-references; providing an effective date.

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

Section 1. Subsection (4) of section 331.302, Florida Statutes, is amended to read:

331.302 Space Florida; creation; purpose.—

(4)(a) Space Florida is not an agency as defined in ss. 216.011 and 287.012.

(b) Space Florida is not an agency as defined in s. 287.055(2)(b) and is not subject to s. 255.20 when it purchases

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

professional services or construction services, or both, using nonappropriated state funds. Space Florida must attest in writing that such funds are nonappropriated.

Section 2. Subsections (15) through (17) and (18) through (21) of section 331.303, Florida Statutes, are renumbered as subsections (16) through (18) and (20) through (23), respectively, and new subsections (15) and (19) are added to that section to read:

331.303 Definitions.—

(15) "Quintimodal transportation hub" means a spaceport territory within which interconnected transportation facilities are available to move people or property by means of road, railroad, airport, seaport, and spaceport facilities.

(19) "Spaceport director or commander" means the individual designated by the governing body, agency, or military authority of a spaceport territory to administer the operations, maintenance, safety, and local agreements of that facility.

Section 3. Subsections (16) and (17) of section 331.3051, Florida Statutes, are renumbered as subsections (17) and (18), respectively, and a new subsection (16) is added to that section to read:

331.3051 Duties of Space Florida.—Space Florida shall:

(16) In coordination with the Department of Transportation, metropolitan planning organizations, and local governments, enhance and promote the development and use of

quintimodal transportation hubs in this state.

Section 4. Section 331.3052, Florida Statutes, is created to read:

331.3052 Powers and duties of spaceport operators.—

(1) Notwithstanding any other provision of this part, authority over the operational oversight, management, and day-to-day administration of each spaceport shall be vested in the spaceport director or commander for that facility.

(2) Space Florida shall be responsible for statewide strategic planning, financing, economic development, and intergovernmental coordination, but may not exercise direct control over local operational decisions unless:

(a) Specifically requested in writing by the spaceport director or commander; or

(b) Required to comply with applicable federal law or regulation.

(3) Each spaceport shall develop and maintain an operational governance plan consistent with Space Florida's statewide strategic plan. Such plan must be submitted annually to Space Florida, but is not subject to approval by Space Florida.

(4) Each spaceport shall maintain an updated list of spaceport site readiness development projects consistent with its operational governance plan and with Space Florida's spaceport master plan developed under s. 331.360. Such projects

include, but are not limited to, utility and commodity supply extension, transportation infrastructure expansion, environmental reviews, and similar activities that, if completed, will support the future expansion of spaceport operations and related space and hypersonic industry activities including, but not limited to, payload processing, system manufacturing, and testing. Such list must be submitted annually to Space Florida.

(5) This section does not diminish Space Florida's authority to finance, lease, or own spaceport facilities or to coordinate economic development initiatives across multiple spaceport territories.

(6) The powers and duties provided in this section do not apply to federal property.

Section 5. Paragraph (b) of subsection (2) of section 330.41, Florida Statutes, is amended to read:

330.41 Unmanned Aircraft Systems Act.—

(2) DEFINITIONS.—As used in this act, the term:

(b) "Critical infrastructure facility" means any of the following, if completely enclosed by a fence or other physical barrier that is obviously designed to exclude intruders, or if clearly marked with a sign or signs which indicate that entry is forbidden and which are posted on the property in a manner reasonably likely to come to the attention of intruders:

1. A power generation or transmission facility,

substation, switching station, or electrical control center.

2. A chemical or rubber manufacturing or storage facility.

3. A water intake structure, water treatment facility, wastewater treatment plant, or pump station.

4. A mining facility.

5. A natural gas or compressed gas compressor station, storage facility, or natural gas or compressed gas pipeline.

6. A liquid natural gas or propane gas terminal or storage facility.

7. Any portion of an aboveground oil or gas pipeline.

8. A refinery.

9. A gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas.

10. A wireless or wired communications facility, including the tower, antennas, support structures, and all associated ground-based equipment.

11. A seaport as listed in s. 311.09(1), which need not be completely enclosed by a fence or other physical barrier and need not be marked with a sign or signs indicating that entry is forbidden.

12. An inland port or other facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport.

13. An airport as defined in s. 330.27.

14. A spaceport territory as defined in s. 331.303 ~~s.~~

~~331.303(19)~~.

15. A military installation as defined in 10 U.S.C. s. 2801(c)(4) and an armory as defined in s. 250.01.

16. A dam as defined in s. 373.403(1) or other structures, such as locks, floodgates, or dikes, which are designed to maintain or control the level of navigable waterways.

17. A state correctional institution as defined in s. 944.02 or a contractor-operated correctional facility authorized under chapter 957.

18. A secure detention center or facility as defined in s. 985.03, or a moderate-risk residential facility, a high-risk residential facility, or a maximum-risk residential facility as those terms are described in s. 985.03(44).

19. A county detention facility as defined in s. 951.23.

20. A critical infrastructure facility as defined in s. 692.201.

Section 6. Paragraph (e) of subsection (2) of section 331.310, Florida Statutes, is amended to read:

331.310 Powers and duties of the board of directors.—

(2) The board of directors shall:

(e) Prepare an annual report of operations as a supplement to the annual report required under s. 331.3051(18) ~~s. 331.3051(17)~~. The report must include, but not be limited to, a balance sheet, an income statement, a statement of changes in financial position, a reconciliation of changes in equity

accounts, a summary of significant accounting principles, the auditor's report, a summary of the status of existing and proposed bonding projects, comments from management about the year's business, and prospects for the next year.

Section 7. Paragraph (i) of subsection (2) of section 692.201, Florida Statutes, is amended to read:

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

(2) "Critical infrastructure facility" means any of the following, if it employs measures such as fences, barriers, or guard posts that are designed to exclude unauthorized persons:

(i) A spaceport territory as defined in s. 331.303 ~~s. 331.303(19)~~.

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

HB 1217

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 1217	**COMPANION BILL:** CS/SB 1628 (Avila)
TITLE: Prohibited Governmental Policies Regulating Greenhouse Gas Emissions	**LINKED BILLS:** None
SPONSOR(S): Snyder and Jacques	**RELATED BILLS:** None

Committee References

Economic Infrastructure 12 Y, 3 N ➤ Intergovernmental Affairs 11 Y, 4 N ➤ Commerce

SUMMARY

Effect of the Bill:
The bill provides a legislative finding that net zero policies, carbon taxes and assessments, and carbon emission trading programs are detrimental to the energy security and economic interest of the state; establishes certain prohibitions on a governmental entity adopting, implementing, using government funds to support, or imposing any tax or assessment to advance such policies; and defines terms related to such prohibitions.

Fiscal or Economic Impact:
The bill may have an indeterminate negative impact on state and local government revenues.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Legislative Findings and Policy

The bill provides a legislative finding that net zero policies, carbon taxes and assessments, and carbon emission trading programs, commonly known as "cap-and-tax" or "cap-and-trade" programs, are detrimental to this state's energy security and economic interests. The bill also provides that it is state policy to prohibit the adoption or implementation of net zero policies by governmental entities, including through government expenditures, taxes, assessments, or trading programs. (Section 1)

Net-Zero Policies

The bill defines the term "net-zero policies" to mean any target, threshold, initiative, action, framework, requirement, or policy associated with reducing the use of carbon-intensive products or activities, including a requirement imposed by a governmental entity that requires:

- The governmental entity to meet a statewide, regional, or geographically specific reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.
- An individual or business activity, including any carbon-intensive activity, to:
  - Meet a specific reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.
  - Meet any goal of the Paris Agreement, defined as the resolution adopted by the United Nations Framework Convention on Climate Change's 21st Conference of Parties in Paris, France, or any similar initiative adopted by the Federal Government or any geopolitical organization affiliated with the World Bank or World Economic Forum.

- Support the goal of any regional governing authority or multistate entity that commits to a reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.
- Restrict any carbon-intensive activity of any individual or business that would otherwise not be restricted for the sole purpose of meeting net zero policies.
- Prohibit the use, sale, purchase, or exchange of any carbon-intensive product or carbon for the sole purpose of meeting net zero policies. (Section 1)

Restrictions on Government Actions

Prohibited Government Policies and Programs

The bill provides that a governmental entity may not adopt, or require any individual to adopt, net zero policies associated with the reduction of carbon-intensive products, including in any comprehensive plans, land development regulations, transportation plans, or any published or adopted government policy, program, or procedure. The prohibitions in the bill apply to any proposed action by a governmental entity on or after July 1, 2026, that is not otherwise permissible by general law. (Section 1)

The bill also prohibits a governmental entity from implementing, administering, or enforcing any program that has the effect of:

- Establishing a statewide, regional, or geographic limit or cap on the amount of greenhouse gas[1] emissions[2] that results from the use, production, or consumption of any carbon-intensive product or carbon-intensive activity.
- Providing for the allocation, auction, or transfer of emissions allowances or credits among pollutant sources as a means of compliance with greenhouse gas emission limits.
- Requiring a governmental entity or any individual in this state to participate in an emissions trading program. (Section 1)

Prohibited Use of Government Funds

The bill prohibits a governmental entity from using government funds in any manner that supports, implements, or advances net zero policies, including:

- Through purchasing or procurement preferences for products that are not carbon-intensive or for vehicles or equipment based solely on the fuel source.
- Using government funds to pay dues for any nongovernmental agency or organization, including any trade association or organization, that adopts or supports net zero policies. (Section 1)

Prohibited Taxes, Fees, and Charges

The bill prohibits a governmental entity from imposing a tax, fee, penalty, charge, offset, or assessment to advance net zero policies, including:

- The carbon content of a fuel;
- The emission of greenhouse gases that results from the use, production, or consumption of any good or service;
- Any carbon-intensive activity; or
- The use, sale, purchase, or exchange of any carbon-intensive product or carbon-intensive activity. (Section 1)

The bill requires each governmental entity to annually submit to the Department of Revenue an affidavit attesting to compliance with the prohibitions above. (Section 1)

[1] For purposes of the bill, the term "greenhouse gases" is defined to include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
[2] For purposes of the bill, the term "emissions" is defined to mean greenhouse gases released, by any individual or entity, into the atmosphere or air.

Definitions

The bill defines terms used in the bill. (Section 1)

Business Activity
The bill provides that the term "business activity" means any activity, or series of activities, that:

- Involves the emission of a greenhouse gas, or a combination thereof.
- Forms a single undertaking or enterprise, taking into account any relevant circumstances. (Section 1)

Carbon-Intensive Activity
The bill provides that the term "carbon-intensive activity" means any business activity, or any other activity performed by any individual, which supports:

- The movement of individuals or goods through common methods of transportation, including automobiles, commercial vehicles, freight haulers, aircraft, vessels, pipelines, delivery devices, and other similar transportation methods. This includes the use of energy resources to power or operate such transportation methods.
- The creation or transmission of energy resources for the following commercial and residential uses: electricity; manufacturing; the sustainment of human life, including, but not limited to, refrigeration and cooling in enclosed or partially enclosed spaces; waste management; and the operation of manufacturing of appliances for human use.
- The performance of activities to support the production of any carbon-intensive product, including, but not limited to, farming, agriculture, hunting and gathering, or the taking of fish and wildlife to sustain human life.
- The use of traditional authorized methods to take fish and wildlife resources.
- The mining, exploration, or manufacturing of products to support the continued livelihood of mankind. (Section 1)

Carbon-Intensive Product
The bill provides that the term "carbon-intensive product" means any of the following products, including any product containing a component thereof:

- A product containing iron; steel; steel mill, including, but not limited to, pipes and tubes; aluminum; cement; glass, including, but not limited to, flat, container, or specialty glass, or fiberglass; oil; minerals; metals; pulp; and paper.
- Any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock that is marketed in the United States for human or animal consumption. This includes agricultural, aquacultural, horticultural, viticultural, and dairy products; livestock and the products thereof; the products of poultry and bee raising; the edible products of forestry; and all products raised or produced on farms, and processed or manufactured products thereof, transported or intended to be transported in interstate or foreign commerce. (Section 1)

Governmental Entity
The bill provides that the term "governmental entity" means:

- The state, and any political subdivision thereof, including the executive, legislative, and judicial branches of state government.
- A county; a municipality; a special district, including an independent community development district, a neighborhood improvement district, and an independent special district; and any authority, board, or commission of such governmental entities.
- A state agency, a county agency, or any other entity, however styled, that independently exercises any type of state or local governmental function, that is subject to ch. 377, F.S. (Section 1)

Government Funds
The bill provides that the term "government funds" means:

- State funds pursuant to s. 215.31, F.S.,[3] and any other moneys of the state.
- Funds of the judicial branch, including any moneys of all officers, employees, and offices of the Supreme Court, district courts of appeal, circuit courts, county courts, and the Judicial Qualifications Commission.
- Local government funds, including any moneys of a county, municipality, school district, special district, and any other political subdivision, including a consolidated government, metropolitan government, town, and village.
- Funds of public officials and constitutional officers.
- State university or Florida College System institution funds.
- Funds of any agency, board, bureau, commission, or institution of any of the foregoing. (Section 1)

Miscellaneous Provisions

The bill makes other conforming changes to limit the power of county or municipal governments in accordance with the provisions of the bill. (Sections 2, 3, and 4)

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

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate negative impact on state government revenues. The bill appears to limit the ability of state government and state agencies to impose taxes or fees on carbon-intensive products and activities that are otherwise subject to taxes or fees.

LOCAL GOVERNMENT:

The bill may have an indeterminate negative impact on local government revenues. The bill appears to limit the ability of local governments to impose taxes or fees on carbon-intensive products and activities that are otherwise subject to taxes or fees.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Greenhouse Gas

The term "greenhouse gas" (GHG) refers to a category of gases that trap heat in the atmosphere.[4] Some GHGs occur naturally, such as carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), while others, known as "fluorinated gases," are products primarily of household, commercial, and industrial applications and processes (hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride).[5] Each gas's effect on the earth's climate depends on several factors:

- How abundant the gas is in the atmosphere.
- How long the gas stays in the atmosphere.
- How strongly the gas impacts the atmosphere.[6]

[3] S. 215.31, F.S., addresses all revenue, including licenses, fees, imposts, or exactions collected or received under the authority of the laws of the state by each and every state official, office, employee, bureau, division, board, commission, institution, agency, or undertaking of the state or the judicial branch.
[4] United States Environmental Protection Agency (EPA), *Overview of Greenhouse Gases*, https://www.epa.gov/ghgemissions/overview-greenhouse-gases (last visited Feb. 19, 2026).
[5] *Id.*
[6] *Id.*

The EPA estimated that in 2022, total GHG emissions in the U.S. were 17 percent below 2005 levels, after accounting for offsets from land management uses.[7]

Carbon Dioxide

The most common GHG emitted through human activities, carbon dioxide (CO_2), is naturally present in the atmosphere as part of the earth's carbon cycle (the natural circulation of carbon among the atmosphere, oceans, soil, plants, and animals).[8] CO_2 is constantly exchanged among the atmosphere, ocean, and land surface as it is both produced and absorbed by many microorganisms, plants, and animals.[9] Emissions and removals of CO_2 by these natural processes tend to balance over time, absent effects related to human activity, such as the combustion of fossil fuels for energy and transportation.[10] Some activity, such as the management of forests and other natural and agricultural lands, acts as a net sink of CO_2, removing and storing in plants and trees more CO_2 from the atmosphere than is emitted.[11] Excluding offsets from land management uses, annual CO_2 emissions in the U.S. decreased by 1.5 percent between 1990 and 2022.[12]

Methane

Methane (CH_4) accounts for 12 percent of all U.S. GHG emissions from human activities, but most methane emission occurs naturally as a result of the normal digestive process of animals, including domestic livestock such as cattle, swine, sheep, and goats.[13] Human activity contributing to the emission of methane includes natural gas and petroleum systems, as well as waste management, landfills, and wastewater treatment.[14] Annual methane emissions in the U.S. decreased by 19 percent between 1990 and 2022.[15]

Nitrous Oxide

Nitrous oxide (N_2O) is naturally present in the atmosphere from a variety of natural sources, including as part of the earth's nitrogen cycle, the natural circulation of nitrogen among the atmosphere, plants, animals, and microorganisms that live in soil and water.[16] Human activities that contribute to nitrous oxide emissions include agriculture (especially the application of synthetic and organic fertilizers and other cropping practices), fuel combustion, wastewater management, and industrial processes.[17] In 2022, nitrous oxide accounted for 6 percent of all U.S. GHG emissions from human activities, and annual nitrous oxide emissions in the United States decreased by 3 percent between 1990 and 2022.

Fluorinated Gases

Unlike many other GHGs, fluorinated gases have no significant natural sources and come almost entirely from human-related activities.[18] Relative to other GHGs, fluorinated gases also have a higher potential to trap heat in the atmosphere, and last for much longer in the atmosphere.[19] In general, fluorinated gases are the most potent and longest lasting type of greenhouse gases emitted by human activities, and many fluorinated gases are removed from the atmosphere only when they are destroyed by sunlight in the upper atmosphere.[20]

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[7] EPA, *Inventory of U.S. Greenhouse Gas Emissions and Sinks*, https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks (last visited Feb. 19, 2026).
[8] EPA, *Carbon Dioxide Emissions*, https://www.epa.gov/ghgemissions/carbon-dioxide-emissions#CO2-references (last visited Feb. 19, 2026).
[9] *Id.*
[10] *Id.*
[11] *Id.*
[12] *Id.*
[13] EPA, *Methane Emissions*, https://www.epa.gov/ghgemissions/methane-emissions (last visited Feb. 19, 2026).
[14] *Id.*
[15] *Id.*
[16] EPA, *Nitrous Oxide Emissions*, https://www.epa.gov/ghgemissions/nitrous-oxide-emissions (last visited Feb. 19, 2026).
[17] *Id.*
[18] EPA, *Fluorinated Gas Emissions*, https://www.epa.gov/ghgemissions/fluorinated-gas-emissions (last visited Feb. 19, 2026).
[19] *Id.*
[20] *Id.*

There are four main categories of fluorinated gases:

- Hydrofluorocarbons (HFCs), which accounted for 90 percent of fluorinated gas emissions in 2022, are used as refrigerants, aerosol propellants, foam blowing agents, solvents, and fire retardants in products used by homes, businesses and industry. The major emissions source of these compounds is their use as refrigerants—for example, in air conditioning systems in both vehicles and buildings.
- Perfluorocarbons (PFCs) are produced as a byproduct of aluminum production and are used in the manufacturing of semiconductors.
- Sulfur hexafluoride (SF_6) is used in magnesium processing and semiconductor manufacturing, as well as a tracer gas for leak detection. Sulfur hexafluoride is also used as an insulating gas in electrical transmission equipment, including circuit breakers.
- Nitrogen trifluoride (NF_3) is used in semiconductor manufacturing.[21]

Fluorinated gas emissions in the U.S. increased by 105 percent between 1990 and 2022, with the increase primarily driven by a 349 percent increase in emissions of hydrofluorocarbons.[22]

Net-Zero Policies

"Net-zero" policies aim at achieving a balance between GHGs emitted from human activity and the amount of carbon dioxide (CO_2) removed from the atmosphere.[23] Human activities also emit other greenhouse gases, including methane, nitrous oxide, and fluorinated gases. To compare the climate impacts of different GHGs, their effects on the climate are commonly expressed relative to CO_2 using a metric known as "CO_2 equivalent."[24]

Net-zero GHG emissions means the combined net emissions of all greenhouse gases, expressed in CO_2 equivalents, equal zero.[25] Methods of CO_2 removal include natural absorption and storage in forests and other ecosystems as well as technological removal and storage.[26] However, because there are currently no commercially available methods to remove non-CO_2 GHGs from the atmosphere, achieving net-zero GHG emissions requires additional removal of CO_2 to counterbalance emissions of other GHGs.[27] Net-zero GHG emissions would therefore be achieved when total GHG emissions, measured in CO_2 equivalents, are offset by removal of CO_2 from the atmosphere.[28]

Carbon Control Policies

Examples of efforts to control GHG emissions released into the atmosphere include carbon taxation and carbon emission trading ("cap-and-trade") programs. A carbon tax directly sets a price per unit of emissions, requiring companies to pay a fee based on the amount of greenhouse gases they emit.[29] The price is usually expressed as a monetary unit per ton of CO_2 equivalent.[30]

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[21] *Id.*
[22] *Id.*
[23] Jonathan D. Haskett, U.S. Congressional Research Service (CRS), *Climate Change: What Are Net-Zero Emissions?*, 1 (Sep. 4, 2024), available at https://www.congress.gov/crs_external_products/IF/PDF/IF12753/IF12753.2.pdf (last visited Feb. 19, 2026).
[24] *Id.*
[25] *Id.*
[26] *Id.*
[27] *Id.*
[28] Haskett, *Climate Change: What Are Net-Zero Emissions?*, *supra* note 23 at 1.
[29] Noah Kaufman, World Research Institute, *Carbon Tax vs. Cap-and-Trade: What's a Better Policy to Cut Emissions*, (Mar. 1, 2016) https://www.wri.org/insights/carbon-tax-vs-cap-and-trade-whats-better-policy-cut-emissions (last visited Feb. 19, 2026).
[30] World Bank Group, *State and Trends of Carbon Pricing*, 15 (2024), available at https://openknowledge.worldbank.org/entities/publication/b0d66765-299c-4fb8-921f-61f6bb979087 (last visited Feb. 19, 2026).

In a cap-and-trade system, a governmental entity or other authority sets an emissions cap and issues a fixed quantity of emission allowances.[31] Covered entities must hold sufficient allowances to account for the greenhouse emissions they produce. These entities can buy and sell allowances from each other based on their need. This supply and demand dynamic establishes a market price for carbon.[32] Cap-and-trade programs have been implemented in several U.S. jurisdictions.[33] For example, the Regional Greenhouse Gas Initiative is a cooperative effort among several participating U.S. states to cap and reduce power sector CO_2 emissions.[34] The initiative establishes a regional CO_2 emissions cap, implemented through individual state CO_2 budget trading programs, and requires regulated fossil-fuel-fired power plants to hold allowances equal to their emissions. Allowances are distributed through quarterly regional auctions, with proceeds used by states to support energy efficiency, renewable energy, and other consumer benefit programs.[35]

There are 75 carbon tax and emissions trading systems in operation worldwide, covering approximately 24 percent of global emissions.[36]

Environmental Regulations

Federal Activity Regulating Greenhouse Gas

The U.S. Congress originally passed the Clean Air Act (CAA) in 1970 to protect public health and welfare by requiring the U.S. Environmental Protection Agency (EPA) to establish national ambient air quality standards for certain common and widespread pollutants.[37] Under the CAA, the EPA has set air quality standards for six common pollutants: particulate matter (also known as particle pollution), ozone, sulfur dioxide, nitrogen dioxide, carbon monoxide, and lead.[38] The CAA requires states to adopt enforceable plans to achieve and maintain air quality meeting the air quality standards.[39]

In 2009, the EPA issued a final order finding that then-current and projected concentrations of six GHGs—carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6)—in the atmosphere threaten the public health and welfare.[40] The EPA also found that the combined emissions of these GHGs from new motor vehicles and new motor vehicle engines contribute to the GHG pollution that threatens public health and welfare.[41] On August 1, 2025, the EPA issued a proposed rule rescinding the 2009 findings, with a proposed finding that the CAA "does not authorize the EPA to prescribe emission

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[31] Michigan State University (MSU), *State Cap-and-Trade Programs*, 2 (Nov. 2023), available at https://www.canr.msu.edu/fccp/Uploads/Files/2b.%20Cap%20and%20Trade_FINAL_v2.pdf (last visited Feb. 19, 2026). *See, e.g.*, EPA, *What is Emissions Trading?*, https://www.epa.gov/emissions-trading/what-emissions-trading (last visited Feb. 19, 2026).

[32] *Id.*

[33] States with cap-and-trade programs include California, Oregon, Washington, and those states participating in the Regional Greenhouse Gas Initiative, namely Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. MSU, *State Cap-and-Trade Programs*, *supra* note 31, at 7-13.

[34] Regional Greenhouse Gas Initiative (RGGI), *Elements of RGGI*, https://www.rggi.org/program-overview-and-design/elements (last visited Feb. 19, 2026). Participating states include Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. *Id.*

[35] *Id.*

[36] World Bank Group, *State and Trends of Carbon Pricing*, *supra* note 30, at 9, 18, 22.

[37] EPA, *Clean Air Act Requirements and History*, https://www.epa.gov/clean-air-act-overview/clean-air-act-requirements-and-history (last visited Feb. 19, 2026).

[38] *Id.*

[39] *Id.*

[40] EPA, *Endangerment and Cause or Contribute Findings for Greenhouse Gases Under Section 202(a) of the Clean Air Act*, https://www.epa.gov/climate-change/endangerment-and-cause-or-contribute-findings-greenhouse-gases-under-section-202a (last visited Feb. 19, 2026).

[41] *Id.*

standards to address global climate change concerns," and on that basis, proposed repealing all GHG emissions standards for vehicles.[42]

Florida Energy and Climate Regulations

Florida's state energy policy is to ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public and economic growth.[43] The Legislature intends that governance of the state's energy policy be efficiently directed toward achieving this purpose.[44] The state's energy policy is guided by the following goals:

- Ensuring a cost-effective and affordable energy supply.
- Ensuring adequate supply and capacity.
- Ensuring a secure, resilient, and reliable energy supply, with an emphasis on a diverse supply of domestic energy resources.
- Protecting public safety.
- Protecting the state's natural resources, including its coastlines, tributaries, and waterways.
- Supporting economic growth.[45]

In furtherance of these goals, it is the policy of the state to:

- Promote the cost-effective development and use of a diverse supply of domestic energy resources in the state and discourage energy waste.
- Promote the cost-effective development and maintenance of energy infrastructure that is resilient to natural and manmade threats to the security and reliability of the state's energy supply.
- Reduce reliance on foreign energy resources.
- Include energy reliability and security considerations in all state, regional, and local planning.
- Utilize and manage effectively energy resources used within state agencies.
- Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.
- Include the full participation of citizens in the development and implementation of energy programs.
- Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses, and reduce those needs whenever possible.
- Promote energy education and the public dissemination of information on energy and its impacts in relation to the state's energy goals.
- Encourage the research, development, demonstration, and application of domestic energy resources, including the use of renewable energy resources.
- Consider the impacts of energy-related activities on the state's energy goals, including the whole-life-cycle impacts of any potential energy use choices, so that detrimental effects of these activities are understood and minimized.
- Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within this state.[46]

Florida law includes a number of provisions addressing matters related to global climate change, greenhouse gases, and carbon offset programs. For example:

- Florida law preempts the authority of local governments to adopt policies aimed at restricting the ability of certain utility and energy entities to choose the types and fuel sources of energy production which may be used or supplied.[47] However, while a local government's ability to restrict others is preempted, Florida law

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[42] EPA, *Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards*, 90 Fed. Reg. 146, Aug. 1, 2025, available at https://www.govinfo.gov/content/pkg/FR-2025-08-01/pdf/2025-14572.pdf (last visited Feb. 19, 2026).
[43] S. 377.601(1), F.S.
[44] *Id.*
[45] S. 377.601(2), F.S.
[46] S. 377.601(3), F.S.
[47] S. 366.032, F.S.

does not prevent a municipality or governmental entity which owns or operates and directly controls an electric or natural gas utility from passing rules, regulations, or policies governing the utility.[48]

- The Executive Office of the Governor may, in the state comprehensive plan, include goals, objectives, and policies related to global climate change.[49]
- The Division of State Lands,[50] in its annual work plan, must consider as a category for land conservation expenditures a climate-change category list of lands where acquisition or other conservation measures will address the challenges of global climate change, such as through protection, restoration, mitigation, and strengthening of Florida's land, water, and coastal resources.[51] This category includes lands that provide opportunities to sequester carbon, provide habitat, protect coastal lands or barrier islands, and otherwise mitigate and help adapt to the effects of sea-level rise and meet other objectives of the program.[52]
- The Board of Trustees of the Internal Improvement Trust Fund[53] must adopt rules that pertain to the use of state lands for carbon sequestration, carbon mitigation, or carbon offsets and that provide for climate-change-related benefits.[54]

Local Green Initiatives and Sustainability Plans

Some local governments in Florida have adopted plans aimed at reducing GHG emissions. For example:

- Leon County has adopted an Integrated Sustainability Action Plan with the goal of reducing "harmful GHG emissions stemming from [c]ounty operations that contribute to changing climate," with a target of achieving 30 percent reduction by 2030 from a 2015 baseline, primarily through energy efficiency in county buildings, fleet electrification and fuel efficiency, waste reduction, sustainable purchasing, and public education on energy efficiency.[55]
- The City of Doral's Citywide Integrated Sustainability Plan sets a goal of reducing GHG emissions by 10-15 percent by 2050 through preserving greenspaces, enhancing public transportation, and creating energy efficiency standards for buildings, transportation, and infrastructure.[56]
- Alachua County's Climate Action Plan includes a goal to reduce GHG emissions by 80 percent by 2050, from a 2009 baseline, with objectives targeting energy efficiency in private as well as county government buildings, renewable energy generation, education and public information, and intergovernmental and community collaboration.[57]

Other climate action plans are the product of collaborations between city, county, and non-profit entities. For example, the Southeast Florida Regional Climate Change Compact (SFRCCC) is led by Broward, Miami-Dade, Monroe, and Palm Beach Counties, in partnership with various stakeholders, including a climate-focused non-

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[48] S. 366.032(3), F.S.
[49] S. 186.007(3), F.S.
[50] The Florida Department of Environmental Protection's (FDEP) Division of State Lands is Florida's lead agency for environmental management and stewardship, administers the state's land acquisition program Florida Forever, and serves as staff to the Governor and Cabinet as they act in their role as the Board of Trustees of the Internal Improvement Trust Fund. *See* FDEP, *Division of State Lands*, https://floridadep.gov/lands (last visited Feb. 19, 2026); S. 216.0153, F.S.
[51] S. 259.105(17)(d), F.S.
[52] *Id.*
[53] The Internal Improvement Trust Fund is a fund into which is deposited revenues from the sale, use, or lease of state lands, and is to be used for the acquisition, management, administration, protection, and conservation of state-owned lands. S. 253.01, F.S.
[54] S. 259.105(5)(c), F.S.
[55] Leon County, *Integrated Sustainability Action Plan*, 5-24 (April 2019), *available at* https://cms.leoncountyfl.gov/Portals/0/DeptFiles/Sustain/Docs/isap.pdf (last visited Feb. 19, 2026).
[56] City of Doral, *Resolution No. 24-222*, Ex. A (July 2024), *available at* https://www.cityofdoral.com/files/assets/city/v/1/city-hall/city-clerk/resolutions-archived/2024/res.-no.-24-222-adoption-citywide-integrated-sustainability-plan-cisp.pdf (last visited Feb. 19, 2026).
[57] Alachua County, *Alachua County Climate Action Plan*, 2-3, 15-189 (2025), *available at* https://www.alachuacounty.us/Depts/epd/Documents/ADACompliant/Alachua-County-Climate-Action-Plan_Final_29Oct25.pdf (last visited Feb. 19, 2026).

profit[58] and certain planning councils, chambers of commerce, economic councils, and private companies.[59] SFRCCC adopted the Southeast Florida Priority Climate Action Plan, a regional GHG reduction plan establishing GHG emission reduction targets for participating counties and outlining strategies to achieve those targets.[60] These strategies include transitioning government fleets to electric alternatives, including work trucks, buses, and refuse vehicles; expanding publicly available electric vehicle charging infrastructure; increasing public transit ridership; leveraging existing residential programs that reduce greenhouse gas emissions through building improvements; promoting commercial equipment and building upgrades; and diverting organic waste from landfills, among other measures.[61] The plan is funded in part by the EPA's Climate Pollution Reduction Grants program, which in turn was funded by the Inflation Reduction Act passed by the U.S. Congress in 2022.[62]

International Climate Agreements

One example of an international agreement establishing goals for global temperature stabilization is the Paris Agreement. The Paris Agreement is an international treaty with a stated goal of strengthening the global response to the threat of climate change through a number of efforts, including the reduction of GHG emissions.[63] The Paris Agreement's goal is to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.[64] The agreement does not include mandatory targets or timetables for parties to reduce their emissions. Instead, parties to the agreement submit nationally determined contributions (NDCs) every five years and pursue mitigation measures with the aim of achieving the objectives of such contributions.[65]

The Paris Agreement was adopted by 195 parties at the United Nations Climate Change Conference in Paris on December 12, 2015, and took effect on November 4, 2016.[66] The U.S. joined the Paris Agreement in September 2016[67] but subsequently withdrew.[68]

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[58] The Institute for Sustainable Communities (ISC) is a non-profit partner of the SFRCCC, and its stated mission is "to develop practical, lasting solutions that build climate-resilient communities in the U.S. and across the world." ISC, *About Us*, https://sustain.org/about-us/ (last visited Feb. 19, 2026).

[59] SFRCC, *Partners*, https://southeastfloridaclimatecompact.org/partners/ (last visited Feb. 19, 2026).

[60] SFRCC, *Southeast Florida Priority Climate Action Plan*, (March 2024), *available at* https://southeastfloridaclimatecompact.org/wp-content/uploads/2024/03/Southeast-Florida-Priority-Climate-Action-Plan_FinaL2024.pdf (last visited Feb. 19, 2026).

[61] *Id.* at 27-46.

[62] *See id.* at page v; Inflation Reduction Act of 2022, Pub. L. 117-169, 136 Stat. 1818 (Aug. 16, 2022).

[63] Paris Agreement to the United Nations Framework Convention on Climate Change (UNFCCC), art. 2 (Dec. 12, 2015), *available at* https://unfccc.int/sites/default/files/english_paris_agreement.pdf (last visited Feb. 19, 2026). The Paris Agreement is part of the UNFCCC, a framework established in 1992 for coordinated global action "to combat climate change and its impact on humanity and ecosystems." UN Climate Change (UNCC), *The Convention*, https://unfccc.int/resource/bigpicture/ (last visited Feb. 19, 2026).

[64] UNFCCC Paris Agreement, *supra* note 63, at art. 2.1.

[65] *Id.* at 4.2, 4.9. The United States, during its participation in the Paris Agreement, established an NDC with an economy-wide target of reducing its net greenhouse gas emissions by 61-66 percent below 2005 levels in 2035. *See* UNFCCC, *The United States of America—Nationally Determined* Contribution, 2 (2024), available at https://unfccc.int/sites/default/files/2024-12/United%20States%202035%20NDC.pdf (last visited Feb. 19, 2026).

[66] *See* UNCC, *The Paris Agreement*, https://unfccc.int/process-and-meetings/the-paris-agreement (last visited Feb. 19, 2026).

[67] UN Treaty Collection, Chapter XXVII: Environment, 7.d, Paris Agreement (Sept. 3, 2016), *available at* https://treaties.un.org/doc/Publication/CN/2016/CN.612.2016-Eng.pdf (last visited Feb. 19, 2026).

[68] On November 4, 2019, the U.S. formally notified the UN Secretary General of its withdrawal. Michael, R. Pompeo, U.S. Secretary of State, *On the U.S. Withdrawal from the Paris Agreement*, Nov. 4, 2019, available at https://2017-2021.state.gov/on-the-u-s-withdrawal-from-the-paris-agreement/ (last visited Feb. 19, 2026). The U.S. rejoined the Agreement on February 19, 2021. Antony J. Blinken, U.S. Secretary of State, *The United States Officially Rejoins the Paris Agreement*, https://2021-2025.state.gov/the-united-states-officially-rejoins-the-paris-agreement/ (last visited Feb. 19, 2026). On January 20, 2025, President Donald J. Trump issued an executive order directing the withdrawal from the Agreement. Putting America First in International Environmental Agreements, 90 Fed. Reg. 8455 (Jan. 20, 2025), also available at https://www.whitehouse.gov/presidential-actions/2025/01/putting-america-first-in-international-environmental-agreements/ (last visited Feb. 19, 2026).

Local Government Authority

The Florida Constitution grants county and municipal governments broad home rule authority. Specifically, non-charter county governments may exercise those powers of self-government that are provided by general or special law.[69] Those counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by vote of the electors.[70] Likewise, municipalities[71] have those governmental, corporate, and proprietary powers enabling them to conduct municipal government, perform their functions and provide services, and exercise any power for municipal purposes, except as otherwise provided by law.[72]

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.[73] Special districts are created by general law,[74] special act,[75] local ordinance,[76] or by rule of the Governor and Cabinet.[77] A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district's charter. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.[78] As of January 25, 2026, there are 601 active dependent[79] special districts and 1,486 active independent special districts in Florida.[80]

State Preemption

Local governments have broad authority to legislate on any matter that is not inconsistent with federal or state law. A local government enactment may be inconsistent with state law if (1) the Legislature "has preempted a particular subject area" or (2) the local enactment conflicts with a state statute. State preemption precludes a local government from exercising authority in that particular area.[81]

Florida law recognizes two types of preemption: express and implied. Express preemption requires a specific legislative statement; it cannot be implied or inferred.[82] Express preemption of a field by the Legislature must be accomplished by clear language stating that intent.[83] In cases where the Legislature expressly or specifically preempts an area, there is no problem with ascertaining what the Legislature intended.[84] In cases determining the

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[69] Art. VIII, s. 1(f), Fla. Const.
[70] Art. VIII, s. 1(g), Fla. Const.
[71] A municipality is a local government entity created to perform functions and provide services for the particular benefit of the population within the municipality, in addition to those provided by the county. The term "municipality" may be used interchangeably with the terms "town," "city," and "village."
[72] Art. VIII, s. 2(b), Fla. Const. *See also* s. 166.021(1), F.S.
[73] *See Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).
[74] S. 189.031(3), F.S.
[75] *Id.*
[76] S. 189.02(1), F.S.
[77] S. 190.005(1), F.S. *See*, generally, s. 189.012(6), F.S.
[78] *Local Gov't Formation Manual,* p. 56, available at https://www.flhouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3304&Session=2025&DocumentType=General+Publications&FileName=Local+Government+Formation+Manual+%5b2024-2026%5d.pdf (last visited Feb. 19, 2026).
[79] Dependent special districts are under some control by a single county or municipality. S. 189.012(2), F.S. An independent special district is any district that is not a dependent special district. S. 189.012(3), F.S. A special district that includes more than one county is independent unless it lies wholly within the boundaries of a single municipality.
[80] Florida Department of Commerce, Official List of Special Districts, https://specialdistrictreports.floridajobs.org/OfficialList/CustomList (last visited Feb. 19, 2026).
[81] Wolf, *The Effectiveness of Home Rule: A Preemptions and Conflict Analysis*, 83 Fla. B.J. 92 (June 2009), available at https://www.floridabar.org/the-florida-bar-journal/the-effectiveness-of-home-rule-a-preemption-and-conflict-analysis/ (last visited Feb. 19, 2026).
[82] *See City of Hollywood v. Mulligan*, 934 So. 2d 1238, 1243 (Fla. 2006); *Phantom of Clearwater, Inc. v. Pinellas County*, 894 So. 2d 1011, 1018 (Fla. 2d DCA 2005), approved in *Phantom of Brevard, Inc. v. Brevard County*, 3 So. 3d 309 (Fla. 2008).
[83] *Mulligan*, 934 So. 2d at 1243.
[84] *Sarasota Alliance for Fair Elections, Inc. v. Browning*, 28 So. 3d 880, 886 (Fla. 2010).

validity of ordinances enacted in the face of state preemption, the effect has been to find such ordinances null and void.[85]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	12 Y, 3 N	2/4/2026	Keating	Rubottom
Intergovernmental Affairs Subcommittee	11 Y, 4 N	2/12/2026	Darden	Burgess
Commerce Committee			Hamon	Rubottom

[85] *See, e.g., Nat'l Rifle Ass'n of Am., Inc. v. City of S. Miami,* 812 So.2d 504 (Fla. 3d DCA 2002).

A bill to be entitled

An act relating to prohibited governmental policies regulating greenhouse gas emissions; creating s. 377.816, F.S.; providing legislative findings; providing definitions; prohibiting governmental entities from adopting certain net zero policies; prohibiting governmental entities from using government funds in any manner that supports, implements, or advances certain net zero policies; prohibiting governmental entities from imposing a tax, fee, penalty, charge, offset, or assessment to advance certain net zero policies; requiring each governmental entity to annually submit to the Department of Revenue a certain affidavit; prohibiting governmental entities from implementing, administering, or enforcing certain programs; providing applicability; amending ss. 125.01, 166.021, and 166.201, 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. Section 377.816, Florida Statutes, is created to read:

377.816 Prohibiting the adoption or implementation of net

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

zero policies by governmental entities.—

(1)(a) The Legislature finds that net zero policies, carbon taxes and assessments, and carbon emission trading programs, commonly known as "cap-and-tax" or "cap-and-trade" programs, are detrimental to this state's energy security and economic interests.

(b) It is the policy of this state to adopt and promote energy policy goals consistent with the energy policy of this state, as set forth in s. 377.601, and to prohibit the adoption or implementation of net zero policies by a governmental entity, including through government expenditures, taxes, assessments, or trading programs.

(2) As used in this section:

(a) "Business activity" means any activity, or series of activities, that:

1. Involves the emission of a greenhouse gas, or a combination thereof.

2. Forms a single undertaking or enterprise, taking into account any relevant circumstances.

(b) "Carbon-intensive activity" means any business activity, or any other activity performed by any individual, which supports:

1. The movement of individuals or goods through common methods of transportation, including automobiles, commercial vehicles, freight haulers, aircraft, vessels, pipelines,

delivery devices, and other similar transportation methods. This includes the use of energy resources to power or operate such transportation methods.

2. The creation or transmission of energy resources for the following commercial and residential uses: electricity; manufacturing; the sustainment of human life, including, but not limited to, refrigeration and cooling in enclosed or partially enclosed spaces; waste management; and the operation of manufacturing of appliances for human use.

3. The performance of activities to support the production of any carbon-intensive product, including, but not limited to, farming, agriculture, hunting and gathering, or the taking of fish and wildlife to sustain human life.

4. The use of traditional authorized methods to take fish and wildlife resources.

5. The mining, exploration, or manufacturing of products to support the continued livelihood of mankind.

(c) "Carbon-intensive product" means any of the following products, including any product containing a component thereof:

1. A product containing iron; steel; steel mill, including, but not limited to, pipes and tubes; aluminum; cement; glass, including, but not limited to, flat, container, or specialty glass, or fiberglass; oil; minerals; metals; pulp; and paper.

2. Any agricultural commodity or product, whether raw or

processed, including any commodity or product derived from livestock that is marketed in the United States for human or animal consumption. This includes agricultural, aquacultural, horticultural, viticultural, and dairy products; livestock and the products thereof; the products of poultry and bee raising; the edible products of forestry; and all products raised or produced on farms, and processed or manufactured products thereof, transported or intended to be transported in interstate or foreign commerce.

(d) "Emissions" means greenhouse gases released, by any individual or entity, into the atmosphere or air.

(e) "Governmental entity" means:

1. The state, and any political subdivision thereof, including the executive, legislative, and judicial branches of state government.

2. A county; a municipality; a special district, including an independent community development district, a neighborhood improvement district, and an independent special district; and any authority, board, or commission of such governmental entities.

3. A state agency, a county agency, or any other entity, however styled, that independently exercises any type of state or local governmental function, that is subject to this chapter.

(f) "Government funds" means:

1. State funds pursuant to s. 215.31, and any other moneys

of the state.

2. Funds of the judicial branch, including any moneys of all officers, employees, and offices of the Supreme Court, district courts of appeal, circuit courts, county courts, and the Judicial Qualifications Commission.

3. Local government funds, including any moneys of a county, municipality, school district, special district, and any other political subdivision, including a consolidated government, metropolitan government, town, and village.

4. Funds of public officials and constitutional officers.

5. State university or Florida College System institution funds.

6. Funds of any agency, board, bureau, commission, or institution of any of the foregoing.

(g) "Greenhouse gases" means:

1. Carbon dioxide.

2. Methane.

3. Nitrous oxide.

4. Hydrofluorocarbons.

5. Perfluorocarbons.

6. Sulphur hexafluoride.

7. Nitrogen trifluoride.

(h) "Net zero policies" means any target, threshold, initiative, action, framework, requirement, or policy associated with reducing the use of carbon-intensive products or

activities, including a requirement imposed by a governmental entity that requires:

1. The governmental entity to meet a statewide, regional, or geographically specific reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.

2. An individual or business activity, including any carbon-intensive activity, to:

a. Meet a specific reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.

b. Meet any goal of the Paris Agreement, defined as the resolution adopted by the United Nations Framework Convention on Climate Change's 21st Conference of Parties in Paris, France, or any similar initiative adopted by the Federal Government or any geopolitical organization affiliated with the World Bank or World Economic Forum.

c. Support the goal of any regional governing authority or multistate entity that commits to a reduction in greenhouse gas emissions in an amount equal to zero, or when annual anthropogenic emissions of greenhouse gases into the atmosphere are balanced by removal over a specific period of time.

d. Restrict any carbon-intensive activity of any

individual or business that would otherwise not be restricted for the sole purpose of meeting net zero policies; however, this sub-subparagraph does not legalize any activity that would otherwise be considered illegal activity.

e. Prohibit the use, sale, purchase, or exchange of any carbon-intensive product or carbon for the sole purpose of meeting net zero policies; however, this sub-subparagraph does not legalize any activity that would otherwise be considered illegal activity.

(3) A governmental entity may not adopt, or require any individual to adopt, net zero policies. This prohibition includes, but is not limited to, references to, or the inclusion of, such policies in comprehensive plans, land development regulations, transportation plans, or any published or adopted government policy, program, or procedure.

(4) A governmental entity may not use government funds in any manner that supports, implements, or advances net zero policies, including, but not limited to:

(a) Providing procurement or purchasing preferences for products that are not carbon-intensive products.

(b) Providing purchasing preferences for passenger vehicles, commercial vehicles, or heavy equipment based solely on the fuel source.

(c) Using government funds to pay dues for any nongovernmental agency or organization, including any trade

association or organization, that adopts or supports net zero policies.

(5)(a) A governmental entity may not impose a tax, fee, penalty, charge, offset, or assessment to advance net zero policies, including, but not limited to:

1. The carbon content of a fuel;

2. The emission of greenhouse gases that results from the use, production, or consumption of any good or service;

3. Any carbon-intensive activity; or

4. The use, sale, purchase, or exchange of any carbon-intensive product or carbon-intensive activity.

(b) Each governmental entity shall annually submit to the Department of Revenue an affidavit, signed under penalty of perjury by an authorized official of the governmental entity, attesting to compliance with this paragraph (a).

(6) A governmental entity may not implement, administer, or enforce any program that has the effect of:

(a) Establishing a statewide, regional, or geographic limit or cap on the amount of greenhouse gas emissions that results from the use, production, or consumption of any carbon-intensive product or carbon-intensive activity.

(b) Providing for the allocation, auction, or transfer of emissions allowances or credits among pollutant sources as a means of compliance with greenhouse gas emission limits.

(c) Requiring a governmental entity or any individual in

this state to participate in an emissions trading program.

(7) This section applies to any proposed action by a governmental entity on or after July 1, 2026, that is not otherwise permissible by general law.

Section 2. Paragraphs (g), (h), and (r) of subsection (1) of section 125.01, Florida Statutes, are amended to read:

125.01 Powers and duties.—

(1) The legislative and governing body of a county shall have the power to carry on county government. To the extent not inconsistent with general or special law, this power includes, but is not restricted to, the power to:

(g) Prepare and enforce comprehensive plans for the development of the county, to the extent such plans do not contain the prohibitions in s. 377.816.

(h) Establish, coordinate, and enforce zoning and such business regulations as are necessary for the protection of the public, to the extent such zoning and business regulations do not include the prohibitions in s. 377.816.

(r) Levy and collect taxes, both for county purposes and for the providing of municipal services within any municipal service taxing unit, and special assessments; borrow and expend money; and issue bonds, revenue certificates, and other obligations of indebtedness, excluding the prohibitions in s. 377.816, which power shall be exercised in such manner, and subject to such limitations, as may be provided by general law.

A ~~There shall be no~~ referendum is not required for the levy by a county of ad valorem taxes, both for county purposes and for the providing of municipal services within any municipal service taxing unit.

1. Notwithstanding any other provision of law, a county may not levy special assessments on lands classified as agricultural lands under s. 193.461 unless the revenue from such assessments has been pledged for debt service and is necessary to meet obligations of bonds or certificates issued by the county which remain outstanding on July 1, 2023, including refundings thereof for debt service savings where the maturity of the debt is not extended. For bonds or certificates issued after July 1, 2023, special assessments securing such bonds may not be levied on lands classified as agricultural under s. 193.461.

2. ~~The provisions of~~ Subparagraph 1. does ~~do~~ not apply to residential structures and their curtilage.

Section 3. Subsection (2) of section 166.021, Florida Statutes, is amended to read:

166.021 Powers.—

(2) "Municipal purpose" means any activity or power which may be exercised by the state or its political subdivisions. The term does not include any activity or power exercised relating to the prohibitions in s. 377.816.

Section 4. Section 166.201, Florida Statutes, is amended

to read:

166.201 Taxes and charges.—Subject to the prohibitions in s. 377.816, a municipality may raise, by taxation and licenses authorized by the constitution or general law, or by user charges or fees authorized by ordinance, amounts of money which are necessary for the conduct of municipal government and may enforce their receipt and collection in the manner prescribed by ordinance not inconsistent with law.

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

Commerce Committee

HB 1217 by Reps. Snyder and Jacques
Prohibited Governmental Policies Regulating Greenhouse Gas Emissions

AMENDMENT SUMMARY
February 24, 2026

Amendment #987875 by Rep. Jacques (line 27):

- Revises and clarifies legislative findings.
- Revises definition of the term “net zero policy,” and amends other definitions.
- Clarifies prohibited actions and policies of governmental entities.

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 Jacques offered the following:

Amendment (with title amendment)

Remove lines 27-204 and insert:

(1) The Legislature finds that net zero policies, carbon taxes and assessments, and emission trading programs are detrimental to this state's energy security and economic interests and inconsistent with the energy policy and the environmental policy of this state.

(2) As used in this section:

(a) "Emission trading program," also known as a "cap-and-tax" or "cap-and-trade" program, means any program that establishes a greenhouse gas emission limit for a particular activity and provides for the allocation, auction, sale, or

transfer of emissions allowances or credits among pollutant sources as a means of compliance with such limits.

(b) "Governmental entity" has the same meaning as in s. 215.985.

(c) "Greenhouse gas" means any of the following gases, or a combination thereof:

1. Carbon dioxide.

2. Methane.

3. Nitrous oxide.

4. Hydrofluorocarbons.

5. Perfluorocarbons.

6. Sulphur hexafluoride.

7. Nitrogen trifluoride.

(d) "Public funds" means all moneys under the jurisdiction or control of a governmental entity.

(e) "Net zero policy" means any policy, program, or initiative designed to achieve a balance between total amount of greenhouse gas emitted into the atmosphere with an equal amount removed from the atmosphere.

(3) A governmental entity may not enact or enforce, or require any person or legal entity to enact or enforce, a resolution, ordinance, rule, code, or policy to support a net zero policy, including as a condition of any contract or agreement between the governmental entity and a third party.

(4) A governmental entity may not use, pay, or distribute public funds in any manner that supports, implements, or advances a net zero policy by doing any of the following:

(a) Providing procurement or purchasing preferences for a product or vendor on the basis that the procurement or purchase of such product or from such vendor will advance or support a net zero policy.

(b) Providing procurement or purchasing preferences for any goods, including, but not limited to, vehicles, equipment, appliances, or other products, based solely on the types or sources of fuel used by, or used in the production of, such goods.

(c) Using public funds to pay dues, membership fees, subscription fees, or charitable contributions to any nongovernmental agency or other private organization, including any trade association or organization, that:

1. Adopts a net zero policy;

2. Requires adoption of, or any commitment to support, a net zero policy as a condition of membership or of receiving any benefit of membership; or

3. Uses such funds to advocate for a net zero policy.

(5)(a) A governmental entity may not impose any charge, including a tax, fee, penalty, offset, or assessment, to advance a net zero policy, including, but not limited to:

1. A charge based on the carbon content of a fuel.

2. A charge based on the emission of greenhouse gases that results from the use, production, or consumption of any product, service, or activity.

3. A charge assessed in connection with an emission trading program.

(b) Each governmental entity shall annually submit to the Department of Revenue an affidavit, signed under penalty of perjury by an authorized official of the governmental entity, attesting to compliance with this subsection.

(6) A governmental entity may not implement, administer, or enforce any program or join any organization that has a policy of:

(a) Establishing a statewide, regional, or geographic limit or cap on the amount of greenhouse gas emissions that results from the use, production, or consumption of any product or from any activity.

(b) Requiring or incentivizing a governmental entity or any person in this state to participate in an emissions trading program.

(7) The restrictions of this section do not prevent:

(a) The board of a municipality or governmental entity which owns or operates and directly controls an electric or natural gas utility from passing rules, regulations, or policies governing the utility.

(b) The Public Service Commission from exercising its powers and duties to regulate public utilities in accordance with applicable law.

(c) A governmental entity from otherwise exercising its authority as provided by general law, including by implementing energy policies consistent with the energy policies set forth in s. 377.601 or implementing local and regional air and water pollution control programs consistent with the environmental policies set forth in s. 403.021.

(8) This section applies to any proposed action by a governmental entity on or after July 1, 2026, that is not otherwise permissible by general law.

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

Remove lines 8-16 and insert:
public funds in any manner that supports, implements, or advances certain net zero policies; prohibiting governmental entities from imposing any charge to advance certain net zero policies; requiring each governmental entity to annually submit to the Department of Revenue a certain affidavit; prohibiting governmental entities from implementing, administering, or enforcing certain programs;

providing construction; providing applicability;
amending ss.

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 1233	**COMPANION BILL:** CS/CS/SB 1220 (Massullo)
TITLE: Transportation	**LINKED BILLS:** None
SPONSOR(S): Griffitts and Conerly	**RELATED BILLS:** None

Committee References

Economic Infrastructure
15 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:

The bill addresses several matters related to state transportation policy, including:

- Duties of the Florida Greenways and Trails Council;
- Seaport planning, and expansion of Florida's maritime industrial base;
- Expansion of the areas within which personal delivery devices may operate;
- Impact of drone delivery services on minimum parking space requirements on commercial property;
- Clarification regarding the use of paratransit services;
- Airport investments, security, and planning;
- Expansion of the Florida Department of Transportation's powers, duties, and responsibilities related to advanced air mobility corridor connection points, promotion of development opportunities and advanced air mobility, review of local government applications for federal funding, operation and maintenance of research facilities, and LiDAR procurement and cost sharing; and
- Limitations on the consideration of nonpecuniary factors in taxpayer-funded project development and environmental studies.

The bill also makes shooting or throwing a dangerous projectile into an occupied or unoccupied autonomous vehicle a second-degree felony and makes the willful or malicious defacement of, injury to, or damage to an autonomous vehicle a third-degree felony in certain circumstances.

Fiscal or Economic Impact:

None.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill addresses several areas related to state transportation policy.

Florida Greenways and Trails Council

The bill requires the Florida Greenways and Trails Council[1] to meet within 90 days after the Florida Department of Transportation (FDOT) submits its report summarizing the status of the Florida Shared-Use Nonmotorized Trail

[1] The Florida Greenways and Trails Council is a body tasked with advising the Florida Department of Environmental Protection (FDEP) on greenway and trail related issues, promoting intergovernmental cooperation and private partnerships for developing the greenways and trails system, recommending priorities for critical links in the system, and providing funding recommendations for developing and managing the system. FDEP, *Florida Greenways and Trails Council*, https://floridadep.gov/parks/ogt/content/florida-greenways-and-trails-council (last visited Feb. 19, 2026). *See also*, S. 260.0142, F.S.

Network[2] and to update its recommendations for prioritization of regionally significant trails within the network. (Section 1)

Seaports

Seaport Planning

The bill requires Florida's public seaports to provide strategies for obtaining and maintaining critical infrastructure resources[3] for the port and its tenants. The bill requires that such strategies must include long-term contracts, rights of first refusal regarding the sale or lease of property storing such resources, and contingency plans for obtaining such resources. (Section 2)

Seaport Maritime Industrial Base

The bill requires FDOT to coordinate with the Florida Department of Commerce, Florida's public seaports, the U.S. Department of Commerce, and the U.S. Department of War to identify and prioritize key maritime components of the supply chain essential to strengthening and expanding Florida's maritime industrial base. The bill also requires Florida's seaports to support projects evaluated by FDOT that directly support the construction, maintenance, and modernization of commercial and military vessels. The bill requires that projects be evaluated based on the return on invested capital, job creation, contribution to the economic competitiveness of the state, and support for the national security interests of the U.S., as well as anticipated enhancements of the state's commercial maritime abilities. (Section 3)

Vehicle Regulation

Personal Delivery Devices

The bill expands the definition of personal delivery devices (PDDs) to include devices that operate at a maximum speed of 20 miles per hour on bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities.[4] The bill also makes conforming changes to clarify that PDDs may be operated in such areas. (Sections 4, 5, and 6)

Commercial Drone Delivery

The bill clarifies that, except as otherwise expressly provided, a political subdivision may not withhold any conditional use approval to a drone delivery service on a commercial property or enact or enforce an ordinance or resolution that prohibits a drone delivery service's operation. (Section 7)

The bill also provides that the addition of a drone delivery service within the parking area of a commercial property does not reduce the number of parking spaces for the purpose of meeting applicable minimum parking requirements.[5] (Section 7)

Paratransit Services

The bill clarifies that paratransit services provided pursuant to a contract with FDOT are for persons with disabilities. (Section 14)

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[2] S. 339.81(8), F.S., requires FDOT, in coordination with FDEP, to submit a report every three years.

[3] For purposes of the bill, the term "critical infrastructure resources" includes, but is not limited to, access to electricity, fuel, and water resources.

[4] Florida law defines "limited access facility" to mean a street or highway especially designed for through traffic, and over, from, or to which owners or occupants of abutting land or other persons have no right or easement of access, light, air, or view by reason of the fact that their property abuts upon such limited access facility or for any other reason. S. 334.03(12), F.S.

[5] Authority over minimum parking requirements is a power generally left to local governments and municipalities. *See* Art. VIII, s. 2(b); s. 166.021, F.S. However, local governments must adhere to the requirements and limitations of applicable law, such as the requirements for accessible parking spaces for persons with disabilities provided in Florida law and the federa Americans with Disabilities Act (ADA). *See* s. 553.5041, F.S.

Commercial Service Airports

Airport Investments
The bill authorizes FDOT to plan and direct investments in airport systems in the state to facilitate the efficient movement of passengers and cargo and to continuously improve the experience for the flying public and the supply chain of this state's businesses. (Section 8)

Airport Security
The bill requires FDOT to coordinate with commercial service airports in this state to review U.S. Transportation Security Administration policies and programs to increase the efficiency of passenger screening and the overall customer service experience of the flying public. (Section 9)

Airport Duties
The bill requires commercial service airports to provide methods for obtaining and maintaining critical infrastructure resources[6] for the airport, its tenants, and the traveling public. Such strategies must include long-term contracts and rights of first refusal regarding the sale of and contingency plans for such resources. (Section 10)

FDOT Powers and Authority

The bill revises the powers and duties granted to FDOT. Specifically, the bill authorizes FDOT to:

- Designate land areas and transportation facilities as advanced air mobility corridor connection points[7];
- Acquire promotional items, as part of public information and education campaigns, for transportation economic development opportunities and for advanced air mobility. The bill removes authority for FDOT to acquire such promotional items for electric vehicle charging stations.
- Operate and maintain research facilities designated by FDOT and to conduct and enter into contracts and agreements for compensation for conducting research by FDOT and private entities.
- Conduct and enter into contracts and agreements for research and demonstration projects relative to innovative transportation technologies.
- Coordinate with local governments to review and develop applications for federal funding to ensure that each project will have the maximum benefit to the state transportation system, contributing to congestion relief and infrastructure improvements.
- Serve as the point of contact for statewide topographical aerial light detection and ranging (LiDAR) procurement and cost sharing related to statewide geographic information systems and geospatial data sharing. (Sections 11 and 12)

FDOT Project Development and Environment Studies

The bill establishes a state policy that nonpecuniary factors are not considerations in FDOT's taxpayer-funded project development and environmental studies. For purposes of the bill, the term "nonpecuniary factor" includes any of the following:

- Considerations related to social justice, including diversity, equity, and inclusion or the placement of highways or transportation facilities having a disproportionate effect or impact on a specific demographic;
- Considerations related to environmental justice, including the social or cultural environment being impacted by the actions;
- Sociocultural effect evaluations; or

[6] *See* definition of "critical infrastructure resources," *supra* note 3.
[7] The bill defines the term "advanced air mobility corridor connection point" to mean any land area or transportation facility, including any airspace, designated by the department as suitable to support the efficient movement of people and goods by use as a connection point for advanced air mobility.

- Additional considerations related to climate alarmism, including any benchmark, standard, threshold, goal, or requirement related to emissions, motor vehicle fuel sources, decarbonization, and net-zero policies.[8] (Section 13)

The bill requires that, to the extent that consideration of nonpecuniary factors is a requirement of federal law or is a condition of receipt of federal transportation funding, a governmental entity[9] must include the following in any publication, document, report, presentation, webpage, or digital application:

- A written statement that federal law requires such considerations as part of the project development and environmental study in question and a reference to such federal law.
- The amount of taxpayer funding required to make such considerations, including the approximate increase in costs related to nonpecuniary factors.
- The estimated cost increase for all project phases for the overall recommended project when nonpecuniary factors are considered. (Section 13)

Criminal Violations

The bill provides that it is a second-degree felony to wantonly or maliciously shoot, or to throw any hard substance which would produce death or great bodily harm, at, within, or into any occupied or unoccupied autonomous vehicle. (Section 15)

The bill provides that anyone who willfully or maliciously defaces, injures, or damages any autonomous vehicle[10] commits a third-degree felony of criminal mischief, if the damage to the autonomous vehicle is greater than $200. (Section 16)

Miscellaneous Provisions

The bill makes conforming changes. (Sections 17 through 28)

The bill provides an effective date of July 1, 2026. (Section 29)

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Department of Transportation

The Florida Department of Transportation (FDOT) is an executive agency responsible for providing a safe statewide transportation system that promotes the efficient movement of people and goods, supports the state's economic competitiveness, prioritizes Florida's environment and natural resources, and preserves the quality of life and connectedness of the state's communities.[11]

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[8] For purposes of the bill, the term "net-zero policies" means achieving a balance between the total amount of greenhouse gases released into the atmosphere and the amount removed, but the term does not include standard reviews related to section 4(f) requirements in federal law, which protect park and recreation lands, wildlife and waterfowl refuges, and historic sites during transportation development. *See* Federal Highway Administration, *Section 4(f) Tutorial*, https://www.environment.fhwa.dot.gov/env_topics/4f_tutorial/overview.aspx?h=e#h (last visited Feb. 19, 2026).

[9] The term "governmental entity" is defined to mean a unit of government, or any officially designated public agency or authority of a unit of government, that has the responsibility for planning, construction, operation, or maintenance or jurisdiction over transportation facilities; the term includes the Federal Government, the state government, a county, an incorporated municipality, a metropolitan planning organization, an expressway or transportation authority, a road and bridge district, a special road and bridge district, and a regional governmental unit. S. 334.03(11), F.S.

[10] The bill defines the term "autonomous vehicle" by cross-reference to s. 316.003, F.S., which defines it to mean any vehicle equipped with an automated driving system. S. 316.003(3)(a), F.S.

[11] S. 20.23, F.S.; FDOT, *About FDOT*, https://www.fdot.gov/agencyresources/aboutfdot.shtm (last visited Feb. 19, 2026).

FDOT Research Facilities

Florida law grants FDOT the power to conduct research studies, research and demonstration projects, and to collect data necessary for the improvement of the state transportation system.[12] FDOT's Research Center Office oversees the agency's research program and contracts with state universities and other research service providers to conduct research in all areas of transportation.[13] The Research Center also participates in pooled fund studies with other state transportation agencies and contributes to national studies on subjects of benefit to Florida. FDOT's research program contributes to increasing the safety, reliability, capacity, and efficiency of Florida's transportation system.

Additionally, FDOT operates the SunTrax Transportation Testing Center, a facility located in Polk County dedicated to the research, development and testing of emerging transportation technologies in safe and controlled environments.[14] SunTrax serves as a premier facility for advancing transportation technology through comprehensive vehicle testing, research, and industry engagement.[15] Through SunTrax, FDOT is also investing in facilities to test and develop advanced air mobility (AAM) technology.[16]

FDOT Project Development and Environment Studies

FDOT conducts project development and environment (PD&E) studies to determine the location and conceptual design of feasible build alternatives for roadway improvement projects as well as their social, economic, and environmental effects.[17] Throughout each study, a no-build alternative, where roads are left in their present state with routine maintenance, remains a viable alternative. A PD&E study is finalized when the Federal Highway Administration reviews the study's documentation and recommendations and provides a Location and Design Concept Acceptance.[18] Florida law requires that PD&E studies for capacity improvement projects on limited access facilities must include the evaluation of alternatives that provide transportation capacity using elevated roadway above existing lanes.[19] Additionally, PD&E studies for new alignment projects and capacity improvement projects must be completed to the maximum extent possible within 18 months after the date of commencement.[20]

Under Florida law, FDOT has the power to assume the responsibilities of the U.S. Department of Transportation with respect to highway projects within the state under the National Environmental Policy Act[21] (NEPA) and with respect to related responsibilities for environmental review, consultation, or other action required under any federal environmental law pertaining to review or approval of a highway project within the state.[22] FDOT maintains a Project Development and Environment Manual as its procedure for complying with NEPA and other applicable federal and state laws and regulations.[23] FDOT's PD&E studies satisfy federal NEPA requirements, but even if a project does not use federal funds, FDOT policy requires a PD&E study to meet similar state requirements and to maintain eligibility for potential federal funding.[24]

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[12] S. 334.044(20)-(21), F.S.
[13] FDOT, *Research Center*, https://www.fdot.gov/research/default.shtm (last visited Feb. 19, 2026).
[14] ITS Florida, *SunTrax*, Dec. 11, 2018, https://www.itsflorida.org/suntrax (last visited Feb. 19, 2026).
[15] SunTrax, *Facility Usage*, https://suntraxfl.com/about-us/facility-usage/ (last visited Feb. 19, 2026).
[16] SunTrax, *SunTrax Air*, https://suntraxfl.com/suntrax-air/ (last visited Feb. 19, 2026).
[17] FDOT District 7, *What is a PD&E Study?,* https://www.fdotd7studies.com/projects/what-is-a-pde-study/, (last visited Feb. 19, 2026).
[18] *Id.*
[19] S. 334.63(1), F.S.
[20] S. 334.63(2), F.S.
[21] National Environmental Policy Act of 1969, U.S.C. § 4321 et. seq (2025). NEPA was the first major environmental law in the United States. It establishes a national policy for the environment, and it requires federal agencies to assess the environmental effects of proposed actions prior to making decisions. *See* NEPA.gov, *Homepage*, https://ceq.doe.gov/index.html (last visited Feb. 19, 2026).
[22] S. 334.044(34), F.S. *See also*, FDOT, Office of Environmental Management, *NEPA Assignment*, https://www.fdot.gov/environment/oem-divisions/qa-qc/nepa-assignment. (last visited Feb. 19, 2026).
[23] FDOT, *Project Development and Environment (PD&E) Manual*, https://www.fdot.gov/environment/pde-manual/pdeman-current (last visited Feb. 19, 2026).
[24] DOT District 7, *What is a PD&E Study?*, *supra* note 17; FDOT, *Frequently Asked Questions for the Local Agency Program*, https://www.fdot.gov/programmanagement/lap/faq.shtm (last visited Feb. 19, 2026).

Recent Federal Activity Related to NEPA and Environmental Studies

There have been recent shifts related to NEPA interpretation and implementation as a consequence of executive, regulatory, and judicial decisions.

The Council on Environmental Quality (CEQ) was established by NEPA in 1970 and is housed within the Executive Office of the President to consult and coordinate with federal agencies, provide guidance on the implementation of NEPA to ensure timely environmental review and permitting processes across the federal government, and to advise and assist the President on policies that promote the improvement of environmental quality, while supporting the economic prosperity and energy security of the American people.[25] Historically, the CEQ issued guidance and regulations outlining how federal agencies can comply with NEPA.[26] CEQ's regulations were treated as carrying the force of agency rulemaking and binding on federal agencies, influencing the rulemaking decisions of other agencies.[27] Agencies adopted their own NEPA implementation procedures and submitted them to CEQ for review.[28]

During the Obama and Biden presidencies, executive orders and CEQ regulations expanded the scope of NEPA analyses conducted by federal agencies to prioritize consideration of greenhouse gas emissions and the effect of climate change; require consideration of direct, indirect, and cumulative environmental impacts; and to promote environmental justice as a goal in NEPA implementation.[29] In President Trump's terms, executive orders and CEQ guidance rescinded those Obama- and Biden-era directives in an effort to reduce NEPA's regulatory and fiscal burdens and to promote efficiency and economic growth.[30]

Additionally, two recent federal court decisions have altered the landscape of NEPA regulations. First, in 2024, the U.S. Court of Appeals for the District of Columbia found that the CEQ had no lawful authority to promulgate binding regulations and called into question whether agency rules issued to comply with such CEQ rules were a permissible exercise of rulemaking authority.[31] As a result of this decision, on January 8, 2026, the CEQ issued a final rule rescinding all NEPA-implementing regulations, finding that neither NEPA nor any other federal statute gives the CEQ power to issue binding NEPA regulations, much less legislative rules with the force of law.[32]

In a second federal court case, decided in 2025, the U.S. Supreme Court found that judicial review of NEPA cases had, over the years, imposed additional substantive requirements on federal agencies to comply with NEPA, stating that "[a] 1970 legislative acorn has grown over the years into a judicial oak that has hindered infrastructure development 'under the guise' of just a little more process," and finding that "[a] course correction of sorts is appropriate to bring judicial review under NEPA back in line with the statutory text and common sense."[33] The court found that NEPA grants agencies discretion to weigh environmental consequences of a proposed action as the agency reasonably sees fit under its governing statute and applicable laws, and that the role of the courts in

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[25] The White House, *Council on Environmental Quality*, https://www.whitehouse.gov/ceq/ (last visited Feb. 19, 2026).
[26] Harvard Law School, Envtl. & Energy Law Program, *NEPA Environmental Review Requirements*, https://eelp.law.harvard.edu/tracker/nepa-environmental-review-requirements/ updated Jan. 21, 2026 (last visited Feb. 19, 2026).
[27] *Marin Audubon Society v. FAA*, 121 F. 4th 902, 910-14 (D.C. Cir. 2024);
[28] *Id.*
[29] *See* Harvard Law School, *NEPA Environmental Review Requirements*, *supra* note 26; Dr. Jalonne L. White-Newsome, *A New Environmental Justice Playbook for Federal Agencies*, Nov. 3, 2023, available at https://bidenwhitehouse.archives.gov/ceq/news-updates/2023/11/03/a-new-environmental-justice-playbook-for-federal-agencies/ (last visited Feb. 19, 2026).
[30] Harvard Law School, *NEPA Environmental Review Requirements*, *supra* note 26.
[31] *Marin Audubon Society v. FAA*, 121 F. 4th at 914-15.
[32] Removal of National Environmental Policy Act Implementing Regulations, 91 Fed. Reg. 618 (Jan. 8, 2026) (to be codified at 40 C.F.R. parts 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, and 1508).
[33] *Seven Cty. Infrastructure Coal. v. Eagle Cty, Colo.*, 605 U.S. 168, 184 (2025).

judicial review is to show deference to the agency's decision as to the scope and contents of its environmental study.[34]

Commercial Seaport Activity

Florida Seaports

Florida has 16 publicly owned seaports located around the state.[35] The governing board of each seaport is a government entity, either a county or city department, an independent special district, or an independent port authority. Florida law establishes the Florida Seaport Transportation and Economic Development (FSTED) Council, comprised of the port directors of each of Florida's sixteen seaports, along with representatives from FDOT and the Department of Commerce.[36]

Maritime Industrial Base

The term "maritime industrial base" refers to the commercial infrastructure and resources supporting the nation's shipbuilding and repair industry both for commercial as well as military purposes. In 2024, the Maritime Industrial Base (MIB) Program was created within the U.S. Navy with a mission to ensure the nation's industrial base is prepared, capable, and resilient enough to meet the Navy's long-term fleet requirements across submarines, surface combatants, and the full spectrum of maritime platforms.[37] In the MIB Program, the U.S. Navy coordinates with industry and state-level partners to invest in surface shipbuilding and munitions production, bringing together necessary suppliers, technologies, and workforce partners to create a unified effort to modernize and grow the nation's shipbuilding capacity, preparedness, and resilience.[38] In 2025, the MIB Program's supply chain expansion and stabilization efforts managed 169 projects totaling $648 million across 32 states and engaged over 40,000 K-12 students through MIB-aligned education programs across 30 states.[39]

On April 1, 2025, President Donald J. Trump issued an executive order outlining a policy and plan to revitalize and rebuild domestic maritime industries and workforce to promote national security and economic prosperity.[40] The order required various federal agencies, including Transportation, Commerce, Treasury, Homeland Security, and the military, to coordinate on a plan to encourage and support workforce development and infrastructure investment aimed at revitalizing U.S. shipbuilding-related industries.[41]

Commercial Service Airport Security

Commercial Service Airports

Florida law defines the term "commercial service airport" to mean an airport providing commercial service, including large, medium, small, and nonhub airports as classified by the Federal Aviation Administration (FAA),

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[34] *Id.* at 173, 179-80, 192; *Id.* at 169 (holding that "courts should afford substantial deference and should not micromanage those agency choices so long as they fall within a broad zone of reasonableness").

[35] Florida's sixteen seaports are Port of Pensacola, Port Panama City, Port of Port St. Joe, Port Citrus, Port Tampa Bay, Port St. Pete, Seaport Manatee, Port of Key West, PortMiami, Port Everglades, Port of Palm Beach, Port of Fort Pierce, Port Canaveral, Port Putnam, Jaxport, and Port of Fernandina. Florida Seaport Transportation and Economic Development Council, *2025-2029 Seaport Mission Plan*, at page 6, available at https://flaports.org/wp-content/uploads/2025_SeaportMissionPlan.pdf (last visited Feb. 19, 2026).

[36] *Id.* at page 3.; *see also* s. 311.09(1), F.S.

[37] U.S. Navy, Maritime Industrial Base, *2025 Maritime Industrial Base Program: Year in Review*, at page 4. https://www.secnav.navy.mil/rda/mib/Documents/2025%20Year%20in%20Review%20Report.pdf (last visited Feb. 19, 2026).

[38] *Id.* at 4-5.

[39] *Id.* at 7-9.

[40] White House, Executive Order, *Restoring America's Maritime Dominance*, Apr. 9, 2025, https://www.whitehouse.gov/presidential-actions/2025/04/restoring-americas-maritime-dominance/ (last visited Feb. 19, 2026).

[41] *Id.*

and the term includes all public airports with at least 2,500 passenger boardings each year and receiving scheduled passenger aircraft service.[42]

As of 2025, Florida had 20 commercial service airports.[43] These airports are St Pete-Clearwater International, in Clearwater; Daytona Beach International, in Daytona Beach; Fort Lauderdale/Hollywood International and Fort Lauderdale Exec, in Fort Lauderdale; Southwest Florida International, in Fort Myers; Gainesville Regional, in Gainesville; Jacksonville International, in Jacksonville; Key West International, in Key West; Melbourne Orlando International, in Melbourne; Miami International, in Miami; Orlando International, in Orlando; Northwest Florida Beaches International, in Panama City; Pensacola International, in Pensacola; Punta Gorda Airport, in Punta Gorda; Orlando Sanford International, in Sanford; Sarasota-Bradenton International, in Sarasota; Tallahassee International, in Tallahassee; Tampa International, in Tampa; Eglin AFB/Destin-Ft Walton Beach, in Valparaiso; Vero Beach Regional, in Vero Beach; and Palm Beach International, in West Palm Beach.[44]

U.S. Transportation Security Administration (TSA)

The U.S. Transportation Security Administration (TSA) was created in the wake of the September 11, 2001, terrorist attacks in New York, Pennsylvania, and Virginia.[45] The TSA's mission is to protect the nation's transportation systems to ensure freedom of movement for people and commerce.[46] TSA conducts security screening services at commercial airports, now screening all passengers into, out of, and within the United States.[47] However, TSA maintains a Screening Partnership Program (SPP) under which airport operators can apply to receive security screening services from a qualified private company operating under a contract with TSA and in compliance with applicable TSA security screening procedures.[48]

Currently, there are three Florida airports receiving security screening services from private providers under the TSA's SPP program: Orlando Sanford International, in Sanford; Punta Gorda Airport, in Punta Gorda; and Sarasota-Bradenton International, in Sarasota.[49]

Vehicle Regulation

Personal Delivery Devices

Under current Florida law, a personal delivery device (PDD) is an electrically powered device that:

- Is operated on sidewalks and crosswalks and intended primarily for transporting property;
- Has a weight that does not exceed the maximum weight established by FDOT rule;
- Has a maximum speed of 10 miles per hour; and
- Is equipped with technology to allow for operation of the device with or without the active control or monitoring of a natural person.[50]

PDDs are not considered vehicles unless expressly defined by law as such.[51] PDDs do not have any dimensional requirements under current Florida law. A PDD may operate on sidewalks and crosswalks where it has all the

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[42] S. 332.0075(1)(a), F.S.; 47 U.S.C. § 47102(7). The FAA classifies airports as commercial, reliever, and general aviation airports. *See* FAA, *Airport Categories*, https://www.faa.gov/airports/planning_capacity/categories (last visited Feb. 19, 2026).
[43] FAA, *National Plan of Integrated Airport Systems (2025-2029) – Appendix A: List of NPIAS Airports*, available at https://www.faa.gov/sites/faa.gov/files/airports/planning_capacity/npias/current/ARP-NPIAS-2025-2029-Appendix-A.pdf (last visited Feb. 19, 2026).
[44] *Id.*
[45] TSA, *Mission*, https://www.tsa.gov/about/tsa-mission (last visited Feb. 19, 2026).
[46] *Id.*
[47] U.S. Dep't of Homeland Security, *Transportation Security*, https://www.dhs.gov/topics/transportation-security (last visited Feb. 19, 2026).
[48] TSA, *Screening Partnership Program*, https://www.tsa.gov/for-industry/screening-partnerships (last visited Feb. 19, 2026).
[49] *Id.*
[50] S. 316.003(59), F.S.
[51] *Id.*

rights and duties applicable to a pedestrian, except that a PDD may not unreasonably interfere with pedestrians or traffic and must yield the right-of-way to pedestrians on the sidewalk or crosswalk.[52]

A PDD must obey all official traffic and pedestrian control signals and devices, display identifying information, and be equipped with a braking system.[53] Under current Florida law, a PDD may not:

- Operate on a public highway except to the extent necessary to cross a crosswalk;
- Operate on a sidewalk or crosswalk unless the PDD operator is actively controlling or monitoring its navigation and operation; or
- Transport hazardous materials.[54]

Advanced Air Mobility

Advanced air mobility (AAM) is an umbrella term for aircraft that are typically highly automated, electrically powered, and have vertical take-off and landing capability.[55]

Numerous uses for AAM are being explored, including air taxi, air cargo, or public services. Air taxi uses feature passenger transportation within and around urban and regional areas, including routes connecting city centers to airports or to neighboring city centers. Air cargo uses feature cargo transportation supporting the middle-mile of logistics, generally seen as from the cargo port to the distribution center. Public service uses, such as search and rescue, disaster relief, and air ambulance operations are other catalysts for innovation in AAM.

FDOT is currently laying the groundwork to build an intercity AAM "Aerial Highway Network" to connect major metropolitan areas across Florida.[56] In addition to performing research and development at its SunTrax test facility to accelerate operational viability, FDOT is developing custom curriculums to establish unique requirements for licensing to safely operate within the AAM Network.[57]

SunTrax, located in Polk County, has been designated as the research and development testing hub of the Florida's AAM program.[58] Early development phases of vertiport demonstration will consist of a passenger terminal, at-grade vertiports, access roads with vehicle staging, eVTOL[59] parking positions and charging station, and research and development hangar.[60]

Criminal Violations

Shooting or Throwing Into Dwellings, Buildings, and Vehicles

Florida law provides that it is a second-degree felony to wantonly or maliciously shoot, or to throw any hard substance which would produce death or great bodily harm, at, within, or in:

- Any public or private building, whether occupied or unoccupied;

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[52] S. 316.008(7), F.S.
[53] S. 316.2071, F.S.
[54] *Id.*
[55] Federal Aviation Administration, *Advanced Air Mobility: Air Taxis*, https://www.faa.gov/air-taxis (last visited Feb. 19, 2026).
[56] FDOT, *From the Ground to the Skies: Florida's Aerial Highway Network*, November 2025, available at https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/aviation/aam/fdot-2025-advanced-mobility_strategy.pdf?sfvrsn=19eb551c_1 (last visited Feb. 19, 2026).
[57] *Id*.
[58] Central Florida Development Council, *SunTrax Named Florida's Home for Advanced Air Mobility, Positioning Polk as Statewide Innovation Leader*, Nov. 18, 2025, https://www.cfdc.org/suntrax-named-floridas-home-for-advanced-air-mobility-positioning-polk-as-statewide-innovation-leader/ (last visited Feb. 19, 2026).
[59] The term "eVTOL" refers to electric-powered aircraft that vertically take off and land, typically designed to carry two to six people, including a pilot. *See* Matthew Urwin, *What are eVTOLs? Are They the Future of Aviation? Electricity-powered Flying Taxis are Almost Ready for Liftoff*, updated Sep. 12, 2025, available at https://builtin.com/articles/evtol-aircraft (last visited Feb. 19, 2026).
[60] SunTrax, SunTrax Air, https://suntraxfl.com/suntrax-air/ (last visited Feb. 19, 2026).

- Any vehicle of any kind which is being used or occupied by any person;
- Any boat, vessel, ship, or barge lying in or plying the waters of this state; or
- Any aircraft flying through the airspace of the state.[61]

Criminal Mischief

A person commits criminal mischief by willfully and maliciously injuring or damaging any real or personal property of another, including by vandalism or graffiti.[62] If the damage is $200 or less, the offense is a second-degree misdemeanor; if it is between $200 and $1000, the offense is a first-degree misdemeanor; if the damage is $1,000 or greater, or if it causes interruption or impairment of a business operation or any public service which costs $1,000 or more in labor and supplies to restore, the offense is a third-degree felony.[63] An offender with a previous criminal mischief convictions who commits a subsequent violation is charged with a third-degree felony, regardless of the amount of damage.[64]

Additionally, certain violations are also enhanced to the level of a third-degree felony, including when a person damages a:

- Church, synagogue, mosque, or other place of worship, or a religious article therein, if the damage to the property is greater than $200.[65]
- A memorial[66] or historic property,[67] if the damage is valued at greater than $200.[68]
- Public telephone, under certain circumstances, regardless of the value of the damage.[69]
- Sexually violent predator[70] detention or commitment facility, if the damage is valued at greater than $200.[71]

[61] S. 790.17, F.S.
[62] S. 806.13(1)(a), F.S.
[63] S. 806.13(1)(b), F.S.
[64] *Id.*
[65] S. 806.13(2), F.S.
[66] "Memorial" means a plaque, statue, marker, flag, banner, cenotaph, religious symbol, painting, seal, tombstone, structure name, or display that is constructed and located with the intent of being permanently displayed or perpetually maintained; is dedicated to a historical person, an entity, an event, or a series of events; and honors or recounts the military service of any past or present United States Armed Forces military personnel, or the past or present public service of a resident of the geographical area comprising the state or the United States. The term includes, but is not limited to, certain memorials established under ch. 265, F.S. S. 806.135(1)(b), F.S.
[67] "Historic property" means any building, structure, site, or object that has been officially designated as a historic building, historic structure, historic site, or historic object through a federal, state, or local designation program. S. 806.135(1)(a), F.S.
[68] S. 806.13(3), F.S.
[69] S. 806.13(5), F.S.
[70] The term "sexually violent predator" means any person who (a) has been convicted of a sexually violent offense; and (b) suffers from a mental abnormality or personality disorder that makes the person likely to engage in acts of sexual violence if not confined in a secure facility for long-term control, care, and treatment. S. 394.912(10), F.S.
[71] S. 806.13(6), F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	15 Y, 0 N, As CS	2/4/2026	Keating	Rubottom
THE CHANGES ADOPTED BY THE COMMITTEE:	• Required seaports and commercial service airports to undertake certain actions and obligations. • Revised FDOT's duties and obligations with respect to commercial service airports and airport systems, research facilities and contracts, and application by local governments for federal transportation grants. • Modified provisions related to consideration of certain nonpecuniary factors in taxpayer-funded project development and environmental studies. • Required the Florida Greenways and Trails Council to take certain actions after receiving a report from FDOT. • Removed provisions of the bill related to digital driver license and identification, seaport funding, powers of the Legislative Budget Commission, and FDOT control of Capitol Complex roads.			
Commerce Committee			Hamon	Rubottom

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

A bill to be entitled

An act relating to transportation; amending s. 260.0142, F.S.; requiring the Florida Greenways and Trails Council to meet within a specified timeframe to update specified recommendations; amending s. 311.14, F.S.; requiring each seaport to include specified strategies for obtaining and maintaining critical infrastructure resources as part of a 10-year strategic plan; defining the term "critical infrastructure resources"; creating s. 311.26, F.S.; requiring the Department of Transportation to coordinate with certain entities for a specified purpose; amending s. 316.003, F.S.; revising the definition of the term "personal delivery device"; amending s. 316.008, F.S.; authorizing a personal delivery device to be operated in specified areas; providing an exception; amending s. 316.2071, F.S.; authorizing a personal delivery device to operate in specified areas; providing an exception; prohibiting a personal delivery device or mobile carrier from interfering with bicyclists and motor vehicles; prohibiting a personal delivery device or mobile carrier from operating in specified areas unless certain conditions are met; authorizing the department to adopt rules; amending s. 330.41, F.S.; prohibiting

a political subdivision from taking certain actions against a drone delivery service on a commercial property; removing a limitation relating to drone ports; providing that the addition of a drone delivery service within the parking area of a commercial property does not reduce the number of parking spaces for a specified purpose; amending s. 332.001, F.S.; revising powers and duties of the department with respect to airport systems in this state; amending s. 332.006, F.S.; requiring the department to coordinate with certain airports for a specified purpose; amending s. 332.0075, F.S.; requiring commercial service airports to provide methods for obtaining and maintaining critical infrastructure resources; defining the term "critical infrastructure resources"; amending s. 334.03, F.S.; defining the term "advanced air mobility corridor connection point"; revising the definition of the term "transportation corridor"; amending s. 334.044, F.S.; providing and revising powers and duties of the department; amending s. 334.63, F.S.; providing state policy; requiring a governmental entity to include certain information in specified publications; defining the terms "nonpecuniary factor" and "net-zero policies"; amending s. 341.041, F.S.; providing that certain

provisions relating to paratransit services apply only to persons with disabilities; amending s. 790.19, F.S.; providing penalties for shooting into or throwing deadly missiles into an occupied or unoccupied autonomous vehicle; amending s. 806.13, F.S.; providing penalties for defacing, injuring, or damaging an autonomous vehicle; amending ss. 311.07, 316.0777, 316.515, 336.01, 338.222, 341.8225, 376.3071, 403.7211, 479.261, 715.07, 921.0022, and 1006.23, F.S.; conforming cross-references; providing an effective date.

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

Section 1. Paragraph (h) of subsection (4) of section 260.0142, Florida Statutes, is amended to read:

260.0142 Florida Greenways and Trails Council; composition; powers and duties.—

(4) The duties of the council include the following:

(h) Make recommendations for updating and revising the implementation plan for the Florida Greenways and Trails System, including, but not limited to, recommendations for prioritization of regionally significant trails within the Florida Shared-Use Nonmotorized Trail Network. The council shall meet within 90 days after the Department of Transportation

submits its report pursuant to s. 339.81(8) to update its recommendations for prioritization of regionally significant trails within the network.

Section 2. Paragraph (b) of subsection (2) of section 311.14, Florida Statutes, is amended to read:

311.14 Seaport planning.—

(2) Each port shall develop a strategic plan with a 10-year horizon. Each plan must include the following:

(b) An infrastructure development and improvement component that identifies all projected infrastructure improvements within the plan area which require improvement, expansion, or development in order for a port to attain a strategic advantage for competition with national and international competitors. This component must provide strategies for obtaining and maintaining critical infrastructure resources for the port and its tenants. Such strategies must include long-term contracts, rights of first refusal regarding the sale or lease of property storing such resources, and contingency plans for obtaining such resources. For purposes of this paragraph, the term "critical infrastructure resources" includes, but is not limited to, access to electricity, fuel, and water resources.

To the extent feasible, the port strategic plan must be consistent with the local government comprehensive plans of the

units of local government in which the port is located. Upon approval of a plan by the port's board, the plan shall be submitted to the Florida Seaport Transportation and Economic Development Council.

Section 3. Section 311.26, Florida Statutes, is created to read:

311.26 Florida Seaport Maritime Industrial Base.—The Department of Transportation shall coordinate with the Department of Commerce and the ports listed in s. 311.09, the United States Department of Commerce, and the United States Department of War to identify and prioritize key maritime components in the supply chain which are essential to strengthening and expanding this state's maritime industrial base. The ports listed in s. 311.09 shall support projects evaluated by the Department of Transportation, which shall directly support the construction, maintenance, and modernization of both commercial vessels, including cargo vessels, and vessels designed for national defense. Projects shall be evaluated based on the return on invested capital, job creation, and contribution to the economic competitiveness of this state and based on support for the national security interests of the United States. Additional considerations shall include the anticipated enhancement of this state's commercial maritime capabilities.

Section 4. Subsection (59) of section 316.003, Florida

Statutes, is amended to read:

316.003 Definitions.—The following words and phrases, when used in this chapter, shall have the meanings respectively ascribed to them in this section, except where the context otherwise requires:

(59) PERSONAL DELIVERY DEVICE.—An electrically powered device that:

(a) Is operated on sidewalks, ~~and~~ crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and intended primarily for transporting property;

(b) Has a weight that does not exceed the maximum weight established by Department of Transportation rule;

(c) Operates at ~~Has~~ a maximum speed of 10 miles per hour on sidewalks and crosswalks and 20 miles per hour on bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities; and

(d) Is equipped with technology to allow for operation of the device with or without the active control or monitoring of a natural person.

A personal delivery device is not considered a vehicle unless expressly defined by law as a vehicle. A mobile carrier is not considered a personal delivery device. The Department of Transportation may adopt rules to implement this subsection.

Section 5. Paragraph (b) of subsection (7) of section 316.008, Florida Statutes, is amended to read:

316.008 Powers of local authorities.—

(7)

(b)1. Except as provided in subparagraph 2., a personal delivery device may be operated on sidewalks, crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and a mobile carrier may be operated on sidewalks and crosswalks within a county or municipality when such use is permissible under federal law. This paragraph does not restrict a county or municipality from otherwise adopting regulations for the safe operation of personal delivery devices and mobile carriers.

2. A personal delivery device may not be operated on the Florida Shared-Use Nonmotorized Trail Network created under s. 339.81 or components of the Florida Greenways and Trails System created under chapter 260.

Section 6. Subsections (1) and (3) of section 316.2071, Florida Statutes, are amended, and subsection (5) is added to that section, to read:

316.2071 Personal delivery devices and mobile carriers.—

(1) Notwithstanding any provision of law to the contrary, a personal delivery device may operate on sidewalks, crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and a ~~or~~

mobile carrier may operate on sidewalks and crosswalks, subject to s. 316.008(7)(b). Such ~~A~~ personal delivery device or mobile carrier ~~operating on a sidewalk or crosswalk~~ has all the rights and duties applicable to a pedestrian under the same circumstances. A~~, except that the~~ personal delivery device or mobile carrier may ~~must~~ not unreasonably interfere with pedestrians, bicyclists, and motor vehicles ~~or traffic~~ and must yield the right-of-way to pedestrians ~~on the sidewalk or crosswalk~~.

(3) A personal delivery device and a mobile carrier may not:

(a) Operate on a sidewalk, crosswalk, bicycle lane, or shoulder on a street, roadway, or highway, excluding a limited access facility, unless the personal delivery device or mobile carrier meets minimum criteria established by the Department of Transportation ~~public highway except to the extent necessary to cross a crosswalk~~.

(b) Operate on a sidewalk, ~~or~~ crosswalk, bicycle lane, bicycle path, or shoulder on a street, roadway, or highway, excluding a limited access facility, unless a human who is an agent of the personal delivery device operator is capable of ~~actively~~ controlling and ~~or~~ monitoring the navigation and operation of the personal delivery device or a mobile carrier owner remains within 25 feet of the mobile carrier.

(c) Transport hazardous materials as defined in s.

316.003.

(d) For mobile carriers, transport persons or animals.

(5) The Department of Transportation may adopt rules to implement this section.

Section 7. Paragraph (c) of subsection (3) of section 330.41, Florida Statutes, is amended, and a new paragraph (e) is added to that subsection, to read:

330.41 Unmanned Aircraft Systems Act.—

(3) REGULATION.—

(c) Except as otherwise expressly provided, a political subdivision may not withhold issuance of a business tax receipt, development permit, or other conditional use approval to a drone delivery service on a commercial property or enact or enforce an ordinance or resolution that prohibits a drone delivery service's operation ~~based on the location of its drone port~~, notwithstanding part II of chapter 163 and chapter 205. A political subdivision may enforce minimum setback and landscaping regulations that are generally applicable to permitted uses in the drone port site's zoning district. This paragraph may not be construed to authorize a political subdivision to require additional landscaping as a condition of approval ~~of a drone port~~.

(e) The addition of a drone delivery service within the parking area of a commercial property does not reduce the number of parking spaces for the purpose of meeting applicable minimum

parking requirements.

Section 8. Subsection (1) of section 332.001, Florida Statutes, is amended to read:

332.001 Aviation; powers and duties of the Department of Transportation.—

(1) It shall be the duty, function, and responsibility of the Department of Transportation to plan and direct investments in airport systems in this state to facilitate the efficient movement of passengers and cargo and to continuously improve the experience for the flying public and the supply chain of this state's businesses. In carrying out this duty and responsibility, the department may assist and advise, cooperate, and coordinate with the federal, state, local, or private organizations and individuals in planning such systems of airports.

Section 9. Subsection (10) is added to section 332.006, Florida Statutes, to read:

332.006 Duties and responsibilities of the Department of Transportation.—The Department of Transportation shall, within the resources provided to the department:

(10) Coordinate with commercial service airports in this state to review United States Transportation Security Administration policies and programs, including programs for veterans and active duty members of the United States Armed Forces and their families to increase the efficiency of

passenger screening and the overall customer service experience of the flying public.

Section 10. Subsections (4), (5), and (6) of section 332.0075, Florida Statutes, are renumbered as subsections (5), (6), and (7), respectively, and a new subsection (4) is added to that section to read:

332.0075 Commercial service airports; transparency and accountability; penalty.—

(4) Notwithstanding any other provision of law, commercial service airports must provide methods for obtaining and maintaining critical infrastructure resources for the airport, its tenants, and the traveling public. Such strategies must include long-term contracts and rights of first refusal regarding the sale of and contingency plans for such resources. For purposes of this subsection, the term "critical infrastructure resources" includes, but is not limited to, access to electricity, fuel, and water resources.

Section 11. Subsections (1) through (37) of section 334.03, Florida Statutes, are renumbered as subsections (2) through (38), respectively, present subsection (29) is amended, and a new subsection (1) is added to that section, to read:

334.03 Definitions.—When used in the Florida Transportation Code, the term:

(1) "Advanced air mobility corridor connection point" means any land area or transportation facility, including any

airspace, designated by the department as suitable to support the efficient movement of people and goods by use as a connection point for advanced air mobility.

(30)~~(29)~~ "Transportation corridor" means any advanced air mobility corridor connection point or any land area designated by the state, a county, or a municipality which is between two geographic points and which area is used or suitable for the movement of people and goods by one or more modes of transportation, including areas necessary for management of access and securing applicable approvals and permits. Transportation corridors, other than advanced air mobility corridor connection points, shall contain, but are not limited to, the following:

(a) Existing publicly owned rights-of-way;

(b) All property or property interests necessary for future transportation facilities, including rights of access, air, view, and light, whether public or private, for the purpose of securing and utilizing future transportation rights-of-way, including, but not limited to, any lands reasonably necessary now or in the future for securing applicable approvals and permits, borrow pits, drainage ditches, water retention areas, rest areas, replacement access for landowners whose access could be impaired due to the construction of a future facility, and replacement rights-of-way for relocation of rail and utility facilities.

Section 12. Subsections (5), (20), and (21) of section 334.044, Florida Statutes, are amended, and subsections (40), (41), and (42) are added to that section, to read:

334.044 Powers and duties of the department.—The department shall have the following general powers and duties:

(5) To purchase, lease, or otherwise acquire property and materials, including the purchase of promotional items as part of public information and education campaigns for the promotion of environmental management, scenic highways, traffic and train safety awareness, commercial motor vehicle safety, workforce development, transportation economic development opportunities ~~electric vehicle use and charging stations~~, autonomous vehicles, advanced air mobility, and context classification for electric vehicles and autonomous vehicles; to purchase, lease, or otherwise acquire equipment and supplies; and to sell, exchange, or otherwise dispose of any property that is no longer needed by the department.

(20) To operate and maintain research facilities designated by the department, to conduct and enter into contracts and agreements for compensation for conducting research by the department and private entities ~~studies~~, and to collect data necessary for the improvement of the state transportation system.

(21) To conduct and enter into contracts and agreements for research and demonstration projects relative to innovative

transportation technologies.

(40) To coordinate with local governments and municipalities to review federal funding grant applications that impact or may impact state-owned rights-of-way, roads, bridges, and limited access facilities to the department for review and approval before submission to the Federal Government or the Federal Highway Administration.

(41) To coordinate with local governments to review and develop applications for federal funding to ensure that each project will have the maximum benefit to this state transportation system, contributing to congestion relief and infrastructure improvements.

(42) Notwithstanding s. 20.255(9), to serve as the point of contact for statewide topographic aerial light detection and ranging (LiDAR) procurement and cost sharing related to statewide geographic information systems and geospatial data sharing. The department may provide these services to other state and local agencies by entering into an interagency agreement consistent with chapter 216. Notwithstanding any other law, including any charter provision, ordinance, statute, or special law, all state and local agencies conducting programs or exercising powers relating to topographic aerial LiDAR may enter into interagency agreements consistent with chapter 216 with the department for the provision by the department of topographic aerial LiDAR procurement and cost-sharing services, and to

delegate such authority to conduct programs or exercise powers relating to topographic aerial LiDAR procurement and cost-sharing services to the department pursuant to such interagency agreements. The department may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this subsection.

Section 13. Subsection (3) is added to section 334.63, Florida Statutes, to read:

334.63 Project concept studies and project development and environment studies.—

(3)(a) It is the policy of this state that nonpecuniary factors are not considerations in taxpayer-funded project development and environmental studies. To the extent such nonpecuniary factors are a requirement of federal law or as a condition of receipt of federal transportation funding, a governmental entity must include the following in any publication, document, report, presentation, webpage, or digital application:

1. A written statement that federal law requires such considerations as part of the project development and environmental study in question and a reference to such federal law.

2. The amount of taxpayer funding required to make such considerations, including the approximate increase in costs related to nonpecuniary factors.

3. The estimated cost increase for all project phases for

the overall recommended project when nonpecuniary factors are considered.

(b) For purposes of this subsection, the term "nonpecuniary factor" includes any of the following:

1. Considerations related to social justice, including diversity, equity, and inclusion or the placement of highways or transportation facilities having a disproportionate effect or impact on a specific demographic;

2. Considerations related to environmental justice, including the social or cultural environment being impacted by the actions;

3. Sociocultural effect evaluations; or

4. Additional considerations related to climate alarmism, including any benchmark, standard, threshold, goal, or requirement related to emissions, motor vehicle fuel sources, decarbonization, and net-zero policies. For purposes of this subparagraph, the term "net-zero policies" means achieving a balance between the total amount of greenhouse gases released into the atmosphere and the amount removed. The term does not include standard reviews related to section 4(f) requirements outlined in 49 U.S.C. s. 303 and 23 U.S.C. s. 138.

Section 14. Subsection (16) of section 341.041, Florida Statutes, is amended to read:

341.041 Transit responsibilities of the department.—The department shall, within the resources provided pursuant to

chapter 216:

(16) Unless otherwise provided by state or federal law, ensure that all grants and agreements between the department and entities providing paratransit services to persons with disabilities include, at a minimum, the following provisions:

(a) Performance requirements for the delivery of services, including clear penalties for repeated or continuing violations;

(b) Minimum liability insurance requirements for all transportation services purchased, provided, or coordinated for the transportation disadvantaged, as defined in s. 427.011(1), through the contracted vendor or subcontractor thereof;

(c) Complaint and grievance processes for users of paratransit services for persons with disabilities ~~users~~, including a requirement that all reported complaints, grievances, and resolutions be reported to the department on a quarterly basis; and

(d) A requirement that the provisions of paragraphs (a), (b), and (c) must be included in any agreement between an entity receiving a grant or an agreement from the department and such entity's contractors or subcontractors that provide paratransit services for persons with disabilities.

Section 15. Section 790.19, Florida Statutes, is amended to read:

790.19 Shooting into or throwing deadly missiles into occupied or unoccupied ~~dwellings,~~ public or private buildings,

~~occupied or not occupied;~~ vessels, aircraft, public or private buses, railroad cars, streetcars, or other vehicles.—Any person who ~~Whoever,~~ wantonly or maliciously~~,~~ shoots at, within, or into, or throws any missile or hurls or projects a stone or other hard substance which would produce death or great bodily harm~~,~~ at, within, or into, ~~in~~ any occupied or unoccupied public or private building; any~~, occupied or unoccupied, or~~ public or private bus; ~~or~~ any train, locomotive, railway car, caboose, cable railway car, street railway car, monorail car, or vehicle of any kind which is being used or occupied by any person; any occupied or unoccupied autonomous vehicle;~~, or~~ any boat, vessel, ship, or barge lying in or plying the waters of this state;~~,~~ or any aircraft flying through the airspace of this state commits ~~shall be guilty of~~ a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Section 16. Subsections (2) through (12) of section 806.13, Florida Statutes, are renumbered as subsections (3) through (13), respectively, present subsection (11) is amended, and a new subsection (2) is added to that section, to read:

806.13 Criminal mischief; penalties; penalty for minor.—

(2) Any person who willfully or maliciously defaces, injures, or damages by any means any autonomous vehicle, as defined in s. 316.003(3), commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the damage to the autonomous vehicle is greater than $200.

(12)~~(11)~~ A minor whose driver license or driving privilege is revoked, suspended, or withheld under subsection (11) ~~(10)~~ may elect to reduce the period of revocation, suspension, or withholding by performing community service at the rate of 1 day for each hour of community service performed. In addition, if the court determines that due to a family hardship, the minor's driver license or driving privilege is necessary for employment or medical purposes of the minor or a member of the minor's family, the court shall order the minor to perform community service and reduce the period of revocation, suspension, or withholding at the rate of 1 day for each hour of community service performed. As used in this subsection, the term "community service" means cleaning graffiti from public property.

Section 17. Paragraph (b) of subsection (3) of section 311.07, Florida Statutes, is amended to read:

311.07 Florida seaport transportation and economic development funding.—

(3)

(b) Projects eligible for funding by grants under the program are limited to the following port facilities or port transportation projects:

1. Transportation facilities within the jurisdiction of the port.

2. The dredging or deepening of channels, turning basins,

or harbors.

3. The construction or rehabilitation of wharves, docks, structures, jetties, piers, storage facilities, cruise terminals, automated people mover systems, or any facilities necessary or useful in connection with any of the foregoing.

4. The acquisition of vessel tracking systems, container cranes, or other mechanized equipment used in the movement of cargo or passengers in international commerce.

5. The acquisition of land to be used for port purposes.

6. The acquisition, improvement, enlargement, or extension of existing port facilities.

7. Environmental protection projects which are necessary because of requirements imposed by a state agency as a condition of a permit or other form of state approval; which are necessary for environmental mitigation required as a condition of a state, federal, or local environmental permit; which are necessary for the acquisition of spoil disposal sites and improvements to existing and future spoil sites; or which result from the funding of eligible projects listed in this paragraph.

8. Transportation facilities as defined in s. 334.03(31) ~~s. 334.03(30)~~ which are not otherwise part of the Department of Transportation's adopted work program.

9. Intermodal access projects.

10. Construction or rehabilitation of port facilities as defined in s. 315.02, excluding any park or recreational

facilities, in ports listed in s. 311.09(1) with operating revenues of $5 million or less, provided that such projects create economic development opportunities, capital improvements, and positive financial returns to such ports.

11. Seaport master plan or strategic plan development or updates, including the purchase of data to support such plans.

12. Spaceport or space industry-related planning or construction of facilities on seaport property which are necessary or useful for advancing the space industry in this state and provide an economic benefit to this state.

13. Commercial shipbuilding and manufacturing facilities on seaport property, if such projects provide an economic benefit to the community in which the seaport is located.

Section 18. Paragraph (b) of subsection (2) of section 316.0777, Florida Statutes, is amended to read:

316.0777 Automated license plate recognition systems; installation within rights-of-way of State Highway System; public records exemption.—

(2)

(b) At the discretion of the Department of Transportation, an automated license plate recognition system may be installed within the right-of-way, as defined in s. 334.03(22) ~~s. 334.03(21)~~, of a road on the State Highway System when installed at the request of a law enforcement agency for the purpose of collecting active criminal intelligence information or active

criminal investigative information as defined in s. 119.011(3). An automated license plate recognition system may not be used to issue a notice of violation for a traffic infraction or a uniform traffic citation. Such installation must be in accordance with placement and installation guidelines developed by the Department of Transportation. An automated license plate recognition system must be removed within 30 days after the Department of Transportation notifies the requesting law enforcement agency that such removal must occur.

Section 19. Paragraph (c) of subsection (5) of section 316.515, Florida Statutes, is amended to read:

316.515 Maximum width, height, length.—

(5) IMPLEMENTS OF HUSBANDRY AND FARM EQUIPMENT; AGRICULTURAL TRAILERS; FORESTRY EQUIPMENT; SAFETY REQUIREMENTS.—

(c) The width and height limitations of this section do not apply to farming or agricultural equipment, whether self-propelled, pulled, or hauled, when temporarily operated during daylight hours upon a public road that is not a limited access facility as defined in s. 334.03(13) ~~s. 334.03(12)~~, and the width and height limitations may be exceeded by such equipment without a permit. To be eligible for this exemption, the equipment shall be operated within a radius of 50 miles of the real property owned, rented, managed, harvested, or leased by the equipment owner. However, equipment being delivered by a dealer to a purchaser is not subject to the 50-mile limitation.

Farming or agricultural equipment greater than 174 inches in width must have one warning lamp mounted on each side of the equipment to denote the width and must have a slow-moving vehicle sign. Warning lamps required by this paragraph must be visible from the front and rear of the vehicle and must be visible from a distance of at least 1,000 feet.

Section 20. Section 336.01, Florida Statutes, is amended to read:

336.01 Designation of county road system.—The county road system shall be as defined in s. 334.03(9) ~~s. 334.03(8)~~.

Section 21. Subsection (2) of section 338.222, Florida Statutes, is amended to read:

338.222 Department of Transportation sole governmental entity to acquire, construct, or operate turnpike projects; exception.—

(2) The department may, but is not required to, contract with any local governmental entity as defined in s. 334.03(14) ~~s. 334.03(13)~~ for the design, right-of-way acquisition, transfer, purchase, sale, acquisition, or other conveyance of the ownership, operation, maintenance, or construction of any turnpike project which the Legislature has approved. Local governmental entities may negotiate and contract with the department for the design, right-of-way acquisition, transfer, purchase, sale, acquisition, or other conveyance of the ownership, operation, maintenance, or construction of any

section of the turnpike project within areas of their respective jurisdictions or within counties with which they have interlocal agreements.

Section 22. Subsection (2) of section 341.8225, Florida Statutes, is amended to read:

341.8225 Department of Transportation sole governmental entity to acquire, construct, or operate high-speed rail projects; exception.—

(2) Local governmental entities, as defined in s. 334.03(14) ~~s. 334.03(13)~~, may negotiate with the department for the design, right-of-way acquisition, and construction of any component of the high-speed rail system within areas of their respective jurisdictions or within counties with which they have interlocal agreements.

Section 23. Paragraph (b) of subsection (12) of section 376.3071, Florida Statutes, is amended to read:

376.3071 Inland Protection Trust Fund; creation; purposes; funding.—

(12) SITE CLEANUP.—

(b) Low-scored site initiative.—Notwithstanding subsections (5) and (6), a site with a priority ranking score of 29 points or less may voluntarily participate in the low-scored site initiative regardless of whether the site is eligible for state restoration funding.

1. To participate in the low-scored site initiative, the

property owner, or a responsible party who provides evidence of authorization from the property owner, must submit a "No Further Action" proposal and affirmatively demonstrate that the conditions imposed under subparagraph 4. are met.

2. Upon affirmative demonstration that the conditions imposed under subparagraph 4. are met, the department shall issue a site rehabilitation completion order incorporating the "No Further Action" proposal submitted by the property owner or the responsible party, who must provide evidence of authorization from the property owner. If no contamination is detected, the department may issue a site rehabilitation completion order.

3. Sites that are eligible for state restoration funding may receive payment of costs for the low-scored site initiative as follows:

a. A property owner, or a responsible party who provides evidence of authorization from the property owner, may submit an assessment and limited remediation plan designed to affirmatively demonstrate that the site meets the conditions imposed under subparagraph 4. Notwithstanding the priority ranking score of the site, the department may approve the cost of the assessment and limited remediation, including up to 12 months of groundwater monitoring and 12 months of limited remediation activities in one or more task assignments or modifications thereof, not to exceed the threshold amount

provided in s. 287.017 for CATEGORY TWO, for each site where the department has determined that the assessment and limited remediation, if applicable, will likely result in a determination of "No Further Action." The department may not pay the costs associated with the establishment of institutional or engineering controls other than the costs associated with a professional land survey or a specific purpose survey, if such is needed, and the costs associated with obtaining a title report and paying recording fees.

b. After the approval of initial site assessment results provided pursuant to state funding under sub-subparagraph a., the department may approve an additional amount not to exceed the threshold amount provided in s. 287.017 for CATEGORY TWO for limited remediation needed to achieve a determination of "No Further Action."

c. The assessment and limited remediation work shall be completed no later than 15 months after the department authorizes the start of a state-funded, low-score site initiative task. If groundwater monitoring is required after the assessment and limited remediation in order to satisfy the conditions under subparagraph 4., the department may authorize an additional 12 months to complete the monitoring.

d. No more than $15 million for the low-scored site initiative may be encumbered from the fund in any fiscal year. Funds shall be made available on a first-come, first-served

basis and shall be limited to 10 sites in each fiscal year for each property owner or each responsible party who provides evidence of authorization from the property owner.

e. Program deductibles, copayments, and the limited contamination assessment report requirements under paragraph (13)(d) do not apply to expenditures under this paragraph.

4. The department shall issue an order incorporating the "No Further Action" proposal submitted by a property owner or a responsible party who provides evidence of authorization from the property owner upon affirmative demonstration that all of the following conditions are met:

a. Soil saturated with petroleum or petroleum products, or soil that causes a total corrected hydrocarbon measurement of 500 parts per million or higher for the Gasoline Analytical Group or 50 parts per million or higher for the Kerosene Analytical Group, as defined by department rule, does not exist onsite as a result of a release of petroleum products.

b. A minimum of 12 months of groundwater monitoring indicates that the plume is shrinking or stable.

c. The release of petroleum products at the site does not adversely affect adjacent surface waters, including their effects on human health and the environment.

d. The area containing the petroleum products' chemicals of concern:

(I) Is confined to the source property boundaries of the

real property on which the discharge originated, unless the property owner has requested or authorized a more limited area in the "No Further Action" proposal submitted under this subsection; or

(II) Has migrated from the source property onto or beneath a transportation facility as defined in s. 334.03(31) ~~s. 334.03(30)~~ for which the department has approved, and the governmental entity owning the transportation facility has agreed to institutional controls as defined in s. 376.301(21). This sub-sub-subparagraph does not, however, impose any legal liability on the transportation facility owner, obligate such owner to engage in remediation, or waive such owner's right to recover costs for damages.

e. The groundwater contamination containing the petroleum products' chemicals of concern is not a threat to any permitted potable water supply well.

f. Soils onsite found between land surface and 2 feet below land surface which are subject to human exposure meet the soil cleanup target levels established in subparagraph (5)(b)9., or human exposure is limited by appropriate institutional or engineering controls.

Issuance of a site rehabilitation completion order under this paragraph acknowledges that minimal contamination exists onsite and that such contamination is not a threat to the public

health, safety, or welfare; water resources; or the environment. Pursuant to subsection (4), the issuance of the site rehabilitation completion order, with or without conditions, does not alter eligibility for state-funded rehabilitation that would otherwise be applicable under this section.

Section 24. Paragraph (a) of subsection (2) of section 403.7211, Florida Statutes, is amended to read:

403.7211 Hazardous waste facilities managing hazardous wastes generated offsite; federal facilities managing hazardous waste.—

(2) The department may not issue any permit under s. 403.722 for the construction, initial operation, or substantial modification of a facility for the disposal, storage, or treatment of hazardous waste generated offsite which is proposed to be located in any of the following locations:

(a) Any area where life-threatening concentrations of hazardous substances could accumulate at any residence or residential subdivision as the result of a catastrophic event at the proposed facility, unless each such residence or residential subdivision is served by at least one arterial road or urban minor arterial road, as determined under the procedures referenced in s. 334.03(11) ~~s. 334.03(10)~~, which provides safe and direct egress by land to an area where such life-threatening concentrations of hazardous substances could not accumulate in a catastrophic event. Egress by any road leading from any

residence or residential subdivision to any point located within 1,000 yards of the proposed facility is unsafe for the purposes of this paragraph. In determining whether egress proposed by the applicant is safe and direct, the department shall also consider, at a minimum, the following factors:

1. Natural barriers such as water bodies, and whether any road in the proposed evacuation route is impaired by a natural barrier such as a water body.

2. Potential exposure during egress and potential increases in the duration of exposure.

3. Whether any road in a proposed evacuation route passes in close proximity to the facility.

4. Whether any portion of the evacuation route is inherently directed toward the facility.

For the purposes of this subsection, all distances shall be measured from the outer limit of the active hazardous waste management area. "Substantial modification" includes: any physical change in, change in the operations of, or addition to a facility which could increase the potential offsite impact, or risk of impact, from a release at that facility; and any change in permit conditions which is reasonably expected to lead to greater potential impacts or risks of impacts, from a release at that facility. "Substantial modification" does not include a change in operations, structures, or permit conditions which

does not substantially increase either the potential impact from, or the risk of, a release. Physical or operational changes to a facility related solely to the management of nonhazardous waste at the facility is not considered a substantial modification. The department shall, by rule, adopt criteria to determine whether a facility has been substantially modified. "Initial operation" means the initial commencement of operations at the facility.

Section 25. Subsection (5) of section 479.261, Florida Statutes, is amended to read:

479.261 Logo sign program.—

(5) At a minimum, permit fees for businesses that participate in the program must be established in an amount sufficient to offset the total cost to the department for the program, including contract costs. The department shall provide the services in the most efficient and cost-effective manner through department staff or by contracting for some or all of the services. The department shall adopt rules that set reasonable rates based upon factors such as population, traffic volume, market demand, and costs for annual permit fees. However, annual permit fees for sign locations inside an urban area, as defined in s. 334.03(32) ~~s. 334.03(31)~~, may not exceed $3,500, and annual permit fees for sign locations outside an urban area, as defined in s. 334.03(32) ~~s. 334.03(31)~~, may not exceed $2,000. After recovering program costs, the proceeds from

the annual permit fees shall be deposited into the State Transportation Trust Fund and used for transportation purposes.

Section 26. Paragraph (a) of subsection (2) of section 715.07, Florida Statutes, is amended to read:

715.07 Vehicles or vessels parked on private property; towing.—

(2) The owner or lessee of real property, or any person authorized by the owner or lessee, which person may be the designated representative of the condominium association if the real property is a condominium, may cause any vehicle or vessel parked on such property without her or his permission to be removed by a person regularly engaged in the business of towing vehicles or vessels, without liability for the costs of removal, transportation, or storage or damages caused by such removal, transportation, or storage, under any of the following circumstances:

(a) The towing or removal of any vehicle or vessel from private property without the consent of the registered owner or other legally authorized person in control of that vehicle or vessel is subject to substantial compliance with the following conditions and restrictions:

1.a. Any towed or removed vehicle or vessel must be stored at a site within a 10-mile radius of the point of removal in any county of 500,000 population or more, and within a 15-mile radius of the point of removal in any county of fewer than

500,000 population. That site must be open for the purpose of redemption of vehicles on any day that the person or firm towing such vehicle or vessel is open for towing purposes, from 8:00 a.m. to 6:00 p.m., and, when closed, shall have prominently posted a sign indicating a telephone number where the operator of the site can be reached at all times. Upon receipt of a telephoned request to open the site to redeem a vehicle or vessel, the operator shall return to the site within 1 hour or she or he will be in violation of this section.

b. If no towing business providing such service is located within the area of towing limitations set forth in sub-subparagraph a., the following limitations apply: any towed or removed vehicle or vessel must be stored at a site within a 20-mile radius of the point of removal in any county of 500,000 population or more, and within a 30-mile radius of the point of removal in any county of fewer than 500,000 population.

2. The person or firm towing or removing the vehicle or vessel shall, within 30 minutes after completion of such towing or removal, notify the municipal police department or, in an unincorporated area, the sheriff, of such towing or removal, the storage site, the time the vehicle or vessel was towed or removed, and the make, model, color, and license plate number of the vehicle or description and registration number of the vessel and shall obtain the name of the person at that department to whom such information was reported and note that name on the

trip record.

3. A person in the process of towing or removing a vehicle or vessel from the premises or parking lot in which the vehicle or vessel is not lawfully parked must stop when a person seeks the return of the vehicle or vessel. The vehicle or vessel must be returned upon the payment of a reasonable service fee of not more than one-half of the posted rate for the towing or removal service as provided in subparagraph 6. The vehicle or vessel may be towed or removed if, after a reasonable opportunity, the owner or legally authorized person in control of the vehicle or vessel is unable to pay the service fee. If the vehicle or vessel is redeemed, a detailed signed receipt must be given to the person redeeming the vehicle or vessel.

4. A person may not pay or accept money or other valuable consideration for the privilege of towing or removing vehicles or vessels from a particular location.

5. Except for property appurtenant to and obviously a part of a single-family residence, and except for instances when notice is personally given to the owner or other legally authorized person in control of the vehicle or vessel that the area in which that vehicle or vessel is parked is reserved or otherwise unavailable for unauthorized vehicles or vessels and that the vehicle or vessel is subject to being removed at the owner's or operator's expense, any property owner or lessee, or person authorized by the property owner or lessee, before towing

or removing any vehicle or vessel from private property without the consent of the owner or other legally authorized person in control of that vehicle or vessel, must post a notice meeting the following requirements:

a. The notice must be prominently placed at each driveway access or curb cut allowing vehicular access to the property within 10 feet from the road, as defined in s. 334.03(23) ~~s. 334.03(22)~~. If there are no curbs or access barriers, the signs must be posted not fewer than one sign for each 25 feet of lot frontage.

b. The notice must clearly indicate, in not fewer than 2-inch high, light-reflective letters on a contrasting background, that unauthorized vehicles will be towed away at the owner's expense. The words "tow-away zone" must be included on the sign in not fewer than 4-inch high letters.

c. The notice must also provide the name and current telephone number of the person or firm towing or removing the vehicles or vessels.

d. The sign structure containing the required notices must be permanently installed with the words "tow-away zone" not fewer than 3 feet and not more than 6 feet above ground level and must be continuously maintained on the property for not fewer than 24 hours before the towing or removal of any vehicles or vessels.

e. The local government may require permitting and

inspection of these signs before any towing or removal of vehicles or vessels being authorized.

f. A business with 20 or fewer parking spaces satisfies the notice requirements of this subparagraph by prominently displaying a sign stating "Reserved Parking for Customers Only Unauthorized Vehicles or Vessels Will be Towed Away At the Owner's Expense" in not fewer than 4-inch high, light-reflective letters on a contrasting background.

g. A property owner towing or removing vessels from real property must post notice, consistent with the requirements in sub-subparagraphs a.-f., which apply to vehicles, that unauthorized vehicles or vessels will be towed away at the owner's expense.

A business owner or lessee may authorize the removal of a vehicle or vessel by a towing company when the vehicle or vessel is parked in such a manner that restricts the normal operation of business; and if a vehicle or vessel parked on a public right-of-way obstructs access to a private driveway the owner, lessee, or agent may have the vehicle or vessel removed by a towing company upon signing an order that the vehicle or vessel be removed without a posted tow-away zone sign.

6. Any person or firm that tows or removes vehicles or vessels and proposes to require an owner, operator, or person in control or custody of a vehicle or vessel to pay the costs of

towing and storage before redemption of the vehicle or vessel must file and keep on record with the local law enforcement agency a complete copy of the current rates to be charged for such services and post at the storage site an identical rate schedule and any written contracts with property owners, lessees, or persons in control of property which authorize such person or firm to remove vehicles or vessels as provided in this section.

7. Any person or firm towing or removing any vehicles or vessels from private property without the consent of the owner or other legally authorized person in control or custody of the vehicles or vessels shall, on any trucks, wreckers as defined in s. 713.78(1), or other vehicles used in the towing or removal, have the name, address, and telephone number of the company performing such service clearly printed in contrasting colors on the driver and passenger sides of the vehicle. The name shall be in at least 3-inch permanently affixed letters, and the address and telephone number shall be in at least 1-inch permanently affixed letters.

8. Vehicle entry for the purpose of removing the vehicle or vessel shall be allowed with reasonable care on the part of the person or firm towing the vehicle or vessel. Such person or firm shall be liable for any damage occasioned to the vehicle or vessel if such entry is not in accordance with the standard of reasonable care.

9. When a vehicle or vessel has been towed or removed pursuant to this section, it must be released to its owner or person in control or custody within 1 hour after requested. Any vehicle or vessel owner or person in control or custody has the right to inspect the vehicle or vessel before accepting its return, and no release or waiver of any kind which would release the person or firm towing the vehicle or vessel from liability for damages noted by the owner or person in control or custody at the time of the redemption may be required from any vehicle or vessel owner or person in control or custody as a condition of release of the vehicle or vessel to its owner or person in control or custody. A detailed receipt showing the legal name of the company or person towing or removing the vehicle or vessel must be given to the person paying towing or storage charges at the time of payment, whether requested or not.

Section 27. Paragraph (b) of subsection (3) of section 921.0022, Florida Statutes, is amended to read:

921.0022 Criminal Punishment Code; offense severity ranking chart.—

(3) OFFENSE SEVERITY RANKING CHART

(b) LEVEL 2

Florida Statute	Felony Degree	Description

365.172 (14)(b)1.	3rd	Misuse of emergency communications system causing great bodily harm, permanent disfigurement, or permanent disability.
379.2431 (1)(e)3.	3rd	Possession of 11 or fewer marine turtle eggs in violation of the Marine Turtle Protection Act.
379.2431 (1)(e)4.	3rd	Possession of more than 11 marine turtle eggs in violation of the Marine Turtle Protection Act.
403.413(6)(c)	3rd	Dumps waste litter exceeding 500 lbs. in weight or 100 cubic feet in volume or any quantity for commercial purposes, or hazardous waste.
517.07(2)	3rd	Failure to furnish a prospectus meeting requirements.

590.28(1)	3rd	Intentional burning of lands.
784.03(3)	3rd	Battery during a riot or an aggravated riot.
784.05(3)	3rd	Storing or leaving a loaded firearm within reach of minor who uses it to inflict injury or death.
787.04(1)	3rd	In violation of court order, take, entice, etc., minor beyond state limits.
806.13(1)(b)3.	3rd	Criminal mischief; damage $1,000 or more to public communication or any other public service.
806.13(4) ~~806.13(3)~~	3rd	Criminal mischief; damage of $200 or more to a memorial or historic property.
810.061(2)	3rd	Impairing or impeding telephone or power to a dwelling;

			facilitating or furthering burglary.
960			
	810.09(2)(d)	3rd	Trespassing on posted commercial horticulture property.
961			
	812.014(2)(c)1.	3rd	Grand theft, 3rd degree; $750 or more but less than $5,000.
962			
	812.014(2)(d)1.	3rd	Grand theft, 3rd degree; $40 or more but less than $750, taken from dwelling or its unenclosed curtilage.
963			
	812.014(2)(e)2.	3rd	Petit theft, 1st degree; less than $40 taken from dwelling or its unenclosed curtilage with one prior theft conviction.
964			
	812.015(7)	3rd	Possession, use, or attempted use of an antishoplifting or inventory control device countermeasure.
965			

817.234(1)(a)2.	3rd	False statement in support of insurance claim.
817.481(3)(a)	3rd	Obtain credit or purchase with false, expired, counterfeit, etc., credit card, value over $300.
817.52(3)	3rd	Failure to redeliver hired vehicle.
817.54	3rd	With intent to defraud, obtain mortgage note, etc., by false representation.
817.60(5)	3rd	Dealing in credit cards of another.
817.60(6)(a)	3rd	Forgery; purchase goods, services with false card.
817.61	3rd	Fraudulent use of credit cards over $100 or more within 6 months.

826.04	3rd	Knowingly marries or has sexual intercourse with person to whom related.
831.01	3rd	Forgery.
831.02	3rd	Uttering forged instrument; utters or publishes alteration with intent to defraud.
831.07	3rd	Forging bank bills, checks, drafts, or promissory notes.
831.08	3rd	Possessing 10 or more forged notes, bills, checks, or drafts.
831.09	3rd	Uttering forged notes, bills, checks, drafts, or promissory notes.
831.11	3rd	Bringing into the state forged bank bills, checks, drafts, or notes.

832.05(3)(a)	3rd	Cashing or depositing item with intent to defraud.
836.13(3)	3rd	Soliciting an altered sexual depiction of an identifiable person without consent.
843.01(2)	3rd	Resist police canine or police horse with violence; under certain circumstances.
843.08	3rd	False personation.
843.19(3)	3rd	Touch or strike police, fire, SAR canine or police horse.
893.13(2)(a)2.	3rd	Purchase of any s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (2)(c)10., (3), or (4) drugs other than cannabis.
893.147(2)	3rd	Manufacture or delivery of drug paraphernalia.

Section 28. Paragraph (a) of subsection (2) of section 1006.23, Florida Statutes, is amended to read:

1006.23 Hazardous walking conditions.—

(2) HAZARDOUS WALKING CONDITIONS.—

(a) Walkways parallel to the road.—

1. It shall be considered a hazardous walking condition with respect to any road along which students must walk in order to walk to and from school if there is not an area at least 4 feet wide adjacent to the road, not including drainage ditches, sluiceways, swales, or channels, having a surface upon which students may walk without being required to walk on the road surface or if the walkway is along a limited access facility as defined in s. 334.03(13) ~~s. 334.03(12)~~. In addition, whenever the road along which students must walk is uncurbed and has a posted speed limit of 50 miles per hour or greater, the area as described above for students to walk upon shall be set off the road by no less than 3 feet from the edge of the road.

2. Subparagraph 1. does not apply when the road along which students must walk:

a. Is a road on which the volume of traffic is less than 180 vehicles per hour, per direction, during the time students walk to and from school; or

b. Is located in a residential area and has a posted speed limit of 30 miles per hour or less.

Section 29. This act shall take effect July 1, 2026.

Commerce Committee

CS/HB 1233 by Reps. Griffitts and Conerly
Transportation

AMENDMENT SUMMARY
February 24, 2026

Amendment #666267 by Rep. Griffitts (strike-all)

The amendment makes the following changes to the bill:

- Prohibits local governments from requiring an operating fee for, or regulating advertisements on, personal deliver devices (PDDs).
- Specifies areas in which PDDs, mobile carriers, and drone delivery services may not operate.
- Authorizes the Florida Department of Transportation (FDOT) to coordinate with local governments on federal grant applications for transportation projects and removes language authorizing FDOT to approve such applications before submission to federal authorities.
- Authorizes heavy rental trucks to elect permanent registration when renewing vehicle registration.
- Adds provisions related to the Florida Nonmotorized Trail Network that:
    - Require trails and paths to be covered with material approved by FDOT.
    - Authorize FDOT to consider sponsorship revenues when considering funding for trail network projects.
- Authorizes the owner of an outdoor advertising sign to increase the height of the sign, subject to certain restrictions, when a governmental authority erects a ramp or other roadway infrastructure that blocks visibility of the sign.
- Removes the requirement that vehicle registration validation stickers be placed on the plates of registered motor vehicles and authorizes such registrations and renewals to be recorded and verified electronically.
- Increases the maximum allowable speed limit on certain highways and roadways.
- Increases opportunities to elect to attend a basic driver improvement course.
- Limits the power of local authorities to impose specified conditions on permits for use of right-of-way by communications service providers to place or relocate communications facilities.
- Adds Florida State University and removes Indian River State College as a member of the Florida Transportation Research Institute.

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 Griffitts offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraph (c) of subsection (3) of section 20.23, Florida Statutes, is amended to read:

(c) The institute shall report to the department and shall be composed of members from the University of Florida, Florida State University, ~~Indian River State College,~~ the University of Central Florida, the University of South Florida, and Florida International University. The department shall select a member to serve as the administrative lead of the institute. The department shall assess the performance of the administrative lead periodically to ensure accountability and assess the attainment of performance goals.

Section 2. Paragraph (h) of subsection (4) of section 260.0142, Florida Statutes, is amended to read:

260.0142 Florida Greenways and Trails Council; composition; powers and duties.—

(4) The duties of the council include the following:

(h) Make recommendations for updating and revising the implementation plan for the Florida Greenways and Trails System, including, but not limited to, recommendations for prioritization of regionally significant trails within the Florida Shared-Use Nonmotorized Trail Network. The council shall meet within 90 days after the Department of Transportation submits its report pursuant to s. 339.81(8) to update its recommendations for prioritization of regionally significant trails within the network.

Section 3. Paragraph (b) of subsection (2) of section 311.14, Florida Statutes, is amended to read:

311.14 Seaport planning.—

(2) Each port shall develop a strategic plan with a 10-year horizon. Each plan must include the following:

(b) An infrastructure development and improvement component that identifies all projected infrastructure improvements within the plan area which require improvement, expansion, or development in order for a port to attain a strategic advantage for competition with national and international competitors. This component must provide

strategies for obtaining and maintaining critical infrastructure resources for the port and its tenants. Such strategies must include long-term contracts, rights of first refusal regarding the sale or lease of property storing such resources, and contingency plans for obtaining such resources. For purposes of this paragraph, the term "critical infrastructure resources" includes, but is not limited to, access to electricity, fuel, and water resources.

To the extent feasible, the port strategic plan must be consistent with the local government comprehensive plans of the units of local government in which the port is located. Upon approval of a plan by the port's board, the plan shall be submitted to the Florida Seaport Transportation and Economic Development Council.

Section 4. Section 311.26, Florida Statutes, is created to read:

311.26 Florida Seaport Maritime Industrial Base.—The Department of Transportation shall coordinate with the Department of Commerce and the ports listed in s. 311.09, the United States Department of Commerce, and the United States Department of War to identify and prioritize key maritime components in the supply chain which are essential to strengthening and expanding this state's maritime industrial base. The ports listed in s. 311.09 shall support projects

evaluated by the Department of Transportation, which shall directly support the construction, maintenance, and modernization of both commercial vessels, including cargo vessels, and vessels designed for national defense. Projects shall be evaluated based on the return on invested capital, job creation, and contribution to the economic competitiveness of this state and based on support for the national security interests of the United States. Additional considerations shall include the anticipated enhancement of this state's commercial maritime capabilities.

Section 5. Subsection (59) of section 316.003, Florida Statutes, is amended to read:

316.003 Definitions.—The following words and phrases, when used in this chapter, shall have the meanings respectively ascribed to them in this section, except where the context otherwise requires:

(59) PERSONAL DELIVERY DEVICE.—An electrically powered device that:

(a) Is operated on sidewalks, ~~and~~ crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and intended primarily for transporting property;

(b) Has a weight that does not exceed the maximum weight established by Department of Transportation rule;

(c) Operates at ~~Has~~ a maximum speed of 10 miles per hour

on sidewalks and crosswalks and 20 miles per hour on bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities; and

(d) Is equipped with technology to allow for operation of the device with or without the active control or monitoring of a natural person.

A personal delivery device is not considered a vehicle unless expressly defined by law as a vehicle. A mobile carrier is not considered a personal delivery device. The Department of Transportation may adopt rules to implement this subsection.

Section 6. Paragraph (b) of subsection (7) of section 316.008, Florida Statutes, is amended to read:

316.008 Powers of local authorities.—

(7)

(b)1. Except as provided in subparagraph 2., a personal delivery device may be operated on sidewalks, crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and a mobile carrier may be operated on sidewalks and crosswalks within a county or municipality when such use is permissible under federal law. This subparagraph ~~paragraph~~ does not restrict a county or municipality from otherwise adopting regulations for the safe operation of personal delivery devices and mobile carriers in a manner consistent with this chapter.

2. A personal delivery device may not be operated on the Florida Shared-Use Nonmotorized Trail Network created under s. 339.81 or components of the Florida Greenways and Trails System created under chapter 260 or in state forests, state parks, or wildlife management areas.

3. A personal delivery device or mobile carrier may not be operated within a theme park or entertainment complex as defined in s. 509.013(9), or within an independent special district created by local act which has boundaries within two contiguous counties.

(c) A county or municipality may not enact, impose, levy, collect, or enforce:

a. An operating fee for personal delivery devices, except as expressly authorized by state statute; or

b. An advertising regulation that restricts, prohibits, conditions, or otherwise limits commercial advertising on personal delivery devices.

Section 7. Paragraph (2) of subsection (2) of section 316.187, Florida Statutes, is amended to read:

316.187 Establishment of state speed zones.—

(2)(a) The maximum allowable speed limit on limited access highways is 80 ~~70~~ miles per hour.

(b) The maximum allowable speed limit on any other highway that ~~which~~ is outside an urban area of 5,000 or more persons and

that ~~which~~ has at least four lanes divided by a median strip is 70 ~~65~~ miles per hour.

(c) The Department of Transportation is authorized to set such maximum and minimum speed limits for travel over other roadways under its authority as it deems safe and advisable, not to exceed as a maximum limit 70 ~~60~~ miles per hour.

Section 8. Subsections (1) and (3) of section 316.2071, Florida Statutes, are amended, and subsections (5) and (6) are added to that section, to read:

316.2071 Personal delivery devices and mobile carriers.—

(1) Notwithstanding any provision of law to the contrary, a personal delivery device may operate on sidewalks, crosswalks, bicycle lanes, bicycle paths, or shoulders on streets, roadways, or highways, excluding limited access facilities, and a ~~or~~ mobile carrier may operate on sidewalks and crosswalks, subject to s. 316.008(7)(b). Such ~~A~~ personal delivery device or mobile carrier ~~operating on a sidewalk or crosswalk~~ has all the rights and duties applicable to a pedestrian under the same circumstances. A~~, except that the~~ personal delivery device or mobile carrier may ~~must~~ not unreasonably interfere with pedestrians, bicyclists, and motor vehicles ~~or traffic~~ and must yield the right-of-way to pedestrians ~~on the sidewalk or crosswalk~~.

(3) A personal delivery device and a mobile carrier may not:

(a) Operate on a sidewalk, crosswalk, bicycle lane, or shoulder on a street, roadway, or highway, excluding a limited access facility, unless the personal delivery device or mobile carrier meets minimum criteria established by the Department of Transportation ~~public highway except to the extent necessary to cross a crosswalk~~.

(b) Operate on a sidewalk, ~~or~~ crosswalk, bicycle lane, bicycle path, or shoulder on a street, roadway, or highway, excluding a limited access facility, unless a human who is an agent of the personal delivery device operator is capable of ~~actively~~ controlling and ~~or~~ monitoring the navigation and operation of the personal delivery device or a mobile carrier owner remains within 25 feet of the mobile carrier.

(c) Transport hazardous materials as defined in s. 316.003.

(d) For mobile carriers, transport persons or animals.

(5) A personal delivery device or mobile carrier may not operate within a theme park or entertainment complex as defined in s. 509.013(9).

(6) The Department of Transportation may adopt rules to implement this section.

Section 9. Subsection (9) of section 318.14, Florida Statutes, is amended to read:

(9) Any person who does not hold a commercial driver license or commercial learner's permit and who is cited while

driving a noncommercial motor vehicle for an infraction under this section other than a violation of s. 316.183(2), s. 316.187, or s. 316.189 when the driver exceeds the posted limit by 30 miles per hour or more, s. 320.0605, s. 320.07(3)(a) or (b), s. 322.065, s. 322.15(1), s. 322.61, or s. 322.62 may, in lieu of a court appearance, elect to attend in the location of his or her choice within this state a basic driver improvement course approved by the Department of Highway Safety and Motor Vehicles. In such a case, adjudication must be withheld, any civil penalty that is imposed by s. 318.18(3) must be reduced by 18 percent, and points, as provided by s. 322.27, may not be assessed. However, a person may not make an election under this subsection if the person has made an election under this subsection in the preceding 12 months or has made more than eight elections under this subsection in the preceding 20 years. ~~A person may not make more than eight elections within his or her lifetime under this subsection.~~ The requirement for community service under s. 318.18(8) is not waived by a plea of nolo contendere or by the withholding of adjudication of guilt by a court

Section 10. Paragraphs (a) and (b) of subsection (1) of section 320.04, Florida Statutes, are amended to read:

320.04 Registration service charge.—

(1)(a) A service charge of $2.50 shall be imposed on each application that is handled in connection with original

issuance, duplicate issuance, or transfer of a license plate or~~,~~ mobile home sticker~~, or validation sticker~~ or with transfer or duplicate issuance of a registration certificate. This service charge shall be retained by the department or by the tax collector, as the case may be, as other fees accruing to those offices.

(b) A service charge of $1 shall also be imposed for the issuance of each ~~license plate validation sticker,~~ vessel decal~~,~~ and mobile home sticker issued from an automated vending facility or printer dispenser machine. This service charge is payable to the department and shall be used to provide for automated vending facilities or printer dispenser machines that are used to dispense such stickers and decals by each tax collector's or license tag agent's employee.

Section 11. Section 320.06, Florida Statutes, is amended to read:

320.06 Registration certificates and~~,~~ license plates;~~, and~~ validation stickers generally.—

(1)(a) Upon the receipt of an initial application for registration and payment of the appropriate license tax and other fees required by law, the department shall assign to the motor vehicle a registration license number consisting of letters and numerals or numerals and issue to the owner or lessee a certificate of registration and one registration license plate, unless two plates are required for display by s.

320.0706, for each vehicle so registered.

(b)1. Registration license plates bearing a graphic symbol and the alphanumeric system of identification shall be issued for a 10-year period. At the end of the 10-year period, upon renewal, the plate shall be replaced. The department shall extend the scheduled license plate replacement date from a 6-year period to a 10-year period. The fee for such replacement is $28, $2.80 of which shall be paid each year before the plate is replaced, to be credited toward the next $28 replacement fee. The fees shall be deposited into the Highway Safety Operating Trust Fund. A credit or refund may not be given for any prior years' payments of the prorated replacement fee if the plate is replaced or surrendered before the end of the 10-year period, except that a credit may be given if a registrant is required by the department to replace a license plate under s. 320.08056(8)(a). ~~With each license plate, a validation sticker shall be issued showing the owner's birth month, license plate number, and the year of expiration or the appropriate renewal period if the owner is not a natural person. The validation sticker shall be placed on the upper right corner of the license plate. The license plate and validation sticker shall be issued based on the applicant's appropriate renewal period.~~ The registration period is 12 months, the extended registration period is 24 months, and all expirations occur based on the applicant's appropriate registration period. Rental vehicles

taxed pursuant to s. 320.08(6)(a) and rental trucks taxed pursuant to s. 320.08(3)(a)-(c) and (4)(a)-(f) ~~(4)(a)-(d)~~ may elect a permanent registration period, provided payment of the appropriate license taxes and fees occurs annually.

2. ~~Beginning July 1, 2024,~~ A vehicle registered in accordance with the International Registration Plan must be issued a license plate for a 3-year period. At the end of the 3-year period, upon renewal, the license plate must be replaced. ~~Each license plate must include a validation sticker showing the month of expiration.~~ A cab card denoting the declared gross vehicle weight for each apportioned jurisdiction must be issued annually. The fee for an original or a renewal cab card is $28, which must be deposited into the Highway Safety Operating Trust Fund. If the license plate is damaged or worn, it may be replaced at no charge by applying to the department and surrendering the current license plate.

3. In order to retain the efficient administration of the taxes and fees imposed by this chapter, the 80-cent fee increase in the replacement fee imposed by chapter 2009-71, Laws of Florida, is negated as provided in s. 320.0804.

(c) Registration license plates ~~equipped with validation stickers~~ subject to the registration period are valid for not more than 12 months and expire at midnight on the last day of the registration period. A registration license plate ~~equipped with a validation sticker~~ subject to the extended registration

period is valid for not more than 24 months and expires at midnight on the last day of the extended registration period. A registration license plate ~~equipped with a validation sticker~~ subject to a permanent registration period is permanently valid but shall become void if appropriate license taxes and fees are not paid annually. For each registration period after the one in which the metal registration license plate is issued, and until the license plate is required to be replaced, the renewal shall be recorded electronically ~~a validation sticker showing the month and year of expiration shall be issued~~ upon payment of the proper license tax amount and fees and is valid for not more than 12 months. For each extended registration period occurring after the one in which the metal registration license plate is issued and until the license plate is required to be replaced, the renewal shall be recorded electronically ~~a validation sticker showing the year of expiration shall be issued~~ upon payment of the proper license tax amount and fees and is valid for not more than 24 months. For each permanent registration period occurring after the one in which the metal registration license plate is issued and until the license plate is required to be replaced, the renewal shall be recorded electronically ~~a validation sticker showing a permanent registration period shall be issued~~ upon payment of the proper license tax amount and fees and is permanently valid but shall become void if the proper license taxes and fees are not paid annually. When license

plates ~~equipped with validation stickers~~ are issued in any month other than the owner's birth month or the designated registration period for any other motor vehicle, the effective date shall reflect the birth month or month and the year of renewal. However, when a license plate ~~or validation sticker~~ is issued for a period of less than 12 months, the applicant shall pay the appropriate amount of license tax and the applicable fee under s. 320.14 in addition to all other fees. Validation stickers issued for vehicles taxed under s. 320.08(6)(a), for any company that owns 250 vehicles or more, or for semitrailers taxed under ~~the provisions of~~ s. 320.08(5)(a), for any company that owns 50 vehicles or more, may be placed on any vehicle in the fleet so long as the vehicle receiving the validation sticker has the same owner's name and address as the vehicle to which the validation sticker was originally assigned.

~~(2) The department shall provide the several tax collectors and license plate agents with the necessary number of validation stickers.~~

(2)~~(3)~~(a) Registration license plates must be made of metal specially treated with a retroreflection material, as specified by the department. The registration license plate is designed to increase nighttime visibility and legibility and must be at least 6 inches wide and not less than 12 inches in length, unless a plate with reduced dimensions is deemed necessary by the department to accommodate motorcycles, mopeds,

similar smaller vehicles, or trailers. ~~Validation stickers must also be treated with a retroreflection material, must be of such size as specified by the department, and must adhere to the license plate.~~ The registration license plate must be imprinted with a combination of bold letters and numerals or numerals, not to exceed seven digits, to identify the registration license plate number. The license plate must be imprinted with the word "Florida" at the top and the name of the county in which it is sold, the state motto, or the words "Sunshine State" at the bottom. Apportioned license plates must have the word "Apportioned" at the bottom, and license plates issued for vehicles taxed under s. 320.08(3)(d), (4)(m) or (n), (5)(b) or (c), or (14) must have the word "Restricted" at the bottom. License plates issued for vehicles taxed under s. 320.08(12) must be imprinted with the word "Florida" at the top and the word "Dealer" at the bottom unless the license plate is a specialty license plate as authorized in s. 320.08056. Manufacturer license plates issued for vehicles taxed under s. 320.08(12) must be imprinted with the word "Florida" at the top and the word "Manufacturer" at the bottom. License plates issued for vehicles taxed under s. 320.08(5)(d) or (e) must be imprinted with the word "Wrecker" at the bottom. Any county may, upon majority vote of the county commission, elect to have the county name removed from the license plates sold in that county. The state motto or the words "Sunshine State" shall be printed

in lieu thereof. A license plate issued for a vehicle taxed under s. 320.08(6) may not be assigned a registration license number, or be issued with any other distinctive character or designation, that distinguishes the motor vehicle as a for-hire motor vehicle.

(b) An additional fee of 50 cents shall be collected on each motor vehicle registration or motor vehicle renewal registration issued in this state in order for all license plates ~~and validation stickers~~ to be fully treated with retroreflection material. The fee shall be deposited into the Highway Safety Operating Trust Fund.

(3) ~~(4)~~ The corporation organized under chapter 946 may manufacture license plates~~, validation stickers,~~ and decals, as well as temporary tags, disabled hang tags, vessel decals, and fuel use decals, for the Department of Highway Safety and Motor Vehicles as provided in this chapter and chapter 327. The Department of Highway Safety and Motor Vehicles is not required to obtain competitive bids in order to contract with the corporation.

(4) ~~(5)~~ The department may conduct a pilot program to evaluate the designs, concepts, and technologies for alternative license plates. For purposes of the pilot program, the department shall investigate the feasibility and use of alternative license plate technologies and the long-term cost impact to the consumer. The pilot program shall be limited to

license plates that are used on government-owned motor vehicles as described in s. 320.0655. Such license plates are exempt from the requirements in paragraph (2)(a) ~~(3)(a)~~.

(5)~~(6)~~ All license plates issued pursuant to this chapter are the property of this ~~the~~ state.

Section 12. Paragraph (b) of subsection (4) of section 320.084, Florida Statutes, is amended to read:

320.084 Free motor vehicle license plate to certain disabled veterans.—

(4)

(b) There shall be a service charge in accordance with ~~the provisions of~~ s. 320.04 for each initial application or renewal of registration and an additional sum of 50 cents on each license plate ~~and validation sticker~~ as provided in s. 320.06(2)(b) ~~s. 320.06(3)(b)~~.

Section 13. Paragraph (c) of subsection (3) of section 330.41, Florida Statutes, is amended, and a new paragraph (e) is added to that subsection, to read:

330.41 Unmanned Aircraft Systems Act.—

(3) REGULATION.—

(c)1. Except as otherwise expressly provided, a political subdivision may not withhold issuance of a business tax receipt, development permit, or other conditional use approval to a drone delivery service on a commercial property or enact or enforce an ordinance or resolution that prohibits a drone delivery

service's operation ~~based on the location of its drone port~~, notwithstanding part II of chapter 163 and chapter 205. A political subdivision may enforce minimum setback and landscaping regulations that are generally applicable to permitted uses in the drone port site's zoning district. This paragraph may not be construed to authorize a political subdivision to require additional landscaping as a condition of approval ~~of a drone port~~.

2. A drone delivery service may not operate within a theme park or entertainment complex as defined in s. 509.013(9).

(e) The addition of a drone delivery service within the parking area of a commercial property does not reduce the number of parking spaces for the purpose of meeting applicable minimum parking requirements.

Section 14. Subsection (1) of section 332.001, Florida Statutes, is amended to read:

332.001 Aviation; powers and duties of the Department of Transportation.—

(1) It shall be the duty, function, and responsibility of the Department of Transportation to plan and direct investments in airport systems in this state to facilitate the efficient movement of passengers and cargo and to continuously improve the experience for the flying public and the supply chain of this state's businesses. In carrying out this duty and responsibility, the department may assist and advise, cooperate,

and coordinate with the federal, state, local, or private organizations and individuals in planning such systems of airports.

Section 15. Subsection (10) is added to section 332.006, Florida Statutes, to read:

332.006 Duties and responsibilities of the Department of Transportation.—The Department of Transportation shall, within the resources provided to the department:

(10) Coordinate with commercial service airports in this state to review policies and programs of the United States Transportation Security Administration, including programs for veterans and active duty members of the United States Armed Forces and their families, to increase the efficiency of passenger screening and the overall customer service experience of the flying public.

Section 16. Subsections (4), (5), and (6) of section 332.0075, Florida Statutes, are renumbered as subsections (5), (6), and (7), respectively, and a new subsection (4) is added to that section to read:

332.0075 Commercial service airports; transparency and accountability; penalty.—

(4) Notwithstanding any other provision of law, commercial service airports must provide methods for obtaining and maintaining critical infrastructure resources for the airport, its tenants, and the traveling public. Such strategies must

include long-term contracts and rights of first refusal regarding the sale of and contingency plans for such resources. For purposes of this subsection, the term "critical infrastructure resources" includes, but is not limited to, access to electricity, fuel, and water resources.

Section 17. Subsections (1) through (37) of section 334.03, Florida Statutes, are renumbered as subsections (2) through (38), respectively, present subsection (29) is amended, and a new subsection (1) is added to that section, to read:

334.03 Definitions.—When used in the Florida Transportation Code, the term:

(1) "Advanced air mobility corridor connection point" means any land area or transportation facility, including any airspace, designated by the department as suitable to support the efficient movement of people and goods by use as a connection point for advanced air mobility.

(30) ~~(29)~~ "Transportation corridor" means any advanced air mobility corridor connection point or any land area designated by the state, a county, or a municipality which is between two geographic points and which area is used or suitable for the movement of people and goods by one or more modes of transportation, including areas necessary for management of access and securing applicable approvals and permits. Transportation corridors, other than advanced air mobility corridor connection points, shall contain, but are not limited

to, the following:

(a) Existing publicly owned rights-of-way;

(b) All property or property interests necessary for future transportation facilities, including rights of access, air, view, and light, whether public or private, for the purpose of securing and utilizing future transportation rights-of-way, including, but not limited to, any lands reasonably necessary now or in the future for securing applicable approvals and permits, borrow pits, drainage ditches, water retention areas, rest areas, replacement access for landowners whose access could be impaired due to the construction of a future facility, and replacement rights-of-way for relocation of rail and utility facilities.

Section 18. Subsections (5), (20), and (21) of section 334.044, Florida Statutes, are amended, and subsections (40), (41), and (42) are added to that section, to read:

334.044 Powers and duties of the department.—The department shall have the following general powers and duties:

(5) To purchase, lease, or otherwise acquire property and materials, including the purchase of promotional items as part of public information and education campaigns for the promotion of environmental management, scenic highways, traffic and train safety awareness, commercial motor vehicle safety, workforce development, transportation economic development opportunities ~~electric vehicle use and charging stations~~, autonomous vehicles,

advanced air mobility, and context classification for electric vehicles and autonomous vehicles; to purchase, lease, or otherwise acquire equipment and supplies; and to sell, exchange, or otherwise dispose of any property that is no longer needed by the department.

(20) To operate and maintain research facilities designated by the department, to conduct and enter into contracts and agreements for compensation for conducting research by the department and private entities ~~studies~~, and to collect data necessary for the improvement of the state transportation system.

(21) To conduct and enter into contracts and agreements for research and demonstration projects relative to innovative transportation technologies.

(40) To coordinate with local governmental entities to review grant applications for federal funding for transportation projects that impact or may impact state-owned rights-of-way, roads, bridges, or limited access facilities.

(41) To coordinate with and provide assistance to local governmental entities on the development and review of applications for federal transportation funding.

(42) Notwithstanding s. 20.255(9), to serve as the point of contact for statewide topographic aerial light detection and ranging (LiDAR) procurement and cost sharing related to statewide geographic information systems and geospatial data

sharing. The department may provide these services to other state and local agencies by entering into an interagency agreement consistent with chapter 216. Notwithstanding any other law, including any charter provision, ordinance, statute, or special law, all state and local agencies conducting programs or exercising powers relating to topographic aerial LiDAR may enter into interagency agreements consistent with chapter 216 with the department for the provision by the department of topographic aerial LiDAR procurement and cost-sharing services, and to delegate such authority to conduct programs or exercise powers relating to topographic aerial LiDAR procurement and cost-sharing services to the department pursuant to such interagency agreements. The department may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this subsection.

Section 19. Subsection (3) is added to section 334.63, Florida Statutes, to read:

334.63 Project concept studies and project development and environment studies.—

(3)(a) It is the policy of this state that nonpecuniary factors are not considerations in taxpayer-funded project development and environmental studies. To the extent such nonpecuniary factors are a requirement of federal law or as a condition of receipt of federal transportation funding, a governmental entity must include the following in any publication, document, report, presentation, webpage, or digital

application:

1. A written statement that federal law requires such considerations as part of the project development and environmental study in question and a reference to such federal law.

2. The amount of taxpayer funding required to make such considerations, including the approximate increase in costs related to nonpecuniary factors.

3. The estimated cost increase for all project phases for the overall recommended project when nonpecuniary factors are considered.

(b) For purposes of this subsection, the term "nonpecuniary factor" includes any of the following:

1. Considerations related to social justice, including diversity, equity, and inclusion or the placement of highways or transportation facilities having a disproportionate effect or impact on a specific demographic;

2. Considerations related to environmental justice, including the social or cultural environment being impacted by the actions;

3. Sociocultural effect evaluations; or

4. Additional considerations related to climate alarmism, including any benchmark, standard, threshold, goal, or requirement related to emissions, motor vehicle fuel sources, decarbonization, and net-zero policies. For purposes of this

subparagraph, the term "net-zero policies" means achieving a balance between the total amount of greenhouse gases released into the atmosphere and the amount removed. The term does not include standard reviews related to section 4(f) requirements outlined in 49 U.S.C. s. 303 and 23 U.S.C. s. 138.

Section 20. Paragraphs (a) and (i) of subsection (3) and paragraphs (b), (d), and (r) of subsection (7) of section 337.401, Florida Statutes, are amended to read:

337.401 Use of right-of-way for utilities subject to regulation; permit; fees.—

(3)(a) Because of the unique circumstances applicable to providers of communications services, including, but not limited to, the circumstances described in paragraph (e) and the fact that federal and state law require the nondiscriminatory treatment of providers of telecommunications services, and because of the desire to promote competition among providers of communications services, it is the intent of the Legislature that municipalities and counties treat providers of communications services in a nondiscriminatory and competitively neutral manner when imposing rules or regulations governing the placement or maintenance of communications facilities in the public roads or rights-of-way. Rules or regulations imposed by a municipality or county relating to providers of communications services placing or maintaining communications facilities in its roads or rights-of-way must be generally applicable to all

providers of communications services, taking into account the distinct engineering, construction, operation, maintenance, public works, and safety requirements of the provider's facilities, and, notwithstanding any other law, may not require a provider of communications services to apply for or enter into an individual license, franchise, or other agreement with the municipality or county as a condition of placing or maintaining communications facilities in its roads or rights-of-way. In addition to other reasonable rules or regulations that a municipality or county may adopt relating to the placement or maintenance of communications facilities in its roads or rights-of-way under this subsection or subsection (7), a municipality or county may require a provider of communications services that places or seeks to place facilities in its roads or rights-of-way to register with the municipality or county. To register, a provider of communications services may be required only to provide its name; the name, address, and telephone number of a contact person for the registrant; the number of the registrant's current certificate of authorization issued by the Florida Public Service Commission, the Federal Communications Commission, or the Department of State; a statement of whether the registrant is a pass-through provider as defined in subparagraph (6)(a)1.; the registrant's federal employer identification number; and any required proof of insurance or self-insuring status adequate to defend and cover claims. A

municipality or county may not require a registrant to renew a registration more frequently than every 5 years but may require during this period that a registrant update the registration information provided under this subsection within 90 days after a change in such information. A municipality or county may not require the registrant to provide an inventory of communications facilities, maps, locations of such facilities, or other information by a registrant as a condition of registration, renewal, or for any other purpose; provided, however, that a municipality or county may require as part of a permit application that the applicant identify at-grade communications facilities within 50 feet of the proposed installation location for the placement of at-grade communications facilities. A municipality or county may not require a provider to pay any fee, cost, or other charge for registration or renewal thereof. A municipality or county may not require a provider to locate or perform a survey of any facilities other than those of the provider or to perform a survey of any right-of-way boundary as a condition of a permit. If the owner of a facility fails to locate its facilities as required by chapter 556, a provider must use reasonable care and detection equipment or other acceptable means to avoid damaging existing underground facilities. A municipality or county may not limit the number of permits issued to a provider in any way, including by project size or by limiting the number of open permits or applications,

provided that the permit is closed out within 45 days of the provider's completion of work. A municipality or county may require the submission or maintenance of a bond or other financial instrument as set out in this section but may not require a cash deposit or other escrow, payment, or exaction as a condition of issuing a permit. It is the intent of the Legislature that the placement, operation, maintenance, upgrading, and extension of communications facilities not be unreasonably interrupted or delayed through the permitting or other local regulatory process. Except as provided in this chapter or otherwise expressly authorized by chapter 202, chapter 364, or chapter 610, a municipality or county may not adopt or enforce any ordinance, regulation, or requirement as to the placement or operation of communications facilities in a right-of-way by a communications services provider authorized by state or local law to operate in a right-of-way; regulate any communications services; or impose or collect any tax, fee, cost, charge, or exaction for the placement of communications facilities or the provision of communications services over the communications services provider's communications facilities in a right-of-way.

(i) Except as expressly provided in this section, this section does not modify the authority of municipalities and counties to levy the tax authorized in chapter 202 or the duties of providers of communications services under ss. 337.402-

337.404. This section does not apply to ~~building permits,~~ pole attachments, ~~or~~ private roads, private easements, ~~and~~ private rights-of-way, or building permits unrelated to the placement of communications facilities.

(7)

(b) As used in subsections (3) through (9) ~~this subsection~~, the term:

1. "Antenna" means communications equipment that transmits or receives electromagnetic radio frequency signals used in providing wireless services.

2. "Applicable codes" means uniform building, fire, electrical, plumbing, or mechanical codes adopted by a recognized national code organization or local amendments to those codes enacted solely to address threats of destruction of property or injury to persons, and includes the National Electric Safety Code and the 2017 edition of the Florida Department of Transportation Utility Accommodation Manual.

3. "Applicant" means a person who submits an application and is a wireless provider.

4. "Application" means a request submitted by an applicant to an authority for a permit to collocate small wireless facilities, ~~or to~~ place a new utility pole used to support a small wireless facility, or place other communications facilities. An authority's permit application form or process must include all required permissions, however designated,

required by the authority to grant a permit to place communications facilities, including, but not limited to, right-of-way occupancy, building permits, electrical permits, and historic review.

5. "Authority" means a county or municipality having jurisdiction and control of the rights-of-way of any public road. The term does not include the Department of Transportation. Rights-of-way under the jurisdiction and control of the department are excluded from this subsection.

6. "Authority utility pole" means a utility pole owned by an authority in the right-of-way. The term does not include a utility pole owned by a municipal electric utility, a utility pole used to support municipally owned or operated electric distribution facilities, or a utility pole located in the right-of-way within:

a. A retirement community that:

(I) Is deed restricted as housing for older persons as defined in s. 760.29(4)(b);

(II) Has more than 5,000 residents; and

(III) Has underground utilities for electric transmission or distribution.

b. A municipality that:

(I) Is located on a coastal barrier island as defined in s. 161.053(1)(b)3.;

(II) Has a land area of less than 5 square miles;

(III) Has less than 10,000 residents; and

(IV) Has, before July 1, 2017, received referendum approval to issue debt to finance municipal-wide undergrounding of its utilities for electric transmission or distribution.

7. "Collocate" or "collocation" means to install, mount, maintain, modify, operate, or replace one or more wireless facilities on, under, within, or adjacent to a wireless support structure or utility pole. The term does not include the installation of a new utility pole or wireless support structure in the public rights-of-way.

8. "FCC" means the Federal Communications Commission.

9. "Micro wireless facility" means a small wireless facility having dimensions no larger than 24 inches in length, 15 inches in width, and 12 inches in height and an exterior antenna, if any, no longer than 11 inches.

10. "Small wireless facility" means a wireless facility that meets the following qualifications:

a. Each antenna associated with the facility is located inside an enclosure of no more than 6 cubic feet in volume or, in the case of antennas that have exposed elements, each antenna and all of its exposed elements could fit within an enclosure of no more than 6 cubic feet in volume; and

b. All other wireless equipment associated with the facility is cumulatively no more than 28 cubic feet in volume. The following types of associated ancillary equipment are not

included in the calculation of equipment volume: electric meters, concealment elements, telecommunications demarcation boxes, ground-based enclosures, grounding equipment, power transfer switches, cutoff switches, vertical cable runs for the connection of power and other services, and utility poles or other support structures.

11. "Utility pole" means a pole or similar structure that is used in whole or in part to provide communications services or for electric distribution, lighting, traffic control, signage, or a similar function. The term includes the vertical support structure for traffic lights but does not include a horizontal structure to which signal lights or other traffic control devices are attached and does not include a pole or similar structure 15 feet in height or less unless an authority grants a waiver for such pole.

12. "Wireless facility" means equipment at a fixed location which enables wireless communications between user equipment and a communications network, including radio transceivers, antennas, wires, coaxial or fiber-optic cable or other cables, regular and backup power supplies, and comparable equipment, regardless of technological configuration, and equipment associated with wireless communications. The term includes small wireless facilities. The term does not include:

a. The structure or improvements on, under, within, or adjacent to the structure on which the equipment is collocated;

b. Wireline backhaul facilities; or

c. Coaxial or fiber-optic cable that is between wireless structures or utility poles or that is otherwise not immediately adjacent to or directly associated with a particular antenna.

13. "Wireless infrastructure provider" means a person who has been certificated under chapter 364 to provide telecommunications service or under chapter 610 to provide cable or video services in this state, or that person's affiliate, and who builds or installs wireless communication transmission equipment, wireless facilities, or wireless support structures but is not a wireless services provider.

14. "Wireless provider" means a wireless infrastructure provider or a wireless services provider.

15. "Wireless services" means any services provided using licensed or unlicensed spectrum, whether at a fixed location or mobile, using wireless facilities.

16. "Wireless services provider" means a person who provides wireless services.

17. "Wireless support structure" means a freestanding structure, such as a monopole, a guyed or self-supporting tower, or another existing or proposed structure designed to support or capable of supporting wireless facilities. The term does not include a utility pole, pedestal, or other support structure for ground-based equipment not mounted on a utility pole and less than 5 feet in height.

(d) An authority may require a registration process and permit fees in accordance with subsection (3). An authority shall accept applications for permits and shall process and issue permits subject to the following requirements:

1. An authority may not directly or indirectly require an applicant to perform services unrelated to the collocation for which approval is sought, such as in-kind contributions to the authority, including reserving fiber, conduit, or pole space for the authority.

2. An applicant may not be required to provide more information to obtain a permit than is necessary to demonstrate the applicant's compliance with applicable codes for the placement of small wireless facilities in the locations identified in the application. An applicant may not be required to provide inventories, maps, or locations of communications facilities in the right-of-way other than as necessary to avoid interference with other at-grade or aerial facilities located at the specific location proposed for a small wireless facility or within 50 feet of such location.

3. An authority may not:

a. Require the placement of small wireless facilities on any specific utility pole or category of poles;

b. Require the placement of multiple antenna systems on a single utility pole;

c. Require a demonstration that collocation of a small

wireless facility on an existing structure is not legally or technically possible as a condition for granting a permit for the collocation of a small wireless facility on a new utility pole except as provided in paragraph (i);

d. Require compliance with an authority's provisions regarding placement of communications facilities, including small wireless facilities or a new utility pole used to support a small wireless facility, in rights-of-way under the control of the department unless the authority has received a delegation from the department for the location of the small wireless facility or utility pole, or require such compliance as a condition to receive a permit that is ancillary to the permit for collocation of a small wireless facility, including an electrical permit;

e. Require a meeting before filing an application;

f. Require direct or indirect public notification or a public meeting for the placement of communication facilities in the right-of-way;

g. Limit the size or configuration of a small wireless facility or any of its components, if the small wireless facility complies with the size limits in this subsection;

h. Prohibit the installation of a new utility pole used to support the collocation of a small wireless facility if the installation otherwise meets the requirements of this subsection; ~~or~~

i. Require that any component of a small wireless facility be placed underground except as provided in paragraph (i); or

j. Require compliance with an authority's provisions regarding the placement of communications facilities, including small wireless facilities or a new utility pole used to support a small wireless facility, in rights-of-way not owned and controlled by the authority or public utility easements that are not within an area owned and controlled by the authority unless a permit delegation agreement exists between the authority and the owner of the rights-way or easement.

4. Subject to paragraph (r), an authority may not limit the placement, by minimum separation distances, of small wireless facilities, utility poles on which small wireless facilities are or will be collocated, or other at-grade communications facilities. However, within 14 days after the date of filing the application, an authority may request that the proposed location of a small wireless facility be moved to another location in the right-of-way and placed on an alternative authority utility pole or support structure or placed on a new utility pole. The authority and the applicant may negotiate the alternative location, including any objective design standards and reasonable spacing requirements for ground-based equipment, for 30 days after the date of the request. At the conclusion of the negotiation period, if the alternative location is accepted by the applicant, the applicant must notify

the authority of such acceptance and the application shall be deemed granted for any new location for which there is agreement and all other locations in the application. If an agreement is not reached, the applicant must notify the authority of such nonagreement and the authority must grant or deny the original application within 90 days after the date the application was filed. A request for an alternative location, an acceptance of an alternative location, or a rejection of an alternative location must be in writing and provided by electronic mail.

5. An authority shall limit the height of a small wireless facility to 10 feet above the utility pole or structure upon which the small wireless facility is to be collocated. Unless waived by an authority, the height for a new utility pole is limited to the tallest existing utility pole as of July 1, 2017, located in the same right-of-way, other than a utility pole for which a waiver has previously been granted, measured from grade in place within 500 feet of the proposed location of the small wireless facility. If there is no utility pole within 500 feet, the authority shall limit the height of the utility pole to 50 feet.

6. The installation by a communications services provider of a utility pole in the public rights-of-way, other than a utility pole used to support a small wireless facility, is subject to authority rules or regulations governing the placement of utility poles in the public rights-of-way.

7. Within 14 days after receiving an application, an authority must determine and notify the applicant by electronic mail as to whether the application is complete. If an application is deemed incomplete, the authority must specifically identify the missing information. An application is deemed complete if the authority fails to provide notification to the applicant within 14 days.

8. An application must be processed on a nondiscriminatory basis. A complete application is deemed approved if an authority fails to approve or deny the application within 60 days after receipt of the application. If an authority does not use the 30-day negotiation period provided in subparagraph 4., the parties may mutually agree to extend the 60-day application review period. The authority shall grant or deny the application at the end of the extended period. A permit issued pursuant to an approved application shall remain effective for 1 year unless extended by the authority.

9. An authority must notify the applicant of approval or denial by electronic mail. An authority shall approve a complete application unless it does not meet the authority's applicable codes. If the application is denied, the authority must specify in writing the basis for denial, including the specific code provisions on which the denial was based, and send the documentation to the applicant by electronic mail on the day the authority denies the application. The applicant may cure the

deficiencies identified by the authority and resubmit the application within 30 days after notice of the denial is sent to the applicant. The authority shall approve or deny the revised application within 30 days after receipt or the application is deemed approved. The review of a revised application is limited to the deficiencies cited in the denial. If an authority provides for administrative review of the denial of an application, the review must be complete and a written decision issued within 45 days after a written request for review is made. A denial must identify the specific code provisions on which the denial is based. If the administrative review is not complete within 45 days, the authority waives any claim regarding failure to exhaust administrative remedies in any judicial review of the denial of an application.

10. An applicant seeking to collocate small wireless facilities within the jurisdiction of a single authority may, at the applicant's discretion, file a consolidated application and receive a single permit for the collocation of up to 30 small wireless facilities. If the application includes multiple small wireless facilities, an authority may separately address small wireless facility collocations for which incomplete information has been received or which are denied.

11. An authority may deny an application to collocate a small wireless facility or place a utility pole used to support a small wireless facility in the public rights-of-way if the

proposed small wireless facility or utility pole used to support a small wireless facility:

a. Materially interferes with the safe operation of traffic control equipment.

b. Materially interferes with sight lines or clear zones for transportation, pedestrians, or public safety purposes.

c. Materially interferes with compliance with the Americans with Disabilities Act or similar federal or state standards regarding pedestrian access or movement.

d. Materially fails to comply with the 2017 edition of the Florida Department of Transportation Utility Accommodation Manual.

e. Fails to comply with applicable codes.

f. Fails to comply with objective design standards authorized under paragraph (r).

12. An authority may adopt by ordinance provisions for insurance coverage, indemnification, force majeure, abandonment, authority liability, or authority warranties. Such provisions must be reasonable and nondiscriminatory and apply to all providers of communications services, including, if applicable, any local government or nonprofit providers. An authority may require a construction bond to secure restoration of the postconstruction rights-of-way to the preconstruction condition. However, such bond must be time-limited to not more than 18 months after the construction to which the bond applies is

completed, and such bond must be reasonably related to the cost to secure restoration of the rights-of-way. An authority may not limit the number of permits allowed under this same bond. For any financial obligation required by an authority allowed under this section, the authority may not limit the number of permits in any way, including by project size; by limiting the number of applications or open permits, provided that the permit is closed out within 45 days of the provider's completion of work; or by imposing additional requirements based on the scope or linear feet of a project. For any financial obligation required by an authority allowed under this section, the authority shall accept, at the option of the applicant, a bond or a letter of credit or similar financial instrument issued by any financial institution that is authorized to do business within the United States, provided that a claim against the financial instrument may be made by electronic means~~, including by facsimile~~. An authority may not require a deposit or escrow of cash as a condition of issuing a permit or compel the applicant to agree to any additional terms or agreements not specifically authorized by this section nor directly related to the work set out in the application. A provider of communications services may add an authority to any existing bond, insurance policy, or other relevant financial instrument, and the authority must accept such proof of coverage without any conditions other than consent to venue for purposes of any litigation to which the

authority is a party. An authority may not require a communications services provider to indemnify it for liabilities not caused by the provider or the provider's agents or employees, including liabilities arising from the authority's negligence, gross negligence, or willful conduct or liabilities caused by an unaffiliated third party.

13. Collocation of a small wireless facility on an authority utility pole does not provide the basis for the imposition of an ad valorem tax on the authority utility pole.

14. An authority may reserve space on authority utility poles for future public safety uses. However, a reservation of space may not preclude collocation of a small wireless facility. If replacement of the authority utility pole is necessary to accommodate the collocation of the small wireless facility and the future public safety use, the pole replacement is subject to make-ready provisions and the replaced pole shall accommodate the future public safety use.

15. A structure granted a permit and installed pursuant to this subsection shall comply with chapter 333 and federal regulations pertaining to airport airspace protections.

(r) An authority may require wireless providers to comply with objective design standards adopted by ordinance. The ordinance may only require:

1. A new utility pole that replaces an existing utility pole to be of substantially similar design, material, and color;

2. Reasonable spacing requirements concerning the location of a ground-mounted component of a small wireless facility which does not exceed 15 feet from the associated support structure; or

3. A small wireless facility to meet reasonable location context, color, camouflage, and concealment requirements, subject to the limitations in this subsection; and

4. A new utility pole used to support a small wireless facility to meet reasonable location context, color, and material of the predominant utility pole type at the proposed location of the new utility pole.

Such design standards under this paragraph may be waived by the authority upon a showing that the design standards are not reasonably compatible for the particular location of a small wireless facility or utility pole or are technically infeasible or that the design standards impose an excessive expense. The waiver must be granted or denied within 45 days after the date of the request. An authority may not require landscaping, landscaping maintenance, or vegetation management other than that necessary for right-of-way restoration.

Section 21. Paragraph (b) of subsection (2) and paragraph (d) of subsection (5) of section 339.81, Florida Statutes, are amended to read:

339.81 Florida Shared-Use Nonmotorized Trail Network.—

(2)

(b) The multiuse trails or shared-use paths of the statewide network must be physically separated from motor vehicle traffic and constructed with asphalt, concrete, or another improved hard surface approved by the department.

(5)

(d) To the greatest extent practicable, the department shall program projects in the work program to plan for development of the entire trail and to minimize the creation of gaps between trail segments. The department shall, at a minimum, ensure that local support exists for projects and trail segments, including the availability or dedication of local funding sources and of contributions by private landowners who agree to make their land, or property interests in such land, available for public use as a trail. The department may also consider any sponsorship agreement entered into pursuant to subsection (7).

Section 22. Subsection (16) of section 341.041, Florida Statutes, is amended to read:

341.041 Transit responsibilities of the department.—The department shall, within the resources provided pursuant to chapter 216:

(16) Unless otherwise provided by state or federal law, ensure that all grants and agreements between the department and entities providing paratransit services to persons with

disabilities include, at a minimum, the following provisions:

(a) Performance requirements for the delivery of services, including clear penalties for repeated or continuing violations;

(b) Minimum liability insurance requirements for all transportation services purchased, provided, or coordinated for the transportation disadvantaged, as defined in s. 427.011(1), through the contracted vendor or subcontractor thereof;

(c) Complaint and grievance processes for users of paratransit services for persons with disabilities ~~users~~, including a requirement that all reported complaints, grievances, and resolutions be reported to the department on a quarterly basis; and

(d) A requirement that the provisions of paragraphs (a), (b), and (c) must be included in any agreement between an entity receiving a grant or an agreement from the department and such entity's contractors or subcontractors that provide paratransit services.

Section 23. Subsections (1), (2), and (3) of section 479.25, Florida Statutes, are amended to read:

479.25 Erection of noise-attenuation barrier, ramp, or braided bridge blocking view of sign; procedures; application.—

(1) The owner of a lawfully erected sign that is governed by and conforms to state and federal requirements for land use, size, height, and spacing may increase the height above ground level of such sign at its permitted location if a noise-

attenuation barrier, ramp, or braided bridge is permitted by or erected by any governmental entity in such a way as to screen or block visibility of the sign. Any increase in height permitted under this section may only be the increase in height which is required to achieve the same degree of visibility from the right-of-way which the sign had before the construction of the noise-attenuation barrier, ramp, or braided bridge, notwithstanding the restrictions contained in s. 479.07(9)(b), provided that in no event shall the height of the sign exceed 100 feet above the crown of the main traveled way of the road to which the sign is permitted, regardless of the height of the visual obstruction. A sign reconstructed under this section must comply with the building standards and wind load requirements provided in the Florida Building Code. If construction of a proposed noise-attenuation barrier, ramp, or braided bridge will screen a sign lawfully permitted under this chapter, the department shall provide notice to the local government or local jurisdiction within which the sign is located before construction. Upon a determination that an increase in the height of a sign as permitted under this section will violate an ordinance or a land development regulation of the local government or local jurisdiction, the local government or local jurisdiction shall, before construction:

(a) Provide a variance or waiver to the local ordinance or land development regulations to allow an increase in the height

of the sign;

(b) Allow the sign to be relocated or reconstructed at another location if the sign owner agrees; or

(c) Pay the fair market value of the sign and its associated interest in the real property.

(2) The department shall hold a public hearing within the boundaries of the affected local governments or local jurisdictions to receive input on the proposed noise-attenuation barrier, ramp, or braided bridge and its conflict with the local ordinance or land development regulation and to suggest or consider alternatives or modifications to alleviate or minimize the conflict with the local ordinance or land development regulation or minimize any costs that may be associated with relocating, reconstructing, or paying for the affected sign. The public hearing may be held concurrently with other public hearings scheduled for the project. The department shall provide a written notification to the local government or local jurisdiction of the date and time of the public hearing and shall provide general notice of the public hearing in accordance with the notice provisions of s. 335.02(1). The notice may not be placed in that portion of a newspaper in which legal notices or classified advertisements appear. The notice must specifically state that:

(a) Erection of the proposed noise-attenuation barrier, ramp, or braided bridge may block the visibility of an existing

outdoor advertising sign;

(b) The local government or local jurisdiction may restrict or prohibit increasing the height of the existing outdoor advertising sign; and

(c) Upon construction of the noise-attenuation barrier, ramp, or braided bridge, the local government or local jurisdiction shall:

1. Allow an increase in the height of the sign through a waiver or variance to a local ordinance or land development regulation;

2. Allow the sign to be relocated or reconstructed at another location if the sign owner agrees; or

3. Pay the fair market value of the sign and its associated interest in the real property.

(3) The department may not permit erection of the noise-attenuation barrier, ramp, or braided bridge to the extent the barrier screens or blocks visibility of the sign until after the public hearing is held.

Section 24. Section 790.19, Florida Statutes, is amended to read:

790.19 Shooting into or throwing deadly missiles into occupied or unoccupied ~~dwellings,~~ public or private buildings, ~~occupied or not occupied;~~ vessels, aircraft, public or private buses, railroad cars, streetcars, or other vehicles.—Any person who ~~Whoever,~~ wantonly or maliciously~~,~~ shoots at, within, or

into, or throws any missile or hurls or projects a stone or other hard substance which would produce death or great bodily harm~~,~~ at, within, or into, ~~in~~ any occupied or unoccupied public or private building; any~~, occupied or unoccupied, or~~ public or private bus; ~~or~~ any train, locomotive, railway car, caboose, cable railway car, street railway car, monorail car, or vehicle of any kind which is being used or occupied by any person; any occupied or unoccupied autonomous vehicle;~~, or~~ any boat, vessel, ship, or barge lying in or plying the waters of this state;~~,~~ or any aircraft flying through the airspace of this state commits ~~shall be guilty of~~ a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084 for persons with disabilities.

Section 25. Subsections (2) through (12) of section 806.13, Florida Statutes, are renumbered as subsections (3) through (13), respectively, present subsection (11) is amended, and a new subsection (2) is added to that section, to read:

806.13 Criminal mischief; penalties; penalty for minor.—

(2) Any person who willfully or maliciously defaces, injures, or damages by any means any autonomous vehicle, as defined in s. 316.003(3), commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, if the damage to the autonomous vehicle is greater than $200.

(12)~~(11)~~ A minor whose driver license or driving privilege is revoked, suspended, or withheld under subsection (11) ~~(10)~~

may elect to reduce the period of revocation, suspension, or withholding by performing community service at the rate of 1 day for each hour of community service performed. In addition, if the court determines that due to a family hardship, the minor's driver license or driving privilege is necessary for employment or medical purposes of the minor or a member of the minor's family, the court shall order the minor to perform community service and reduce the period of revocation, suspension, or withholding at the rate of 1 day for each hour of community service performed. As used in this subsection, the term "community service" means cleaning graffiti from public property.

Section 26. Paragraph (b) of subsection (3) of section 311.07, Florida Statutes, is amended to read:

311.07 Florida seaport transportation and economic development funding.—

(3)

(b) Projects eligible for funding by grants under the program are limited to the following port facilities or port transportation projects:

1. Transportation facilities within the jurisdiction of the port.

2. The dredging or deepening of channels, turning basins, or harbors.

3. The construction or rehabilitation of wharves, docks,

structures, jetties, piers, storage facilities, cruise terminals, automated people mover systems, or any facilities necessary or useful in connection with any of the foregoing.

4. The acquisition of vessel tracking systems, container cranes, or other mechanized equipment used in the movement of cargo or passengers in international commerce.

5. The acquisition of land to be used for port purposes.

6. The acquisition, improvement, enlargement, or extension of existing port facilities.

7. Environmental protection projects which are necessary because of requirements imposed by a state agency as a condition of a permit or other form of state approval; which are necessary for environmental mitigation required as a condition of a state, federal, or local environmental permit; which are necessary for the acquisition of spoil disposal sites and improvements to existing and future spoil sites; or which result from the funding of eligible projects listed in this paragraph.

8. Transportation facilities as defined in s. 334.03(31) ~~s. 334.03(30)~~ which are not otherwise part of the Department of Transportation's adopted work program.

9. Intermodal access projects.

10. Construction or rehabilitation of port facilities as defined in s. 315.02, excluding any park or recreational facilities, in ports listed in s. 311.09(1) with operating revenues of $5 million or less, provided that such projects

create economic development opportunities, capital improvements, and positive financial returns to such ports.

11. Seaport master plan or strategic plan development or updates, including the purchase of data to support such plans.

12. Spaceport or space industry-related planning or construction of facilities on seaport property which are necessary or useful for advancing the space industry in this state and provide an economic benefit to this state.

13. Commercial shipbuilding and manufacturing facilities on seaport property, if such projects provide an economic benefit to the community in which the seaport is located.

Section 27. Paragraph (b) of subsection (2) of section 316.0777, Florida Statutes, is amended to read:

316.0777 Automated license plate recognition systems; installation within rights-of-way of State Highway System; public records exemption.—

(2)

(b) At the discretion of the Department of Transportation, an automated license plate recognition system may be installed within the right-of-way, as defined in s. 334.03(22) ~~s. 334.03(21)~~, of a road on the State Highway System when installed at the request of a law enforcement agency for the purpose of collecting active criminal intelligence information or active criminal investigative information as defined in s. 119.011(3). An automated license plate recognition system may not be used to

issue a notice of violation for a traffic infraction or a uniform traffic citation. Such installation must be in accordance with placement and installation guidelines developed by the Department of Transportation. An automated license plate recognition system must be removed within 30 days after the Department of Transportation notifies the requesting law enforcement agency that such removal must occur.

Section 28. Paragraph (c) of subsection (5) of section 316.515, Florida Statutes, is amended to read:

316.515 Maximum width, height, length.—

(5) IMPLEMENTS OF HUSBANDRY AND FARM EQUIPMENT; AGRICULTURAL TRAILERS; FORESTRY EQUIPMENT; SAFETY REQUIREMENTS.—

(c) The width and height limitations of this section do not apply to farming or agricultural equipment, whether self-propelled, pulled, or hauled, when temporarily operated during daylight hours upon a public road that is not a limited access facility as defined in s. 334.03(13) ~~s. 334.03(12)~~, and the width and height limitations may be exceeded by such equipment without a permit. To be eligible for this exemption, the equipment shall be operated within a radius of 50 miles of the real property owned, rented, managed, harvested, or leased by the equipment owner. However, equipment being delivered by a dealer to a purchaser is not subject to the 50-mile limitation. Farming or agricultural equipment greater than 174 inches in width must have one warning lamp mounted on each side of the

equipment to denote the width and must have a slow-moving vehicle sign. Warning lamps required by this paragraph must be visible from the front and rear of the vehicle and must be visible from a distance of at least 1,000 feet.

Section 29. Section 320.08035, Florida Statutes, is amended to read:

320.08035 Persons who have disabilities; reduced dimension license plate.—The owner or lessee of a motorcycle, moped, or motorized disability access vehicle who resides in this state and qualifies for a parking permit for a person who has a disability under s. 320.0848, upon application and payment of the appropriate license tax and fees under s. 320.08(1), must be issued a license plate that has reduced dimensions as provided under s. 320.06(2)(a) ~~s. 320.06(3)(a)~~. The plate must be stamped with the international symbol of accessibility after the numeric and alpha serial number of the license plate. The plate entitles the person to all privileges afforded by a disabled parking permit issued under s. 320.0848.

Section 30. Subsection (4) of section 320.0807, Florida Statutes, is amended to read:

320.0807 Special license plates for Governor and federal and state legislators.—

(4) License plates purchased under subsection (1), subsection (2), or subsection (3) shall be replaced by the department at no cost, other than the fees required under ss.

320.04 and 320.06(2)(b) ~~320.06(3)(b)~~, when the person to whom the plates have been issued leaves the elective office with respect to which the license plates were issued. Within 30 days after leaving office, the person to whom the license plates have been issued must apply to the department for a replacement license plate. The person may return the prestige license plates to the department or retain the plates as souvenirs. Upon receipt of the replacement license plate, the person may not display on any vehicle the prestige license plate or plates issued with respect to his or her former office.

Section 31. Section 320.102, Florida Statutes, is amended to read:

320.102 Marine boat trailers owned by nonprofit organizations; exemptions.—The registration or renewal of a registration of any marine boat trailer owned and operated by a nonprofit organization that is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code and which is used exclusively in carrying out its customary nonprofit activities is exempt from paying the fees, taxes, surcharges, and charges in ss. 320.03(5), (6), and (9), 320.031(2), 320.04(1), 320.06(1)(b) and (2)(b) ~~(3)(b)~~, 320.0801, 320.0802, 320.0804, and 320.08046.

Section 32. Section 336.01, Florida Statutes, is amended to read:

336.01 Designation of county road system.—The county road

system shall be as defined in s. 334.03(9) ~~s. 334.03(8)~~.

Section 33. Subsection (2) of section 338.222, Florida Statutes, is amended to read:

338.222 Department of Transportation sole governmental entity to acquire, construct, or operate turnpike projects; exception.—

(2) The department may, but is not required to, contract with any local governmental entity as defined in s. 334.03(14) ~~s. 334.03(13)~~ for the design, right-of-way acquisition, transfer, purchase, sale, acquisition, or other conveyance of the ownership, operation, maintenance, or construction of any turnpike project which the Legislature has approved. Local governmental entities may negotiate and contract with the department for the design, right-of-way acquisition, transfer, purchase, sale, acquisition, or other conveyance of the ownership, operation, maintenance, or construction of any section of the turnpike project within areas of their respective jurisdictions or within counties with which they have interlocal agreements.

Section 34. Subsection (2) of section 341.8225, Florida Statutes, is amended to read:

341.8225 Department of Transportation sole governmental entity to acquire, construct, or operate high-speed rail projects; exception.—

(2) Local governmental entities, as defined in s.

334.03(14) ~~s. 334.03(13)~~, may negotiate with the department for the design, right-of-way acquisition, and construction of any component of the high-speed rail system within areas of their respective jurisdictions or within counties with which they have interlocal agreements.

Section 35. Paragraph (b) of subsection (12) of section 376.3071, Florida Statutes, is amended to read:

376.3071 Inland Protection Trust Fund; creation; purposes; funding.—

(12) SITE CLEANUP.—

(b) Low-scored site initiative.—Notwithstanding subsections (5) and (6), a site with a priority ranking score of 29 points or less may voluntarily participate in the low-scored site initiative regardless of whether the site is eligible for state restoration funding.

1. To participate in the low-scored site initiative, the property owner, or a responsible party who provides evidence of authorization from the property owner, must submit a "No Further Action" proposal and affirmatively demonstrate that the conditions imposed under subparagraph 4. are met.

2. Upon affirmative demonstration that the conditions imposed under subparagraph 4. are met, the department shall issue a site rehabilitation completion order incorporating the "No Further Action" proposal submitted by the property owner or the responsible party, who must provide evidence of

authorization from the property owner. If no contamination is detected, the department may issue a site rehabilitation completion order.

3. Sites that are eligible for state restoration funding may receive payment of costs for the low-scored site initiative as follows:

a. A property owner, or a responsible party who provides evidence of authorization from the property owner, may submit an assessment and limited remediation plan designed to affirmatively demonstrate that the site meets the conditions imposed under subparagraph 4. Notwithstanding the priority ranking score of the site, the department may approve the cost of the assessment and limited remediation, including up to 12 months of groundwater monitoring and 12 months of limited remediation activities in one or more task assignments or modifications thereof, not to exceed the threshold amount provided in s. 287.017 for CATEGORY TWO, for each site where the department has determined that the assessment and limited remediation, if applicable, will likely result in a determination of "No Further Action." The department may not pay the costs associated with the establishment of institutional or engineering controls other than the costs associated with a professional land survey or a specific purpose survey, if such is needed, and the costs associated with obtaining a title report and paying recording fees.

b. After the approval of initial site assessment results provided pursuant to state funding under sub-subparagraph a., the department may approve an additional amount not to exceed the threshold amount provided in s. 287.017 for CATEGORY TWO for limited remediation needed to achieve a determination of "No Further Action."

c. The assessment and limited remediation work shall be completed no later than 15 months after the department authorizes the start of a state-funded, low-score site initiative task. If groundwater monitoring is required after the assessment and limited remediation in order to satisfy the conditions under subparagraph 4., the department may authorize an additional 12 months to complete the monitoring.

d. No more than $15 million for the low-scored site initiative may be encumbered from the fund in any fiscal year. Funds shall be made available on a first-come, first-served basis and shall be limited to 10 sites in each fiscal year for each property owner or each responsible party who provides evidence of authorization from the property owner.

e. Program deductibles, copayments, and the limited contamination assessment report requirements under paragraph (13)(d) do not apply to expenditures under this paragraph.

4. The department shall issue an order incorporating the "No Further Action" proposal submitted by a property owner or a responsible party who provides evidence of authorization from

the property owner upon affirmative demonstration that all of the following conditions are met:

a. Soil saturated with petroleum or petroleum products, or soil that causes a total corrected hydrocarbon measurement of 500 parts per million or higher for the Gasoline Analytical Group or 50 parts per million or higher for the Kerosene Analytical Group, as defined by department rule, does not exist onsite as a result of a release of petroleum products.

b. A minimum of 12 months of groundwater monitoring indicates that the plume is shrinking or stable.

c. The release of petroleum products at the site does not adversely affect adjacent surface waters, including their effects on human health and the environment.

d. The area containing the petroleum products' chemicals of concern:

(I) Is confined to the source property boundaries of the real property on which the discharge originated, unless the property owner has requested or authorized a more limited area in the "No Further Action" proposal submitted under this subsection; or

(II) Has migrated from the source property onto or beneath a transportation facility as defined in s. 334.03(31) ~~s. 334.03(30)~~ for which the department has approved, and the governmental entity owning the transportation facility has agreed to institutional controls as defined in s. 376.301(21).

This sub-sub-subparagraph does not, however, impose any legal liability on the transportation facility owner, obligate such owner to engage in remediation, or waive such owner's right to recover costs for damages.

e. The groundwater contamination containing the petroleum products' chemicals of concern is not a threat to any permitted potable water supply well.

f. Soils onsite found between land surface and 2 feet below land surface which are subject to human exposure meet the soil cleanup target levels established in subparagraph (5)(b)9., or human exposure is limited by appropriate institutional or engineering controls.

Issuance of a site rehabilitation completion order under this paragraph acknowledges that minimal contamination exists onsite and that such contamination is not a threat to the public health, safety, or welfare; water resources; or the environment. Pursuant to subsection (4), the issuance of the site rehabilitation completion order, with or without conditions, does not alter eligibility for state-funded rehabilitation that would otherwise be applicable under this section.

Section 36. Paragraph (a) of subsection (2) of section 403.7211, Florida Statutes, is amended to read:

403.7211 Hazardous waste facilities managing hazardous wastes generated offsite; federal facilities managing hazardous

waste.—

(2) The department may not issue any permit under s. 403.722 for the construction, initial operation, or substantial modification of a facility for the disposal, storage, or treatment of hazardous waste generated offsite which is proposed to be located in any of the following locations:

(a) Any area where life-threatening concentrations of hazardous substances could accumulate at any residence or residential subdivision as the result of a catastrophic event at the proposed facility, unless each such residence or residential subdivision is served by at least one arterial road or urban minor arterial road, as determined under the procedures referenced in s. 334.03(11) ~~s. 334.03(10)~~, which provides safe and direct egress by land to an area where such life-threatening concentrations of hazardous substances could not accumulate in a catastrophic event. Egress by any road leading from any residence or residential subdivision to any point located within 1,000 yards of the proposed facility is unsafe for the purposes of this paragraph. In determining whether egress proposed by the applicant is safe and direct, the department shall also consider, at a minimum, the following factors:

1. Natural barriers such as water bodies, and whether any road in the proposed evacuation route is impaired by a natural barrier such as a water body.

2. Potential exposure during egress and potential

increases in the duration of exposure.

3. Whether any road in a proposed evacuation route passes in close proximity to the facility.

4. Whether any portion of the evacuation route is inherently directed toward the facility.

For the purposes of this subsection, all distances shall be measured from the outer limit of the active hazardous waste management area. "Substantial modification" includes: any physical change in, change in the operations of, or addition to a facility which could increase the potential offsite impact, or risk of impact, from a release at that facility; and any change in permit conditions which is reasonably expected to lead to greater potential impacts or risks of impacts, from a release at that facility. "Substantial modification" does not include a change in operations, structures, or permit conditions which does not substantially increase either the potential impact from, or the risk of, a release. Physical or operational changes to a facility related solely to the management of nonhazardous waste at the facility is not considered a substantial modification. The department shall, by rule, adopt criteria to determine whether a facility has been substantially modified. "Initial operation" means the initial commencement of operations at the facility.

Section 37. Subsection (5) of section 479.261, Florida

Statutes, is amended to read:

479.261 Logo sign program.—

(5) At a minimum, permit fees for businesses that participate in the program must be established in an amount sufficient to offset the total cost to the department for the program, including contract costs. The department shall provide the services in the most efficient and cost-effective manner through department staff or by contracting for some or all of the services. The department shall adopt rules that set reasonable rates based upon factors such as population, traffic volume, market demand, and costs for annual permit fees. However, annual permit fees for sign locations inside an urban area, as defined in s. 334.03(32) ~~s. 334.03(31)~~, may not exceed $3,500, and annual permit fees for sign locations outside an urban area, as defined in s. 334.03(32) ~~s. 334.03(31)~~, may not exceed $2,000. After recovering program costs, the proceeds from the annual permit fees shall be deposited into the State Transportation Trust Fund and used for transportation purposes.

Section 38. Paragraph (a) of subsection (2) of section 715.07, Florida Statutes, is amended to read:

715.07 Vehicles or vessels parked on private property; towing.—

(2) The owner or lessee of real property, or any person authorized by the owner or lessee, which person may be the designated representative of the condominium association if the

real property is a condominium, may cause any vehicle or vessel parked on such property without her or his permission to be removed by a person regularly engaged in the business of towing vehicles or vessels, without liability for the costs of removal, transportation, or storage or damages caused by such removal, transportation, or storage, under any of the following circumstances:

(a) The towing or removal of any vehicle or vessel from private property without the consent of the registered owner or other legally authorized person in control of that vehicle or vessel is subject to substantial compliance with the following conditions and restrictions:

1.a. Any towed or removed vehicle or vessel must be stored at a site within a 10-mile radius of the point of removal in any county of 500,000 population or more, and within a 15-mile radius of the point of removal in any county of fewer than 500,000 population. That site must be open for the purpose of redemption of vehicles on any day that the person or firm towing such vehicle or vessel is open for towing purposes, from 8:00 a.m. to 6:00 p.m., and, when closed, shall have prominently posted a sign indicating a telephone number where the operator of the site can be reached at all times. Upon receipt of a telephoned request to open the site to redeem a vehicle or vessel, the operator shall return to the site within 1 hour or she or he will be in violation of this section.

b. If no towing business providing such service is located within the area of towing limitations set forth in sub-subparagraph a., the following limitations apply: any towed or removed vehicle or vessel must be stored at a site within a 20-mile radius of the point of removal in any county of 500,000 population or more, and within a 30-mile radius of the point of removal in any county of fewer than 500,000 population.

2. The person or firm towing or removing the vehicle or vessel shall, within 30 minutes after completion of such towing or removal, notify the municipal police department or, in an unincorporated area, the sheriff, of such towing or removal, the storage site, the time the vehicle or vessel was towed or removed, and the make, model, color, and license plate number of the vehicle or description and registration number of the vessel and shall obtain the name of the person at that department to whom such information was reported and note that name on the trip record.

3. A person in the process of towing or removing a vehicle or vessel from the premises or parking lot in which the vehicle or vessel is not lawfully parked must stop when a person seeks the return of the vehicle or vessel. The vehicle or vessel must be returned upon the payment of a reasonable service fee of not more than one-half of the posted rate for the towing or removal service as provided in subparagraph 6. The vehicle or vessel may be towed or removed if, after a reasonable opportunity, the

owner or legally authorized person in control of the vehicle or vessel is unable to pay the service fee. If the vehicle or vessel is redeemed, a detailed signed receipt must be given to the person redeeming the vehicle or vessel.

4. A person may not pay or accept money or other valuable consideration for the privilege of towing or removing vehicles or vessels from a particular location.

5. Except for property appurtenant to and obviously a part of a single-family residence, and except for instances when notice is personally given to the owner or other legally authorized person in control of the vehicle or vessel that the area in which that vehicle or vessel is parked is reserved or otherwise unavailable for unauthorized vehicles or vessels and that the vehicle or vessel is subject to being removed at the owner's or operator's expense, any property owner or lessee, or person authorized by the property owner or lessee, before towing or removing any vehicle or vessel from private property without the consent of the owner or other legally authorized person in control of that vehicle or vessel, must post a notice meeting the following requirements:

a. The notice must be prominently placed at each driveway access or curb cut allowing vehicular access to the property within 10 feet from the road, as defined in s. 334.03(23) ~~s. 334.03(22)~~. If there are no curbs or access barriers, the signs must be posted not fewer than one sign for each 25 feet of lot

frontage.

b. The notice must clearly indicate, in not fewer than 2-inch high, light-reflective letters on a contrasting background, that unauthorized vehicles will be towed away at the owner's expense. The words "tow-away zone" must be included on the sign in not fewer than 4-inch high letters.

c. The notice must also provide the name and current telephone number of the person or firm towing or removing the vehicles or vessels.

d. The sign structure containing the required notices must be permanently installed with the words "tow-away zone" not fewer than 3 feet and not more than 6 feet above ground level and must be continuously maintained on the property for not fewer than 24 hours before the towing or removal of any vehicles or vessels.

e. The local government may require permitting and inspection of these signs before any towing or removal of vehicles or vessels being authorized.

f. A business with 20 or fewer parking spaces satisfies the notice requirements of this subparagraph by prominently displaying a sign stating "Reserved Parking for Customers Only Unauthorized Vehicles or Vessels Will be Towed Away At the Owner's Expense" in not fewer than 4-inch high, light-reflective letters on a contrasting background.

g. A property owner towing or removing vessels from real

property must post notice, consistent with the requirements in sub-subparagraphs a.-f., which apply to vehicles, that unauthorized vehicles or vessels will be towed away at the owner's expense.

A business owner or lessee may authorize the removal of a vehicle or vessel by a towing company when the vehicle or vessel is parked in such a manner that restricts the normal operation of business; and if a vehicle or vessel parked on a public right-of-way obstructs access to a private driveway the owner, lessee, or agent may have the vehicle or vessel removed by a towing company upon signing an order that the vehicle or vessel be removed without a posted tow-away zone sign.

6. Any person or firm that tows or removes vehicles or vessels and proposes to require an owner, operator, or person in control or custody of a vehicle or vessel to pay the costs of towing and storage before redemption of the vehicle or vessel must file and keep on record with the local law enforcement agency a complete copy of the current rates to be charged for such services and post at the storage site an identical rate schedule and any written contracts with property owners, lessees, or persons in control of property which authorize such person or firm to remove vehicles or vessels as provided in this section.

7. Any person or firm towing or removing any vehicles or

vessels from private property without the consent of the owner or other legally authorized person in control or custody of the vehicles or vessels shall, on any trucks, wreckers as defined in s. 713.78(1), or other vehicles used in the towing or removal, have the name, address, and telephone number of the company performing such service clearly printed in contrasting colors on the driver and passenger sides of the vehicle. The name shall be in at least 3-inch permanently affixed letters, and the address and telephone number shall be in at least 1-inch permanently affixed letters.

8. Vehicle entry for the purpose of removing the vehicle or vessel shall be allowed with reasonable care on the part of the person or firm towing the vehicle or vessel. Such person or firm shall be liable for any damage occasioned to the vehicle or vessel if such entry is not in accordance with the standard of reasonable care.

9. When a vehicle or vessel has been towed or removed pursuant to this section, it must be released to its owner or person in control or custody within 1 hour after requested. Any vehicle or vessel owner or person in control or custody has the right to inspect the vehicle or vessel before accepting its return, and no release or waiver of any kind which would release the person or firm towing the vehicle or vessel from liability for damages noted by the owner or person in control or custody at the time of the redemption may be required from any vehicle

or vessel owner or person in control or custody as a condition of release of the vehicle or vessel to its owner or person in control or custody. A detailed receipt showing the legal name of the company or person towing or removing the vehicle or vessel must be given to the person paying towing or storage charges at the time of payment, whether requested or not.

Section 39. Paragraph (b) of subsection (3) of section 921.0022, Florida Statutes, is amended to read:

921.0022 Criminal Punishment Code; offense severity ranking chart.—

(3) OFFENSE SEVERITY RANKING CHART

(b) LEVEL 2

Florida Statute	Felony Degree	Description
365.172 (14)(b)1.	3rd	Misuse of emergency communications system causing great bodily harm, permanent disfigurement, or permanent disability.
379.2431 (1)(e)3.	3rd	Possession of 11 or fewer marine turtle eggs in violation of the Marine Turtle Protection

			Act.
1756			
	379.2431 (1)(e)4.	3rd	Possession of more than 11 marine turtle eggs in violation of the Marine Turtle Protection Act.
1757			
	403.413(6)(c)	3rd	Dumps waste litter exceeding 500 lbs. in weight or 100 cubic feet in volume or any quantity for commercial purposes, or hazardous waste.
1758			
	517.07(2)	3rd	Failure to furnish a prospectus meeting requirements.
1759			
	590.28(1)	3rd	Intentional burning of lands.
1760			
	784.03(3)	3rd	Battery during a riot or an aggravated riot.
1761			
	784.05(3)	3rd	Storing or leaving a loaded firearm within reach of minor who uses it to inflict injury or death.

787.04(1)	3rd	In violation of court order, take, entice, etc., minor beyond state limits.
806.13(1)(b)3.	3rd	Criminal mischief; damage $1,000 or more to public communication or any other public service.
806.13(4) ~~806.13(3)~~	3rd	Criminal mischief; damage of $200 or more to a memorial or historic property.
810.061(2)	3rd	Impairing or impeding telephone or power to a dwelling; facilitating or furthering burglary.
810.09(2)(d)	3rd	Trespassing on posted commercial horticulture property.
812.014(2)(c)1.	3rd	Grand theft, 3rd degree; $750 or more but less than $5,000.

812.014(2)(d)1.	3rd	Grand theft, 3rd degree; $40 or more but less than $750, taken from dwelling or its unenclosed curtilage.
812.014(2)(e)2.	3rd	Petit theft, 1st degree; less than $40 taken from dwelling or its unenclosed curtilage with one prior theft conviction.
812.015(7)	3rd	Possession, use, or attempted use of an antishoplifting or inventory control device countermeasure.
817.234(1)(a)2.	3rd	False statement in support of insurance claim.
817.481(3)(a)	3rd	Obtain credit or purchase with false, expired, counterfeit, etc., credit card, value over $300.
817.52(3)	3rd	Failure to redeliver hired

			vehicle.
1774			
	817.54	3rd	With intent to defraud, obtain mortgage note, etc., by false representation.
1775			
	817.60(5)	3rd	Dealing in credit cards of another.
1776			
	817.60(6)(a)	3rd	Forgery; purchase goods, services with false card.
1777			
	817.61	3rd	Fraudulent use of credit cards over $100 or more within 6 months.
1778			
	826.04	3rd	Knowingly marries or has sexual intercourse with person to whom related.
1779			
	831.01	3rd	Forgery.
1780			
	831.02	3rd	Uttering forged instrument; utters or publishes alteration with intent to defraud.

831.07	3rd	Forging bank bills, checks, drafts, or promissory notes.
831.08	3rd	Possessing 10 or more forged notes, bills, checks, or drafts.
831.09	3rd	Uttering forged notes, bills, checks, drafts, or promissory notes.
831.11	3rd	Bringing into the state forged bank bills, checks, drafts, or notes.
832.05(3)(a)	3rd	Cashing or depositing item with intent to defraud.
836.13(3)	3rd	Soliciting an altered sexual depiction of an identifiable person without consent.
843.01(2)	3rd	Resist police canine or police horse with violence; under

		certain circumstances.
843.08	3rd	False personation.
843.19(3)	3rd	Touch or strike police, fire, SAR canine or police horse.
893.13(2)(a)2.	3rd	Purchase of any s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (2)(c)10., (3), or (4) drugs other than cannabis.
893.147(2)	3rd	Manufacture or delivery of drug paraphernalia.

Section 40. Paragraph (a) of subsection (2) of section 1006.23, Florida Statutes, is amended to read:

1006.23 Hazardous walking conditions.—

(2) HAZARDOUS WALKING CONDITIONS.—

(a) Walkways parallel to the road.—

1. It shall be considered a hazardous walking condition with respect to any road along which students must walk in order to walk to and from school if there is not an area at least 4

feet wide adjacent to the road, not including drainage ditches, sluiceways, swales, or channels, having a surface upon which students may walk without being required to walk on the road surface or if the walkway is along a limited access facility as defined in s. 334.03(13) ~~s. 334.03(12)~~. In addition, whenever the road along which students must walk is uncurbed and has a posted speed limit of 50 miles per hour or greater, the area as described above for students to walk upon shall be set off the road by no less than 3 feet from the edge of the road.

2. Subparagraph 1. does not apply when the road along which students must walk:

a. Is a road on which the volume of traffic is less than 180 vehicles per hour, per direction, during the time students walk to and from school; or

b. Is located in a residential area and has a posted speed limit of 30 miles per hour or less.

Section 41. This act shall take effect July 1, 2026.

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 transportation; amending 20.23, F.S.; revising the membership composition of the Florida Transportation Research Institute; amending s.

260.0142, F.S.; requiring the Florida Greenways and Trails Council to meet within a specified timeframe to update specified recommendations; amending s. 311.14, F.S.; requiring each seaport to include specified strategies for obtaining and maintaining critical infrastructure resources as part of a 10-year strategic plan; defining the term "critical infrastructure resources"; creating s. 311.26, F.S.; requiring the Department of Transportation to coordinate with certain entities for a specified purpose; amending s. 316.003, F.S.; revising the definition of the term "personal delivery device"; amending s. 316.008, F.S.; authorizing a personal delivery device to be operated in specified areas; providing an exception; prohibiting the operation of a personal delivery device or mobile carrier within a theme park or entertainment complex; prohibiting counties and municipalities from enacting, imposing, levying, collecting, or enforcing certain fees or advertising regulations; amending s. 316.187, F.S.; increasing certain speed limits; amending s. 316.2071, F.S.; authorizing a personal delivery device to operate in specified areas; providing an exception; prohibiting a personal delivery device or mobile carrier from interfering with bicyclists and motor

vehicles; prohibiting a personal delivery device or mobile carrier from operating in specified areas unless certain conditions are met; prohibiting a personal delivery device or mobile carrier from operating within a theme park or entertainment complex; authorizing the department to adopt rules; amending s. 318.14, F.S.; modifying terms for elections to attend a basic driver improvement course; amending s. 320.06, F.S.; authorizing certain rental trucks to elect a permanent registration period; requiring a motor vehicle registration renewal to be recorded electronically; removing provisions relating to validation stickers; amending ss. 320.04, 320.08035, 320.0807, 320.084, and 320.102, F.S.; conforming cross-references and provisions to changes made by the act; amending s. 330.41, F.S.; prohibiting a political subdivision from taking certain actions against a drone delivery service on a commercial property; removing a limitation relating to drone ports; prohibiting a drone delivery service from operating within a theme park or entertainment complex; providing that the addition of a drone delivery service within the parking area of a commercial property does not reduce the number of parking spaces for a specified purpose; amending s.

332.001, F.S.; revising powers and duties of the department with respect to airport systems in this state; amending s. 332.006, F.S.; requiring the department to coordinate with certain airports for a specified purpose; amending s. 332.0075, F.S.; requiring commercial service airports to provide methods for obtaining and maintaining critical infrastructure resources; defining the term "critical infrastructure resources"; amending s. 334.03, F.S.; defining the term "advanced air mobility corridor connection point"; revising the definition of the term "transportation corridor"; amending s. 334.044, F.S.; providing and revising powers and duties of the department; amending s. 334.63, F.S.; providing state policy; requiring a governmental entity to include certain information in specified publications; defining the terms "nonpecuniary factor" and "net-zero policies"; amending s. 337.401, F.S.; prohibiting municipalities and counties from requiring that providers locate or perform surveys of certain facilities; requiring a provider to use certain means to avoid damaging certain facilities under specified circumstances; prohibiting municipalities and counties from taking certain actions relating to certain facility permits; authorizing municipalities and

counties to require a bond or other financial instrument; prohibiting municipalities and counties from imposing or collecting a tax, fee, cost, charge, or exaction for the placement of certain communications facilities; revising applicability; revising the definition of the term "application"; prohibiting an authority from requiring compliance with an authority's provisions regarding placement of communications facilities in certain locations; providing exceptions; requiring that certain authority ordinances apply to all providers of communications services; providing bond requirements; providing requirements for certain financial obligations required by an authority; prohibiting an authority from requiring a deposit or escrow of cash or agreement with certain terms; prohibiting an authority from requiring a communications service provider to indemnify it for certain liabilities; prohibiting an authority from imposing certain landscaping and vegetation management requirements; amending s. 339.81, F.S.; revising construction materials that may be used for certain multiuse trails or shared-use paths; authorizing the department to consider certain sponsorship agreements; amending s. 341.041, F.S.; providing that certain provisions relating to

paratransit services apply only to persons with disabilities; amending s. 479.25, F.S.; revising provisions authorizing the owners of certain signs to increase the height above ground level of such signs under certain circumstances to include in such circumstances the permitting or erection of certain ramps and braided bridges; conforming provisions to changes made by the act; amending s. 790.19, F.S.; providing penalties for shooting into or throwing deadly missiles into an occupied or unoccupied autonomous vehicle; amending s. 806.13, F.S.; providing penalties for defacing, injuring, or damaging an autonomous vehicle; amending ss. 311.07, 316.0777, 316.515, 336.01, 338.222, 341.8225, 376.3071, 403.7211, 479.261, 715.07, 921.0022, and 1006.23, F.S.; conforming cross-references; 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 1311	**COMPANION BILL:** SB 1588 (Gruters)
TITLE: Legal Tender	**LINKED BILLS:** None
SPONSOR(S): Bankson	**RELATED BILLS:** None

Committee References

Insurance & Banking
16 Y, 0 N, As CS

➤

Commerce

SUMMARY

Effect of the Bill:
The bill ratifies rules promulgated by the Department of Financial Services and the Office of Financial Regulation in order for HB 999 (2025), which designates qualifying gold and silver coin as legal tender, to take effect. The bill amends the definition of "custodian of gold coin or silver coin," to clarify that it means a person or entity holding gold or silver coin that is intended to be able to be transferred for legal tender and does not include a person or entity holding gold or silver coin that is not intended to be used as legal tender.

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

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Definition of "custodian of gold coin or silver coin or custodian"
The bill amends the definition of "custodian of gold coin or silver coin," or "custodian," as used for purposes of transactional gold or silver, to provide that it means a person or entity safeguarding and storing gold or silver coin that is intended to be able to be transferred electronically for legal tender. The bill clarifies that the term does not include a person or entity holding gold or silver coin that is not intended to be used as legal tender. (Section 3).

Rule ratification pursuant to HB 999 (2025)
The bill ratifies rules promulgated by the Department of Financial Services ("DFS") and the Office of Financial Regulation ("OFR"), as required by HB 999 (2025) in order for HB 999 (2025) to take effect. (Section 1).

The rules are described below:

- 69C-2.004–Definitions:
  - Defines "custodian of gold coin or silver coin" to have the same meaning as under Florida Statutes.
  - Defines "deposit or share insurance" as insurance afforded by either the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

- 69C-2.005–Designation of a Qualified Public Depository:
  - Clarifies that custodians of gold or silver coin do not have to maintain deposit or share insurance to become a qualified public depository and instead have to maintain an all-risk insurance policy.[1]
  - Amends the qualified public depository application and contingent liability agreement forms to include gold and silver coin.

[1] Instead of maintaining deposit or share insurance, custodians of gold or silver coin must maintain insurance covering 100 percent of the full replacement value of the stored gold or silver coin under an all-risk insurance policy for loss, theft, damage, and employee dishonesty by an authorized insurer or eligible surplus lines insurer. Ss. 280.21 and 560.214(1)(i), F.S.

- 69C-2.016–Financial Information Reports by a Qualified Public Depository:
  - Amends the qualified public depository report forms to include gold and silver coin.

- 69C-2.022–Requirements of Public Depositors:
  - Amends the public deposit identification and acknowledgment form to include gold and silver coin.

- 69C-2.026–Administration of Payment of Losses:
  - Amends the public deposit claim form and agreement to include gold and silver coin.

- 69C-2.034–Disqualification, Suspension, and Administrative Penalty:
  - Provides that when determining the appropriate disciplinary action for a qualified public depository, the Chief Financial Officer will consider the violations of any Florida law or rule.

- 69C-2.035–Custodians of Gold Coin or Silver Coin:
  - Provides that a qualified public depository that is a custodian of gold or silver coin may not hold public deposits other than gold or silver coin, unless they have deposit or share insurance.

- 69U-100.097–Gold Coin or Silver Coin Deposits:
  - Provides requirements for any financial institution that intends to accept gold or silver coin deposits or otherwise hold it on behalf of its customers, members, or the public.

- 69V-560.1000–Disciplinary Guidelines:
  - Creates disciplinary guidelines for money services businesses related to gold or silver coin, such as imposing fines and suspending licenses for violations.[2]

- 69V-560.1012–Adoption of Forms:
  - Amends the money services business license application and quarterly report forms to incorporate gold and silver coin.
  - Creates a gold and silver coin disclosure form for money services businesses that must be provided to customers before the purchase of a product or service related to gold or silver coin.

- 69V-560.102–Application or Appointment Procedures and Requirements:
  - Provides that an applicant for a money services business license who intends to engage in conduct as a custodian of gold coin or silver coin is required to be examined by OFR prior to licensure.
  - Establishes procedures for examination and requires applicants to agree to schedule an examination within sixty days after notification by OFR that the applicant is ready for examination.
  - Provides that a material change[3] to a money services business application includes changes to whether the applicant intends to offer services related to gold or silver coin.
  - Requires licensed money services businesses who wish to become custodians of gold or silver coin to file a new money services business license application with OFR as well as a notice of termination of licensure, which is effective upon disposition of the new application by OFR.

- 69V-560.7032–Records to Be Maintained when Engaged in Transactions Involving Gold and Silver Coin:
  - Requires money services businesses that transmit, store, exchange, or accept payments in gold or silver coin to maintain and make available various records to OFR.

- 69V-560.7033–Gold Coin and Silver Coin Disclosures:

[2] The disciplinary guidelines can be found here, Disciplinary Guidelines (last visited Jan. 23, 2026).
[3] Requests to make material changes to applications for a money services business license are grounds for denial and a new application will be required. Rule 69V-560.102(6), F.A.C.

- Requires money services businesses to make specific disclosures available to a customer before the customer purchases or uses a service or product related to gold or silver coin.

- 69V-560.7034–Accredited Refiner or Wholesaler of Gold Coin or Silver Coin:
  - Provides that an accredited refiner or wholesaler of gold coin or silver coin means a person who has received accreditation by the London Bullion Market Association ("LBMA").[4]

- 69V-560.7035–Chain of Custody Related to Gold or Silver Coin:
  - Creates chain of custody requirements for money services businesses for gold and silver coin, such as requiring documentation and maintenance of information on the owners, sellers, buyers, shippers and/or deliverers of gold and silver coin as well as details relating to the coin.

- 69V-560.7036–Rapid Response Time by Law Enforcement:
  - Provides criteria for determining whether a custodian of gold and silver coin is located in a manner that enables rapid response time by law enforcement.

Repeal of Section 18 of ch. 2025-100, Laws of Fla.
The bill repeals Section 18 of ch. 2025-100, Laws of Fla. which provides that the provisions of HB 999 (2025) will be repealed on June 30, 2026, unless reviewed and saved from repeal through reenactment by the Legislature after ratification of the required rules. (Section 2).

Effective date:
The bill provides that the act shall take effect upon becoming a law. (Section 4).

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector, to the extent that amending the definition of "custodian of gold coin or silver coin" narrows the scope of who constitutes a custodian and therefore who must comply with applicable laws and regulations.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Financial Services Regulatory Bodies in Florida
Florida's financial regulatory framework includes OFR and FSC. OFR is responsible for overseeing and licensing financial institutions, money services businesses, securities firms, and mortgage entities.[5] FSC, composed of the Governor and Cabinet, serves as the rulemaking body for OFR and provides overall policy direction.[6] OFR operates under the policy direction of FSC and enforces state financial laws and regulations. Together, these entities are responsible for implementing and enforcing Florida's financial regulatory laws.

Legal Tender under Federal and State Law
Article I, Section 10, Clause 1 of the United States Constitution, prohibits states from coining money but permits them to "make gold and silver coin a tender in payment of debts."[7] This provision authorizes states to recognize

[4] LBMA is an international trade association representing the gold and silver bullion market. LBMA sets standards for trading precious metals. LBMA, *About Us,* https://www.lbma.org.uk/about-us/about-the-lbma (Last visited Jan. 26, 2026).
[5] S. 20.121(3), F.S.
[6] S. 20.121(3)(c), F.S.
[7] U.S. Const. art. 1. § 10. Cl. 1.

gold and silver coin as legal tender for the payment of debts and taxes but prohibits states from creating or issuing their own currencies or recognizing other forms of money as tender.[8]

Article I, Section 8, Clause 5 of the U.S. Constitution grants Congress the exclusive power to coin money and regulate its value.[9] However, Congress has not preempted state authority to recognize specie[10] as legal tender for state and private transactions.

Under 31 U.S.C. § 5103, only United States coins and currency (including Federal Reserve notes) are recognized as legal tender for the payment of debts, public charges, taxes, and dues. Foreign gold or silver coins are not legal tender for debts under federal law, though they may be lawfully bought, sold, and owned as commodities or investment assets.[11] However, a state may choose to recognize gold and silver coins as legal tender within its jurisdiction, though such coins would not have national legal tender status.

HB 999 (2025)

House Bill 999 (2025) ("HB 999"), which designates gold and silver coins as legal tender, passed the Legislature during the 2025 legislative session and was approved by the Governor on May 27, 2025. HB 999 required the Chief Financial Officer ("CFO") and the Financial Services Commission ("FSC") to adopt implementing rules by November 1, 2025, and required DFS and OFR to submit said rules as part of a joint report to the Governor and Legislature by November 1, 2025. HB 999 required the report to include implementation plans and any concerns or recommendations for additional legislation.[12]

HB 999 provided that the rules adopted by the CFO and the FSC will not take effect unless ratified by the Legislature. The provisions requiring rule adoption and submission of a joint report took effect upon HB 999 becoming law. The remaining provisions of HB 999 are scheduled to take effect on July 1, 2026, subject to rule ratification. Section 18 of Chapter 2025-100, Laws of Fla. provides that if the Legislature does not ratify the rules, the provisions of HB 999 will be repealed on June 30, 2026.[13]

Legal tender designation

HB 999 recognizes certain gold coin and silver coin as legal tender in Florida for the payment of debts incurred on or after July 1, 2026.[14] HB 999 defines key terms such as "gold coin"[15] and "silver coin"[16] and provides that only coin meeting specified purity and marking standards qualifies. No individual, business, or government entity is required to accept such coin unless agreed to by contract.[17]

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[8] *Id.*
[9] U.S. Const. art. 1. § 8. Cl. 5.
[10] *Specie* refers to money in the form of coins, especially those made of gold or silver. See *Black's Law Dictionary* (11th ed. 2019) ("Specie: Coined money, as opposed to paper money; esp., gold or silver coins.").
[11] 31 U.S.C. § 5103.
[12] The required rules and report were submitted by the deadline.
[13] Ch. 2025-100, Laws of Fla.
[14] *Id.*
[15] HB 999 defines "gold coin" as a precious metal with the chemical element of atomic number 79 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 79 consists of at least 99.5 percent purity. The term does not include any goods as defined in s. 672.105(1), F.S., such as jewelry, other items of utility, such as picture frames, or collectables. Ch. 2025-100, Laws of Fla.
[16] HB 999 defines "silver coin" as a precious metal with the chemical element of atomic number 47 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and is stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 47 consists of at least 99.9 percent purity. The term does not mean any goods as defined in s. 672.105(1), F.S., such as jewelry, other items of utility, such as picture frames, or collectables. Ch. 2025-100, Laws of Fla.
[17] Ch. 2025-100, Laws of Fla.

Sales and Use Tax

HB 999 exempts from sales tax any gold or silver coin that is legal tender in Florida under the newly created legal tender statute.[18] HB 999 establishes a presumption of eligibility for this exemption if the coin is stamped with appropriate purity markings or transacted electronically.[19]

Licensing and Regulation of Custodians

HB 999 defines "custodian of gold coin or silver coin" as any person or entity providing secure vault facilities to one or more persons for the safekeeping and storage of gold coin or silver coin, the ownership of which is or may be transferred electronically, and includes any person who holds gold or silver coin for more than 10 days.[20] The term does not include a person holding gold or silver coin for personal use as legal tender.[21]

HB 999 creates a distinct licensing framework for custodians of gold and silver coin by expanding the definition of money transmitters[22] to include such custodians, thereby requiring them to obtain a money transmitter license[23] and comply with regulatory examinations.[24]

Applicants seeking a money transmitter license to become a custodian of gold or silver coin must meet existing requirements for money transmitters and must comply with additional requirements for custodians, including submitting evidence of insurance coverage, secure physical custody, accreditation from an OFR-approved entity, and a statement of how the business will operate in a safe and sound manner.[25]

Custody of Public Deposits

HB 999 requires custodians of gold or silver coin that hold public deposits to be meet the standards of a qualified public depository under Florida law.[26]

In Florida, institutions holding state funds must be a qualified public depository[27] under the Qualified Public Depository Act, which requires designation by the CFO, collateralization of public deposits,[28] reporting,[29] and compliance with minimum liquidity and solvency standards.[30] Generally, institutions must be federally insured, although limited exemptions may apply for entities that hold non-cash assets.[31]

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[18] *Id.*
[19] *Id.*
[20] *Id.*
[21] *Id.*
[22] "Money transmitter" means a corporation, limited liability company, limited liability partnership, or foreign entity which receives currency, monetary value, a payment instrument, or virtual currency for the purpose of acting as an intermediary for transmission 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 an intermediary that has the ability to unilaterally execute or indefinitely prevent a transaction. S. 560.103(24), F.S.
[23] A money transmitter is one type of money services business. S. 560.103(23), F.S.
[24] *Id.*
[25] *Id.*
[26] Except that such custodians are not required to be insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.
[27] *See* s. 280.02(26), F.S. (defining "qualified public depository").
[28] *See* s. 280.04(1), F.S.
[29] *See* s. 280.16, F.S.
[30] *See* Rule 69C-2.026, F.A.C.
[31] *See* s. 280.03(3), F.S. (permitting exceptions to federal insurance requirements under certain conditions).

Money Services Businesses:
HB 999 requires money services businesses[32] who offer products or services involving gold or silver coin to comply with operational and disclosure requirements.[33] These include maintaining separate accounts for precious metal coin, insuring gold and silver coin at full replacement value, securely storing gold and silver coin with a licensed custodian, purchasing gold and silver coin only from accredited refiners or wholesalers, and making disclosures.[34]

Financial Institutions
HB 999 requires financial institutions[35] that offer products or services related to gold coin to comply with operational and disclosure standards.[36] These include insuring the full replacement value of any coin held, maintaining separate accounts and accurate transaction records, complying with anti-money laundering laws, and making full disclosures to customers about their rights, fees, and the institution's obligations.[37] A financial institution may contract with a licensed custodian to physically hold gold or silver coin on its behalf but remains responsible for ensuring that the custodian complies with all applicable requirements.[38]

Precious Metals-Backed Electronic Payment Systems
Precious metals-backed electronic payment systems are digital platforms that allow users to store and transact using units backed by physical precious gold or silver.[39] These systems allow users to maintain accounts denominated in gold or silver and spend from those accounts using debit cards or mobile applications.[40]

Such systems rely on physical bullion stored in secure vaults, often accredited by international organizations that set industry standards. Users may conduct transactions based on their bullion holdings and may redeem their digital balances for physical delivery of gold or silver.[41] While these systems offer an alternative to traditional fiat currency (government-issued currency that is not backed by a physical commodity) transactions, they are typically not insured by the Federal Deposit Insurance Corporation and are subject to various state and federal regulatory requirements, including anti-money laundering, cybersecurity, and fraud prevention measures.[42]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	CS/HB 999 - Legal Tender	Bankson, LaMarca	The bill passed in 2025.

[32] 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. Money services businesses must be licensed with OFR. Ss. 560.103 and 560.125, F.S.
[33] Ch. 2025-100, Laws of Fla.
[34] *Id.*
[35] "Financial institution" means a state or federally regulated bank, savings or thrift association, trust company, credit union, or other entity authorized under state or federal law to conduct domestic or international banking, trust, or financial activities. S. 655.005(1)(i), F.S.
[36] Ch. 2025-100, Laws of Fla.
[37] *Id.*
[38] *Id.*
[39] Christian Bender, *A Gold Standard for the Internet? An Introductory Assessment*, 11 Electronic Markets p. 123 (2001), Electronic Markets (last visited Jan. 22, 2026).
[40] Bender, supra note 1, at 122.
[41] *Digital Gold: Understanding Cryptocurrency Backed by Physical Gold*, BlockApps (2023), Digital Gold (last visited Jan. 22, 2026).
[42] Lael Brainard, Governor, Bd. of Governors of the Fed. Rsrv. Sys., *The Digitalization of Payments and Currency: Some Issues for Consideration* (Feb. 5, 2020), Digitalization of Payments and Currency (last visited Jan. 22, 2026).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	16 Y, 0 N, As CS	1/29/2026	Brackett	Highsmith
THE CHANGES ADOPTED BY THE COMMITTEE:	• Corrected a rule number from 69U-100.97 to 69U-100.097.			
Commerce Committee			Hamon	Highsmith

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

A bill to be entitled

An act relating to legal tender; ratifying specified rules relating to legal tender for the sole and exclusive purpose of satisfying any condition on effectiveness pursuant to chapter 2025-100, Laws of Florida; repealing s. 18 of chapter 2025-100, Laws of Florida, which repeals specified provisions relating to legal tender; amending chapter 2025-100, Laws of Florida; revising the definition of the terms "custodian of gold coin or silver coin" and "custodian"; providing an effective date.

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

Section 1. The following rules are ratified for the sole and exclusive purpose of satisfying any condition on effectiveness imposed under chapter 2025-100, Laws of Florida: Rules 69C-2.004, 69C-2.005, 69C-2.016, 69C-2.022, 69C-2.026, 69C-2.034, 69C-2.035, 69U-100.097, 69V-560.1000, 69V-560.1012, 69V-560.102, 69V-560.7032, 69V-560.7033, 69V-560.7034, 69V-560.7035, and 69V-560.7036, Florida Administrative Code, entitled "Definitions," "Designation of a Qualified Public Depository," "Financial Information Reports by a Qualified Public Depository," "Requirements of Public Depositors," "Administration of Payment of Losses," "Disqualification,

Suspension, and Administrative Penalty," "Custodians of Gold Coin or Silver Coin," "Gold Coin or Silver Coin Deposits," "Disciplinary Guidelines," "Adoption of Forms," "Application or Appointment Procedures and Requirements," "Records to Be Maintained when Engaged in Transactions Involving Gold and Silver Coin," "Gold Coin and Silver Coin Disclosures," "Accredited Refiner or Wholesaler of Gold Coin or Silver Coin," "Chain of Custody Related to Gold or Silver Coin," and "Rapid Response Time by Law Enforcement," respectively, as filed for adoption with the Department of State pursuant to the certification packages dated October 31, 2025, and November 1, 2025.

Section 2. Section 18 of chapter 2025-100, Laws of Florida, is repealed.

Section 3. Subsection (13) of section 4 of chapter 2025-100, Laws of Florida, is amended to read:

Section 4. Effective July 1, 2026, upon legislative ratification of rules of the Financial Services Commission and the Chief Financial Officer as provided in section 17 of this act, present subsections (13) through (19), (20) through (34), and (35) and (36) of section 560.103, Florida Statutes, are redesignated as subsections (14) through (20), (22) through (36), and (38) and (39), respectively, new subsections (13) and (21) and subsection (37) are added to that section, and present subsections (18) and (24) of that section are amended, to read:

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

(13) "Custodian of gold coin or silver coin," or "custodian," as used for purposes of transactional gold or silver, ~~"Custodian of gold coin or silver coin" or "custodian"~~ means any person or entity providing secure vault facilities to one or more persons for the safekeeping and storage of gold coin or silver coin, the ownership of which is intended to be able to ~~or may~~ be transferred electronically as defined in s. 215.986(1) for legal tender. The term includes any person who holds gold coin or silver coin for more than 10 days. The term does not include a person who holds gold coin or silver coin for personal use as legal tender, or a person or entity that holds gold or silver that is not intended to be used as legal tender.

Section 4. This act shall take effect upon becoming a law.

COMMERCE COMMITTEE

CS/HB 1311 by Rep. Bankson
Legal Tender

AMENDMENT SUMMARY
February 24, 2026

Amendment #779949 by Rep. Bankson (strike-all):

- Amends the definitions of "gold coin" and "silver coin" to clarify that purity requirements apply to the entire coin and not to isolated components of the coin.
- Provides that gold or silver coin recognized as legal tender may be stamped or marked with artistic or decorative designs, if such designs are integral to the coin's surface, do not indicate or imply government issuance, and otherwise meet purity requirements.
- Amends the definition of "custodian of gold coin or silver coin," or "custodian" to clarify that the term does not include persons or entities holding gold or silver coin that is not transferred electronically for legal tender or is not intended to be transferred electronically for legal tender.

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 Bankson offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. The following rules are ratified for the sole and exclusive purpose of satisfying any condition on effectiveness imposed under chapter 2025-100, Laws of Florida: Rules 69C-2.004, 69C-2.005, 69C-2.016, 69C-2.022, 69C-2.026, 69C-2.034, 69C-2.035, 69U-100.097, 69V-560.1000, 69V-560.1012, 69V-560.102, 69V-560.7032, 69V-560.7033, 69V-560.7034, 69V-560.7035, and 69V-560.7036, Florida Administrative Code, entitled "Definitions," "Designation of a Qualified Public Depository," "Financial Information Reports by a Qualified Public Depository," "Requirements of Public Depositors,"

"Administration of Payment of Losses," "Disqualification, Suspension, and Administrative Penalty," "Custodians of Gold Coin or Silver Coin," "Gold Coin or Silver Coin Deposits," "Disciplinary Guidelines," "Adoption of Forms," "Application or Appointment Procedures and Requirements," "Records to Be Maintained when Engaged in Transactions Involving Gold and Silver Coin," "Gold Coin and Silver Coin Disclosures," "Accredited Refiner or Wholesaler of Gold Coin or Silver Coin," "Chain of Custody Related to Gold or Silver Coin," and "Rapid Response Time by Law Enforcement," respectively, as filed for adoption with the Department of State pursuant to the certification packages dated October 31, 2025, and November 1, 2025.

Section 2. Section 18 of chapter 2025-100, Laws of Florida, is repealed.

Section 3. Paragraphs (c) and (f) of subsection (1) and paragraph (a) of subsection (2) of section 215.986, Florida Statues, are amended to read:

215.986 Gold and silver coin as legal tender.—

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

(c) "Gold coin" means a precious metal with the chemical element of atomic number 79 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 79

consists of at least 99.5 percent purity. The purity requirement applies to the entire coin or item as a single unit and not to any isolated component or embedded portion of the gold. The term does not include items that incorporate gold within nonmetal substrates, including, but not limited to, polymer, plastic, paper, or other composite materials, regardless of the purity of the gold component. The term also does not include any goods as defined in s. 672.105(1), such as jewelry; other items of utility, such as picture frames; or collectibles.

(f) "Silver coin" means a precious metal with the chemical element of atomic number 47 in solid form, in the shape of rounds, bars, ingots, or bullion coins, which is valued for its metal content and is stamped or imprinted with its weight and purity and which solid form of chemical element atomic number 47 consists of at least 99.9 percent purity. The purity requirement applies to the entire coin or item as a single unit and not to any isolated component or embedded portion of the silver. The term does not include items that incorporate silver within nonmetal substrates, including, but not limited to, polymer, plastic, paper, or other composite materials, regardless of the purity of the silver component. The term also does not mean any goods as defined in s. 672.105(1), such as jewelry; other items of utility, such as picture frames; or collectibles.

(2) LEGAL TENDER.—Gold coin and silver coin that meet the requirements of this section are recognized as legal tender by

this state for the payment of debts incurred on or after July 1, 2026.

(a) Gold coin or silver coin recognized as legal tender in this section may not be imprinted, stamped, or otherwise marked with any name, symbol, or other information or design, indicating the face value of the coin in the official currency of any government, or with a country's name on the coin or phrases implying governmental issuance or that the coin was minted by a government mint. ~~including, but not limited to, any suggestion that such coin has been minted or issued by any government,~~ Except as prohibited in this paragraph, the ~~that such~~ coin must be imprinted, stamped, or otherwise marked with the coin's weight and purity and may be imprinted, stamped, or otherwise marked with the name or symbol that identifies any refiner or mint of the gold coin or silver coin. Additional artistic or decorative designs, such as images of animals, historical figures, or patterns, are permitted if they are integral to the coin's surface and do not imply governmental issuance as provided in this paragraph, and if the coin otherwise meets the purity and form requirements in subsection (1). A gold coin or silver coin that does not meet the requirements of this paragraph is not recognized as legal tender for the payment of debts in this state.

Section 4. Subsection (13) of section 4 of chapter 2025-100, Laws of Florida, is amended to read:

Section 4. Effective July 1, 2026, upon legislative ratification of rules of the Financial Services Commission and the Chief Financial Officer as provided in section 17 of this act, present subsections (13) through (19), (20) through (34), and (35) and (36) of section 560.103, Florida Statutes, are redesignated as subsections (14) through (20), (22) through (36), and (38) and (39), respectively, new subsections (13) and (21) and subsection (37) are added to that section, and present subsections (18) and (24) of that section are amended, to read:

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

(13)(a) "Custodian of gold coin or silver coin," or "custodian," as used for purposes of transactional gold coin or silver coin, ~~"Custodian of gold coin or silver coin" or "custodian"~~ means any person or entity providing secure vault facilities to one or more persons for the safekeeping and storage of gold coin or silver coin, the ownership of which is ~~or may be~~ transferred electronically as defined in s. 215.986(1) for legal tender as defined in s. 215.986(1), or is intended to be transferred electronically for legal tender.

(b) The term includes any person who holds gold coin or silver coin for more than 10 days. The term does not include a person who holds gold coin or silver coin for personal use as legal tender, or a person or entity that holds gold coin or silver coin that is not intended to be used as legal tender. The term also does not include any person or entity that provides

secure vault facilities to one or more persons for the safe keeping and storage of gold coin or silver coin, which is not transferred electronically or intended to be transferred electronically for legal tender while the person or entity possesses the gold coin or silver coin in its secure vault facilities.

(c) There is a rebuttable presumption that gold coin and silver coin is not intended to be transferred electronically for legal tender if the owner of such coin affirms in writing that such coin will not be transferred electronically for legal tender while it is in the person or entity's secure vault facilities.

(d) For purposes of this subsection, the term "transactional gold coin or silver coin" means gold coin or silver coin which is intended to be used, transferred, or exchanged as legal tender in a commercial or financial transaction through electronic or digital means.

Section 5. This act shall take effect upon becoming a law.

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 legal tender; ratifying specified rules relating to legal tender for the sole and

exclusive purpose of satisfying any condition on effectiveness pursuant to chapter 2025-100, Laws of Florida; repealing s. 18 of chapter 2025-100, Laws of Florida, which repeals specified provisions relating to legal tender; amending s. 215.986, F.S.; revising definitions; amending chapter 2025-100, Laws of Florida; revising the definition of the terms "custodian of gold coin or silver coin" and "custodian"; 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 1387	**COMPANION BILL:** SB 1236 (Massullo)
TITLE: State Economic Development Contracts	**LINKED BILLS:** None
SPONSOR(S): Overdorf	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism 11 Y, 4 N, As CS	➤ Transportation & Economic Development Budget 11 Y, 4 N	➤ Commerce

SUMMARY

Effect of the Bill:

The bill creates the Taxpayer Dollars Protect Workers Act (Act) to provide that, in order to be eligible for an economic development incentive, an employer may not:

- Grant recognition rights for employees solely on the basis of signed labor organization authorization cards if the selection of a bargaining representative could instead be accomplished through a secret ballot election by the National Labor Relations Board;
- Voluntarily disclose an employee's personal contact information to a labor organization without the employee's prior written consent;
- Sign a neutrality agreement with a labor organization; or
- Require a subcontractor to engage in any of the foregoing activities.

The bill requires the Department of Commerce (Department), before awarding an economic development incentive, to enter into a separate agreement with the recipient of the incentive to reserve the right of the Department to recover any incentives if the recipient violates the Act. The bill authorizes anyone to report a suspected violation of the Act to the Attorney General (AG) and requires the AG to investigate the violation. If the AG finds the employer in violation of the Act the AG must initiate proceedings to recover incentives awarded to the employer.

Fiscal or Economic Impact:

The bill appears to have an indeterminate fiscal impact on state expenditures. The bill will have an insignificant fiscal impact on Department workload. The bill may have an indeterminate negative fiscal impact on the AG, but it is expected the AG can handle the workload within its existing resources.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill creates the "Taxpayer Dollars Protect Workers Act" (Act). (Section 1).

The bill provides the following definitions:

- "Contract" means an agreement between an employer and the state, or an agreement between an employer and a labor organization.
- "Economic development incentive" means a state grant, authorized under this chapter for the purposes of economic development, provided to an employer to attract or retain the employer's physical presence in this state.
- "Employee" means an individual who performs services for an employer for wages that are subject to withholding requirements under 26 U.S.C. s. 3402.

- "Employer" means a business entity that voluntarily pursues economic development incentives authorized under this section or enters into an agreement with the Department of Commerce (Department) for the purpose of receiving those incentives.
- "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, hours of employment, or conditions of work.
- "Neutrality agreement" means an agreement signed with a labor organization wherein the employer agrees to conditions including, but not limited to, not speaking to employees about labor organization issues.
- "Personal contact information" means an employee's home address, home or personal cellular telephone number, or personal e-mail address.
- "Secret ballot election" means a process conducted by the National Labor Relations Board (NLRB) in which an employee casts a secret ballot for or against labor organization representation.
- "Subcontractor" means a person or entity that has contracted with an employer to perform work or provide services. (Section 2).

The bill establishes that to be eligible for an economic development incentive, an employer may not:

- Grant recognition rights for employees solely on the basis of signed labor organization authorization cards if the selection of a bargaining representative could have been conducted through a secret ballot election by the National Labor Relations Board (NLRB).
- Voluntarily disclose an employee's personal contact information to a labor organization, or a third party acting on behalf of a labor organization, without the employee's prior written consent, unless otherwise required by state or federal law.
- Sign a neutrality agreement with a labor organization.
- Require a subcontractor performing work for or providing services to the employer to engage in the above prohibited activities. (Section 2).

The bill provides that eligibility requirements apply to any work or service for an employer on a project for which an economic development incentive is awarded. (Section 2).

The bill authorizes a person or an entity to report a suspected violation of the Act to the Attorney General (AG) during the term of the separate agreement entered into between the Department and the employer. Upon receiving a report, the AG must determine whether a violation has occurred and must request from the employer a copy of the written agreement executed pursuant to the Act. An employer's refusal to provide the written agreement to the AG constitutes a violation of the separate agreement between the Department and the employer. (Section 2).

The bill requires the AG to deliver written findings to the employer alleged to be in violation within 60 days. If the AG finds that the employer violated the written agreement executed pursuant to the Act, the AG must initiate proceedings to recover funds awarded to the employer. The AG's findings are final. (Section 2).

Before awarding an economic development incentive, the bill requires the Department to execute a separate agreement with the recipient of the incentive that reserves the right of the Department to recover the amount of money, grants, funds, or other incentives disbursed by the Department if the recipient benefitting from such money, grants, funds, or other incentives fails to comply with this section. Such agreement is effective for either:

- The duration of the project, to be determined by the Department, for an economic development incentive of less than $5 million; or
- No longer than 5 years, for an economic development incentive of $5 million or more. (Section 2).

The bill applies prospectively and excludes:

- A contract between the state and an employer executed before July 1, 2026; or
- A contract between an employer and a labor organization executed before July 1, 2026. (Section 2).

The bill provides an effective date of July 1, 2026. (Section 3).

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill requires the Department to enter into a separate agreement with economic development incentive recipients. Because the Department is currently required to enter into agreements with incentive recipients, and since this new activity aligns with current responsibilities of the Department, there will likely be an insignificant impact on their workload.

The bill however, creates new responsibilities and requirements for the Attorney General (AG). The bill requires the AG to investigate reported violations of the provisions of the Act. If the AG finds an employer in violation of their written agreement with the Department, the AG must initiate proceedings to recover funds awarded to the employer. This provision bill will likely have an have an indeterminate negative fiscal impact on the AG, but it is expected the AG can handle the workload within its existing resources. Additionally, any potential recovery of funds cannot be quantified at this time.

PRIVATE SECTOR:

The bill has an indeterminate impact on the private sector to the extent a recipient of an economic development incentive will be required to enter into a certain agreement with the Department in order to be eligible for such incentive.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Economic Development Incentives

Florida's current economic incentive framework reflects a major restructuring following the enactment of Chapter 2023-173, Laws of Florida, which eliminated Enterprise Florida, Inc. and consolidated economic development authority under the Florida Department of Commerce (Department).[1] The legislation repealed or removed several long-standing incentive programs, including the Qualified Target Industry Tax Refund, Quick Action Closing Fund, and Innovation Incentive Program, while adding programs such as the Florida Job Growth Grant Fund, the Research and Development Tax Credit Program, and rural and urban job tax credits to the state's review cycle.[2]

Florida's economic development system is multi-faceted and includes public agencies, non-profit corporations, and private entities at the state, regional, and local level.[3] A core principle of the state's economic development incentive programs is that businesses are paid based on verified performance, meaning no tax dollars are paid until job creation or capital investment numbers are audited and confirmed.[4] Florida provides different types of incentives such as tax refunds, tax exemptions, tax credits, and performance based grants.[5]

To apply for an economic incentive program, a business must submit a complete application to the Division of Economic Development of the Department, which will ensure completeness, identify required state and local permits (and whether they can be waived), and evaluate the potential incentives and their economic benefits using methods from the Office of Economic and Demographic Research.[6] Within 10 business days of receiving a complete

[1] Office of Program Policy Analysis and Government Accountability (OPPAGA), *Economic Development Programs: 2025*, https://oppaga.fl.gov/Documents/Reports/25-08.pdf (last visited Feb. 17, 2026).
[2] *Id.*
[3] FloridaCommerce, *Types of Incentive Awards*, https://www.floridajobs.org/office-directory/division-of-economic-development/economic-development-incentives-portal/types-of-incentive-awards (last visited Feb. 17, 2026).
[4] FloridaCommerce, *Economic Development Incentives Portal*, https://floridajobs.org/office-directory/division-of-economic-development/economic-development-incentives-portal (last visited Feb. 17, 2026).
[5] FloridaCommerce, *supra* note 3.
[6] S. 288.061(1), F.S.

application, the Secretary of Commerce approves or denies the request and provides a written justification.[7] Approved incentives are governed by contracts detailing the award amount, performance requirements, payment schedule, and sanctions, with funds released only if appropriated by the Legislature.[8] The Department validates contractor performance annually and reports the results, while applicants must certify the accuracy of submitted information and comply with the E-Verify system, with noncompliance requiring repayment of funds.[9]

Labor Organizations

The State Constitution provides that "[t]he right of persons to work shall not be denied or abridged on account of membership or non-membership in any labor union or labor organization."[10] Based on this constitutional right, Florida is regarded as a "right-to-work" state.

Florida law defines "labor organization" as any organization of employees or local or subdivision thereof, the members of which are residents of the state, whether incorporated or not, organized for the purpose of negotiating with employers on issues such as work hours, rate of pay, working conditions, or grievances of any kind relating to employment, and which is recognized as a unit of bargaining by one or more employers doing business in Florida.[11]

The State Constitution also guarantees that "the right of employees, by and through a labor organization, to bargain collectively shall not be denied or abridged."[12] To implement this constitutional provision, the Legislature enacted ch. 447, F.S., which provides that employees in Florida have the right to:

- Self-organization;
- Form, join, or assist labor unions or labor organizations, or refrain from such activity;
- Bargain collectively through representatives of their own choosing; and
- Engage in concerned activities for the purpose of collective bargaining or other mutual aid or protection.[13]

Labor organizations in Florida are prohibited from charging an initiation fee in excess of $15,[14] and are required to keep accurate books of accounts that itemize all receipts and expenditures.[15] Additionally, it is unlawful for any person in Florida to engage in any of the following activities:[16]

- To interfere with or prevent the "right of franchise"[17] of any member of a labor organization.[18]
- To prohibit or prevent any election of the officers of a labor organization.[19]
- To charge, receive, or retain any dues, assessments, or other charges in excess of, or not authorized by, the constitution or bylaws of a labor organization.[20]
- To solicit membership for or to act as a representative of an existing labor organization without authority of such labor organization to do so.[21]

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[7] S. 288.061(3), F.S.
[8] S. 288.061(3)(a), F.S.
[9] S. 288.061(4) and (6), F.S.
[10] FLA. CONST. art. I, s. 6.
[11] S. 447.02(1), F.S.
[12] FLA. CONST. art. I, s. 6.
[13] S. 447.03, F.S.
[14] This prohibition does not apply to initiation fees in effect on January 1, 1940, which may continue as authorized. S. 447.05, F.S.
[15] A member of a labor organization is entitled to inspect the books, records, and accounts of such labor organization at a reasonable time. *See* s. 447.07, F.S.
[16] *See* s. 447.09(1)-(13), F.S.
[17] The "right of franchise" includes the right of an employee to make complaint, file charges, give information or testimony concerning the violations of ch. 477, F.S., or the petitioning to a union regarding any grievance he or she may have concerning membership or employment, or the disclosure of facts concerning such grievance or violations of law to any public official, and the right of free petition, lawful assemblage, and free speech. S. 447.09(1), F.S.
[18] *Id.*
[19] S. 447.09(2), F.S.
[20] S. 447.09(5), F.S.
[21] S. 447.09(6), F.S.

- To engage in picketing by force and violence, or to picket in such a manner as to prevent ingress and egress to and from any premises, or to picket other than in a reasonable and peaceable manner.[22]

National Labor Relations Board (NLRB)

The National Labor Relations Board (NLRB) is an independent federal agency created in 1935 and vested with the power to safeguard employees' rights to organize, engage with one another to seek better working conditions, choose whether or not to have a collective bargaining representative negotiate on their behalf with their employer, or refrain from doing so.[23] The NLRB also acts to prevent and remedy unfair labor practices committed by private sector employers and unions, and conducts secret-ballot elections regarding union representation.[24] The NLRB is a bifurcated agency governed on one side by a five-person board and on the other side by a general counsel.[25] The board acts as a quasi-judicial body and decides cases in administrative proceedings, and the general counsel is responsible for the investigation and prosecution of unfair labor practice cases and for the general supervision of the NLRB field offices in the processing of cases.[26]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	11 Y, 4 N, As CS	2/5/2026	Curtin	Rodriguez
THE CHANGES ADOPTED BY THE COMMITTEE:	• Revised the definitions of "contract," "employee," and "employer"; • Required the Attorney General to determine whether a violation of the separate agreement entered into by the Department and the employer has occurred; and • Reduced the term of the separate agreement for economic development incentive awards of $5 million or more from 20 years to no more than 5 years.			
Transportation & Economic Development Budget Subcommittee	11 Y, 4 N	2/12/2026	Davis	McAuliffe
Commerce Committee			Hamon	Rodriguez

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

[22] S. 447.09(11), F.S.
[23] National Labor Relations Boards, *About NLRB*, https://www.nlrb.gov/ (last visited Feb. 17, 2026).
[24] *Id.*
[25] *Id.*
[26] *Id.*

A bill to be entitled

An act relating to state economic development contracts; providing a short title; creating s. 288.0615, F.S.; defining terms; requiring an employer to sign an agreement with the Department of Commerce before becoming eligible for an economic development incentive; specifying the provisions of the agreement; providing applicability; authorizing persons and entities to report a suspected violation to the Attorney General within a specified timeframe; requiring the Attorney General to determine whether a violation has occurred; requiring the Attorney General to request certain information from the employer alleged to be in violation; providing that refusal of such employer to provide such information is in violation of the agreement; requiring the Attorney General to deliver his or her findings to such employer within a specified timeframe; requiring the Attorney General to initiate proceedings to recover funds awarded to the employer if the employer is found to have violated the agreement; providing that the Attorney General's findings are final; requiring the department to execute a separate written agreement with the recipient of the economic development incentive before the department awards the incentive;

specifying the contents of the separate agreement; providing the effective periods of the separate agreement; providing applicability; providing an effective date.

WHEREAS, the state has the right to set terms and conditions in connection with the awarding of economic development incentives as part of its economic development policy, and

WHEREAS, the state seeks to play an integral role in the formulation of economic opportunities, conditions of grants, and general management of compliance with such awards for moneys, and

WHEREAS, the state may, as part of awarding economic development incentives, oversee compliance with land use regulations, including management of the subdivision of property, offer and provide water and wastewater services, require fire protection systems and mechanical systems for buildings and structures, approve capital grants, and ensure such moneys are approved by the Department of Commerce, and

WHEREAS, the state may, as part of awarding economic development incentives, also require a private business to hire a certain number of new full-time employees, require a specific amount of company investment, and ensure workers obtain certain skills and knowledge, and

WHEREAS, the state has a vested interest in seeking to advance and preserve its own interest in projects receiving economic development incentives as a financer of projects contributing to the state's overall economic health, and

WHEREAS, it is the intent of the Legislature, as part of its economic development policy, that whenever state funds or benefits are sought by a private business that such benefits are conditioned on the private business agreeing not to waive its employees' right to a secret ballot election when recognizing a labor organization as a bargaining unit, or requiring subcontractors to waive their employees' right to a secret ballot election, and

WHEREAS, it is the intent of the Legislature that whenever state funds or benefits are provided or awarded to a private business, the private business working on a project receiving state funds or benefits, may not voluntarily disclose employee personal contact information to a labor organization without an employee's prior consent, waive their right to speak to their employees, or require subcontractors to voluntarily disclose employee personal contact information to a labor organization without an employee's prior consent or waive the subcontractor's right to speak to the subcontractor's employees, NOW, THEREFORE,

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

Section 1. This act may be cited as the "Taxpayer Dollars Protect Workers Act."

Section 2. Section 288.0615, Florida Statutes, is created to read:

288.0615 Employee protections in economic development contracts.-

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

(a) "Contract" means an agreement:

1. Between an employer and the state; or

2. Between an employer and a labor organization.

(b) "Economic development incentive" means a state grant, authorized under this chapter for the purposes of economic development, provided to an employer to attract or retain the employer's physical presence in this state.

(c) "Employee" means an individual who performs services for an employer for wages that are subject to withholding requirements under 26 U.S.C. s. 3402.

(d) "Employer" means a business entity that voluntarily pursues economic development incentives authorized under this section or enters into an agreement with the department for the purpose of receiving those incentives.

(e) "Labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers

concerning grievances, labor disputes, wages, hours of employment, or conditions of work.

(f) "Neutrality agreement" means an agreement signed with a labor organization wherein the employer agrees to conditions including, but not limited to, not speaking to employees about labor organization issues.

(g) "Personal contact information" means an employee's home address, home or personal cellular telephone number, or personal e-mail address.

(h) "Secret ballot election" means a process conducted by the National Labor Relations Board in which an employee casts a secret ballot for or against labor organization representation.

(i) "Subcontractor" means a person or entity that has contracted with an employer to perform work or provide services.

(2)(a) To be eligible for an economic development incentive, an employer must sign an agreement with the department stating that it will not do any of the following:

1. Grant union recognition rights for employees solely on the basis of signed labor organization authorization cards if the selection of a bargaining representative may instead be conducted through a secret ballot election conducted by the National Labor Relations Board.

2. Voluntarily disclose an employee's personal contact information to a labor organization, or a third party acting on behalf of a labor organization, without the employee's written

consent, unless otherwise required by state or federal law.

3. Sign a neutrality agreement with a labor organization.

4. Require a subcontractor performing work for or providing services to the employer to engage in activities prohibited in this paragraph.

(b) The prohibitions in paragraph (a) apply to any work or service provided to the employer on the project for which the economic development incentive is awarded.

(3)(a) A person or an entity may report, based upon a reasonable belief, a violation of paragraph (2)(a) to the Attorney General, provided that such report is made during the term of the separate agreement entered into by the department and the employer in subsection (4).

(b) Upon receiving the report, the Attorney General shall determine whether a violation has occurred. The Attorney General shall request from the employer a copy of the written agreement signed pursuant to paragraph (2)(a). If the employer refuses to provide the Attorney General with the written agreement, the employer is in violation of the agreement entered into between the employer and the department. The Attorney General must deliver in writing his or her findings to the employer alleged to be in violation within 60 days. If the Attorney General finds that an employer has violated the written agreement signed pursuant to paragraph (2)(a), he or she shall initiate proceedings to recover funds awarded to the employer. The

Attorney General's findings are final.

(4) Notwithstanding any other law to the contrary, before contracting to award an economic development incentive, the department must execute a separate written agreement with the recipient of the economic development incentive which reserves the right of the department to recover the amount of money, grants, funds, or other incentives disbursed by the department if the recipient benefiting from such money, grants, funds, or other incentives fails to comply with this section. This agreement is effective for either:

(a) The duration of the project, to be determined by the department, for an economic development incentive award of less than $5 million; or

(b) No longer than 5 years, for an economic development incentive award of $5 million or more.

(5) This section does not apply to:

(a) A contract between the state and an employer executed before July 1, 2026; or

(b) A contract between an employer and a labor organization executed before July 1, 2026.

Section 3. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/HB 1387 by Rep. Overdorf
State Economic Development Contracts

AMENDMENT SUMMARY
February 24, 2026

Amendment #237511 by Rep. Overdorf (Lines 113-151):

- Requires the Department of Commerce, instead of the Attorney General, to receive reports, investigate, and make findings related to alleged violations of the bill.
- Removes the requirement that an employer, in order to be eligible for economic development incentives, must require any subcontractor providing work or services to meet the same eligibility requirements.
- Removes the definition of “subcontractor.”

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 Overdorf offered the following:

Amendment (with title amendment)

Remove lines 113-151 and insert:

(2)(a) To be eligible for an economic development incentive, an employer must sign an agreement with the department stating that it will not do any of the following:

1. Grant union recognition rights for employees solely on the basis of signed labor organization authorization cards if the selection of a bargaining representative may instead be conducted through a secret ballot election conducted by the National Labor Relations Board.

2. Voluntarily disclose an employee's personal contact information to a labor organization, or a third party acting on

behalf of a labor organization, without the employee's written consent, unless otherwise required by state or federal law.

3. Sign a neutrality agreement with a labor organization.

(b) The prohibitions in paragraph (a) apply to any work or service provided to the employer on the project for which the economic development incentive is awarded.

(3)(a) A person or an entity may report, based upon a reasonable belief, a violation of paragraph (2)(a) to the department, provided that such report is made during the term of the separate agreement entered into by the department and the employer in subsection (4).

(b) Upon receiving the report, the department shall, within 60 days, determine whether a violation has occurred. If the department determines that an employer has violated paragraph (2)(a), the department shall deliver written notice of its findings to the employer and to the Attorney General. The Attorney General shall request from the employer a copy of the written agreement and shall initiate proceedings to recover funds awarded to the employer. The department's findings are final.

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

Remove lines 10-72 and insert:

department within a specified timeframe; requiring the department to determine whether a violation has occurred; requiring the department to deliver written notice to the Attorney General under certain circumstances; requiring the Attorney General to request certain information from the employer alleged to be in violation; requiring the Attorney General to initiate proceedings to recover funds awarded to the employer if the employer is found to have violated the agreement; providing that the department's findings are final; requiring the department to execute a separate written agreement with the recipient of the economic development incentive before the department awards the incentive; specifying the contents of the separate agreement; providing the effective periods of the separate agreement; providing applicability; providing an effective date.

WHEREAS, the state has the right to set terms and conditions in connection with the awarding of economic development incentives as part of its economic development policy, and

WHEREAS, the state seeks to play an integral role in the formulation of economic opportunities, conditions of grants, and

general management of compliance with such awards for moneys, and

WHEREAS, the state may, as part of awarding economic development incentives, oversee compliance with land use regulations, including management of the subdivision of property, offer and provide water and wastewater services, require fire protection systems and mechanical systems for buildings and structures, approve capital grants, and ensure such moneys are approved by the Department of Commerce, and

WHEREAS, the state may, as part of awarding economic development incentives, also require a private business to hire a certain number of new full-time employees, require a specific amount of company investment, and ensure workers obtain certain skills and knowledge, and

WHEREAS, the state has a vested interest in seeking to advance and preserve its own interest in projects receiving economic development incentives as a financer of projects contributing to the state's overall economic health, and

WHEREAS, it is the intent of the Legislature, as part of its economic development policy, that whenever state funds or benefits are sought by a private business that such benefits are conditioned on the private business agreeing not to waive its employees' right to a secret ballot election when recognizing a labor organization as a bargaining unit, and

WHEREAS, it is the intent of the Legislature that whenever state funds or benefits are provided or awarded to a private business, the private business working on a project receiving state funds or benefits may not voluntarily disclose employee personal contact information to a labor organization without an employee's prior consent or waive its right to speak to its employees, NOW, THEREFORE,

CS/HB 1389

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 1389	**COMPANION BILL:** SB 1548 (Calatayud)
TITLE: Affordable Housing	**LINKED BILLS:** None
SPONSOR(S): Redondo	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism	➤	Intergovernmental Affairs	➤	Commerce
15 Y, 0 N, As CS		13 Y, 2 N		

SUMMARY

Effect of the Bill:
The bill amends the Live Local Act (Act) to:

- Authorize multifamily and mixed-use residential as allowable uses on property owned by a county, municipality, or school district, if the property is located within the geographic boundaries of the respective county, municipality, or district, and require the county, municipality, or school district, as applicable, to be a party to the application for the proposed development.
- Prohibit local governments from restricting the height of a proposed development through the use of setbacks or stepbacks, and prohibit local governments from requiring setbacks or stepbacks for a proposed development that are more restrictive than the minimum setbacks or stepbacks of the underlying zoning applicable to the proposed development.
- Specify that farms and farm operations are not considered "commercial uses" or "industrial uses" for purposes of the Act; and
- Authorizes developments near airports (which are otherwise exempt from the Act) if the application for a proposed development is approved by the governing body of the airport.

The bill waives sovereign immunity for the state and any governmental entity if prohibited discrimination in a land use decision or the permitting of a development occurs, and clarifies that discrimination based on the source of financing for an affordable housing development is prohibited.

Fiscal or Economic Impact:
The bill has an indeterminate impact on local governments and the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Live Local Act

The bill amends the Live Local Act (Act) and requires:

- Local governments[1] to authorize multifamily and mixed-use residential as allowable uses on property owned by a county, municipality, or school district, if at least 40 percent of the residential units in a multifamily development are rental units that have an affordability period of 30 years or more;
- A proposed development on property owned by a county, municipality, or school district to be within the geographic boundaries of the county, municipality, or school district, as applicable; and
- The respective county, municipality, or school district to be a party to the development application. (Section 1 for counties; Section 2 for municipalities.)

[1] Local government means any county or municipality. *See* s. 163.3164(29), F.S.

Setbacks and Stepbacks

The bill prohibits local governments from circumventing the requirements of the Act by:

- Restricting the height of a proposed development below the highest height currently allowed, or the highest allowed on July 1, 2023, for certain buildings located in its jurisdiction through other dimensional means, such as setbacks or stepbacks.
- Requiring setbacks or stepbacks that are more restrictive than the minimum setbacks or stepbacks of the underlying zoning applicable to the proposed development. (Section 1 for counties; Section 2 for municipalities.)

Farms and Farm Operations

The bill specifies that farms and farm operations, as defined in the Florida Right to Farm Act, or uses associated with farming, including the packaging and sale of products raised on the premises, are not considered commercial uses or industrial uses for purposes of the Act. (Section 1 for counties; Section 2 for municipalities.)

Accordingly, local governments are not required to authorize multifamily and mixed-use residential uses in areas with a farm or farm operation or uses associated therewith. (Section 1 for counties; Section 2 for municipalities.)

The bill removes "meat packing facilities, citrus processing and packing facilities, and produce processing and packing facilities" as industrial uses under the Act. (Section 1 for counties; Section 2 for municipalities.)

Development Applications Submitted Prior to Bill's Effective Date

The bill allows an applicant for a proposed development who submitted an application, written request, or notice of intent to use the provisions of the Act to a local government, and which application, written request, or notice has been received by the local government before July 1, 2026, to:

- Notify the local government by July 1, 2026, of her or his intent to proceed under the Act as it existed at the time the application was submitted; or
- Submit a revised application, written request, or notice of intent to account for the changes made by the bill. (Section 3.)

Proposed Developments Near Airports

The bill allows for the approval of developments in or near airport-impacted areas, which are currently exempt from the provisions of the Act, if the application for a development is approved by the governing body of the relevant airport. (Section 4.)

Discrimination in Land Use and Permitting Decisions

The bill clarifies that it is unlawful to discriminate in land use decisions or in the permitting of development based on the financing of a development or proposed development that is for affordable housing. (Section 6.)

The bill expressly waives sovereign immunity for the state and its agencies and subdivisions for a cause of action based on a violation of the Florida Fair Housing Act. (Sections 5 and 7.)

Effective Date

The bill has an effective date of July 1, 2026. (Section 8.)

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The bill has an indeterminate impact on local governments that are subject to the bill's requirements to authorize the development of affordable housing.

PRIVATE SECTOR:

The bill has an indeterminate positive impact on the private sector to the extent that the bill facilitates, and results in an increase in the availability of, affordable housing in the state.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Affordable Housing

Housing is considered affordable when monthly rents or monthly mortgage payments, including taxes, insurance, and utilities, do not exceed 30 percent of a family's gross income.[2] Over 2.4 million low-income Florida households pay more than 30% of their incomes towards housing, which is the maximum amount considered affordable by experts.[3] Over half of these households, or 1.3 million low-income households, spend more than 50% of their income towards housing costs.[4] This makes it difficult for those households to save for retirement or emergencies and afford other necessities such as food and childcare.[5]

Eligibility to participate in Florida's state and federally-funded housing programs is determined by area median income (AMI) or statewide median family income, which is published annually by the United States Department of Housing and Urban Development (HUD).[6] In Florida, the current statewide AMI for a family of ***four*** is $95,300 (as family size changes, the income range also varies):[7]

- Extremely-low-income – earning up to 30 percent of the AMI (at or below $28,600);[8]
- Very-low-income – earning from 30.01 to 50 percent of the AMI ($28,601 to $47,650);[9]
- Low-income – earning from 50.01 to 80 percent of the AMI ($47,651 to $76,250);[10] and
- Moderate-income – earning from 80.01 to 120 percent of the AMI ($76,251 to $114,360).[11]

As of 2025, Florida had only 24 affordable and available rental units for every 100 extremely-low-income renters.[12] In addition, there were little to no communities in Florida that could provide enough housing to support this group of renters, which is primarily made up of low-income workers, retirees, and people with disabilities.[13]

Land Use for Affordable Housing Development

All development, both public and private, and all development orders[14] approved by a local government must be consistent with the local government's comprehensive plan.[15] The Growth Management Act requires every county

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[2] S. 420.0004(3), F.S.
[3] Florida Housing Coalition, *2025 Home Matters Report*, p. 1. https://flhousing.org/wp-content/uploads/2025/09/Home-Matters-Report-2025-V5-DIGITAL.pdf (last visited Feb. 9, 2026).
[4] *Id.*
[5] *Id.*
[6] *See* U.S. Dept. of Housing and Urban Development (HUD): Office of Policy Development and Research, *Income Limits*, https://www.huduser.gov/portal/datasets/il.html#year2025 (last visited Feb. 9, 2026).
[7] HUD: Office of Policy Development and Research, *FY 2025 State Income Limits: Florida*, https://www.huduser.gov/portal/datasets/il/il2025/2025summary.odn?inputname=STTLT*1299999999%2BFlorida&selection_type=county&stname=Florida&statefp=12.0&year=2025 (last visited Feb. 9, 2026).
[8] *Id*; *see also* s. 420.0004(9), F.S.
[9] *Supra* note 7; *see also* s. 420.0004(17), F.S.
[10] *Supra* note 7; s*ee also* s. 420.0004(11), F.S.
[11] *Supra* note 7; s*ee also* s. 420.0004(12), F.S.
[12] *Supra* note 3, at p. 1.
[13] *Id.*
[14] "Development order" means any order granting, denying, or granting with conditions an application for a development permit. *See* s. 163.3164(15), F.S. "Development permit" includes any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land. *See* s. 163.3164(16), F.S.
[15] S. 163.3194(3), F.S.

and municipality to create and implement a comprehensive plan to guide future development.[16] A comprehensive plan is intended to provide for the future use of land, which contemplates a gradual and ordered growth, and establishes a long-range maximum limit on the possible intensity of land use.

A locality's comprehensive plan lays out the locations for future public facilities, including roads, water and sewer facilities, neighborhoods, parks, schools, and commercial and industrial developments. A comprehensive plan is made up of 10 required elements, each laying out regulations for a different facet of development.[17]

The future land use element designates proposed future general distribution, location, and extent of the uses of land. Specified use designations include those for residential, commercial, industry, agriculture, recreation, conservation, education, and public facilities. The approximate acreage and the general range of density or intensity of use must be provided for each land use category.[18] The specific use and intensities for specific parcels are decided by a more detailed, implementing zoning map.[19]

The housing element sets forth guidelines and strategies for the creation and preservation of affordable housing for all current and anticipated future residents of the jurisdiction, elimination of substandard housing conditions, provision of adequate sites for future housing, and distribution of housing for a range of incomes and types.[20]

A comprehensive plan is implemented through the adoption of land development regulations[21] that are consistent with the plan and that contain specific and detailed provisions necessary to implement the plan.[22] Such regulations must, among other requirements, regulate the subdivision of land and the use of land for the land use categories in the land use element of the comprehensive plan.[23] Substantially affected persons have the right to maintain administrative actions that ensure land development regulations are implemented and consistent with the comprehensive plan.[24]

Development that does not conform to the comprehensive plan may not be approved by a local government unless the local government first amends its comprehensive plan. State law requires a proposed comprehensive plan amendment to receive two public hearings, the first held by the local planning board and the second held by the governing board.[25] Following the hearings, the local government must transmit the plan to several statutorily identified agencies, including the Department of Commerce as the state land planning agency, for review.[26] Most plan amendments are placed into the expedited state review process, while plan amendments relating to large-scale developments are placed into the state coordinated review process.[27]

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[16] S. 163.3167(2), F.S.

[17] S. 163.3177(6), F.S. The 10 required elements include capital improvements; future land use plan; transportation; general sanitary sewer, solid waste, drainage, potable water, and natural groundwater aquifer recharge; conservation; recreation and open space; housing; coastal management; intergovernmental coordination; and property rights. Throughout statutes exist plans and programs that may be added as optional elements.

[18] S. 163.3177(6)(a), F.S.

[19] Richard Grosso, A Guide to Development Order "Consistency" Challenges Under Florida Statutes Section 163.3215, 34 J. Envtl. L. & Litig. 129, 154 (2019) citing *Brevard Cty. v. Snyder*, 627 So. 2d 469, 475 (Fla. 1993).

[20] S. 163.3177(6)(f), F.S.

[21] "Land development regulations" means ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, or sign regulations or any other regulations controlling the development of land. *See* s. 163.3164(26), F.S.

[22] S. 163.3202, F.S.

[23] *Id.*

[24] S. 163.3213, F.S.

[25] Ss. 163.3174(4)(a) and 163.3184, F.S.

[26] S. 163.3184, F.S.

[27] *See* ss. 163.3184 and 380.06, F.S. In the Expedited State Review Process, the Department of Commerce reviews and approves or amends the proposed comprehensive plan amendment. This process can take 4 to 6 months. The State Coordinated Review Process is a more thorough, complex, multi-phase process. For more information, *see* https://floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/amendments-that-must-follow-the-state-coordinated-review-process-procedures-and-timeframes (last visited Feb. 9, 2026).

Live Local Act

The Live Local Act (Act), which became law in 2023, preempts certain county and municipal zoning and land use decisions to encourage development of affordable multifamily rental housing in targeted land use areas.[28] Specifically, counties and municipalities must allow a multifamily or mixed-use residential[29] rental development in any area **zoned for commercial, industrial**, or mixed-use, and in portions of any flexibly zoned area such as a planned unit development **permitted for commercial, industrial**, or mixed use, if at least 40 percent of the residential units in the development are rental units that, for a period of at least 30 years, meet certain affordability requirements.[30]

The Live Local Act provides the following definitions:[31]

- **Commercial use** means activities associated with the sale, rental, or distribution of products or the performance of related services. The term includes, but is not limited to, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; hotels; food service vendors; sports arenas; theaters; tourist attractions; and other for-profit business activities. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered commercial use, irrespective of the local land development regulation's listed category or title.
    - The term does not include home-based businesses or cottage food operations undertaken on residential property, vacation rentals, or uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not commercial use, irrespective of how they are operated.
- **Industrial use** means activities associated with the manufacture, assembly, processing, or storage of products or the performance of related services. The term includes, but is not limited to, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk yards, **meat packing facilities,**[32] **citrus processing and packing facilities, produce processing and packing facilities,**[33] electrical generating plants, water treatment plants, sewage treatment plants, and solid waste disposal sites. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered industrial use for the purposes of this section, irrespective of the local land development regulation's listed category or title.
    - The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not industrial use, irrespective of how they are operated.
- **Mixed use** means any use that combines multiple types of approved land uses from at least two of the residential use, commercial use, and industrial use categories.
    - The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming

[28] Ch. 2023-17, ss. 3, 5, Laws of Fla., codified as ss. 125.01055(7) and 166.04151(7), F.S.
[29] For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes; local governments may not require that more than 10 percent of the total square footage be used for nonresidential purposes. Ss. 125.01055(7)(a) and 166.04151(7)(a), F.S.
[30] *Id.*
[31] Ss. 125.01055(7)(c) and 166.04151(7)(c), F.S.
[32] Meat packing facilities are facilities for the business or industry of slaughtering cattle and other meat animals and processing the carcasses for sale, sometimes including the packaging of processed meat products. Dictonary.com, *meat packing*, https://www.dictionary.com/browse/meat-packing (last visited Feb. 10, 2026).
[33] Citrus and produce processing and packing facilities are where fresh produce is brought from the field, postharvest practices such as sizing and packaging are performed, and quality standards are monitored to meet the targeted market needs and requirements. Elhadi M. Yahia, *Postharvest Technology of Perishable Horticultural Commodities* (2019), https://www.sciencedirect.com/topics/agricultural-and-biological-sciences/packing-house (last visited Feb. 10, 2026).

pools, and clubhouses, within an area designated for residential use are not mixed use, irrespective of how they are operated.

Local governments are prohibited from restricting the density[34] of a proposed development below the highest density currently allowed (or the highest allowed on July 1, 2023) on land within its jurisdiction where residential development is allowed[35] and may not restrict the floor area ratio[36] of a proposed development below 150 percent of the highest floor area ratio currently allowed (or the highest allowed on July 1, 2023) on land within its jurisdiction where residential development is allowed.[37]

Local governments are also prohibited from restricting the height of a proposed development below the highest height currently allowed (or the highest allowed on July 1, 2023) for a commercial or residential building located in its jurisdiction within one mile of the proposed development or three stories, whichever is higher.[38] However, a local government may restrict the height of a proposed development if:

- The proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential in a single-family residential development with at least 25 contiguous single-family homes, in which case the local government may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest height currently allowed (or the highest allowed on July 1, 2023) for the property provided in the local government's land development regulations, or three stories, whichever is higher, but not to exceed 10 stories;[39] or
- The proposed development is on a parcel with a contributing structure or building within a historic district listed in the National Register of Historic Places[40] (Register) before January 1, 2000, or is on a parcel with a structure or building individually listed in the Register, in which case a local government may restrict the height of the proposed development to the highest height currently allowed (or the highest allowed on July 1, 2023) for a commercial or residential building within three-fourths of a mile of the proposed development or 3 stories, whichever is higher.[41]

An application for a development authorized by the Act must be administratively approved without further action by the governing body of the local government or any quasi-judicial or administrative board or reviewing body, provided the development satisfies the local government's land development regulations for multifamily developments in areas zoned for such use and is otherwise consistent with the jurisdiction's comprehensive plan, with the exception of provisions establishing density, floor area ratios, height, and land use requirements.[42]

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[34] "Density" means an objective measurement of the number of people or residential units allowed per unit of land, such as residents or employees per acre. *See* s. 163.3164(12), F.S.

[35] Ss. 125.01055(7)(b) and 166.04151(7)(b), F.S.

[36] For purposes of these provisions, "floor area ratio" includes floor lot ratio and lot coverage. Ss. 125.01055(7)(c) and 166.04151(7)(c), F.S.

[37] Ss. 125.01055(7)(c) and 166.04151(7)(c), F.S.

[38] Ss. 125.01055(7)(d)1. and 166.04151(7)(d)1., F.S.

[39] Ss. 125.01055(7)(d)2. and 166.04151(7)(d)2., F.S.

[40] The National Register of Historic Places (Register) is the official list of the nation's historic places worthy of preservation. Authorized by the National Historic Preservation Act of 1966, the Register is maintained by the National Park Service (NPS) as a part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect America's historic and archeological resources. As of May 13, 2025, over 100,000 places have been listed in the Register for their significance in American history, art, architecture, engineering, and culture. *See* NPS, *What is the National Register of Historic Places?* https://www.nps.gov/subjects/nationalregister/index.htm (last visited Feb. 9, 2026); *see also*, NPS, *National Register of Historic Places: Program Updates May 13, 2025*, https://www.nps.gov/subjects/nationalregister/program-updates.htm (last visited Feb. 9, 2026).

[41] Ss. 125.01055(7)(d)3. and 166.04151(7)(d)3.

[42] However, if a proposed development is on a parcel with a contributing structure or building within a historic district which was listed in the Register before January 1, 2000, or is on a parcel with a structure or building individually listed in the Register, the local government may administratively require the proposed development to comply with local regulations relating to architectural design, such as façade replication, provided it does not affect height, floor area ratio, or density of the proposed development. Ss. 125.01055(7)(e) and 166.04151(7)(e), F.S.

Under the Act, local governments are required, upon request of an applicant, to reduce parking requirements for a proposed development by 15 percent if the development:

- Is located within one-quarter mile of a transit stop, as defined in the local government's land development code, and the transit stop is accessible from the development;
- Is located within one-half mile of a major transportation hub[43] that is accessible from the proposed development by safe, pedestrian-friendly means, such as sidewalks, crosswalks, elevated pedestrian or bike paths, or other multimodal design features; or
- Has available parking within 600 feet of the proposed development, which may consist of options such as on-street parking, parking lots, or parking garages available for use by residents of the proposed development.[44]

The provisions of the Act described above do not apply to recreational and commercial waterfronts in industrial areas,[45] the Wekiva Study Area,[46] or the Everglades Protection Area.[47,48] Additionally, local governments are not required to authorize developments in airport-impacted areas; specifically, local governments are not required to authorize the following types of developments:

- A proposed development near a runway within one-quarter of a mile laterally from the runway edge and within an area that is the width of one-quarter of a mile extending at right angles from the end of the runway for a distance of 10,000 feet of any existing airport runway or planned airport runway identified in the local government's airport master plan.
- A proposed development within any airport noise zone identified in the federal land use compatibility table or in a land-use zoning or airport noise regulation adopted by the local government.
- A proposed development that exceeds maximum height restrictions identified in the political subdivision's airport zoning regulation adopted pursuant to statute.[49]

The provisions of the Act are effective until October 1, 2033.[50]

Florida Right to Farm Act

In response to the loss of farmland due to encroaching suburban sprawl, nuisance claims, and modern zoning, the Legislature enacted Florida's Right to Farm Act (Farm Act) in 1979. The purpose of the Farm Act was to provide more protection for commercial agriculture and farming operations from nuisance claims, and slow the rapid conversion of farmland to more compatible uses.[51]

The Legislature has determined that agricultural activities conducted on farm land in urbanizing areas are potentially subject to lawsuits based on the theory of nuisance and that these suits encourage or force the premature removal of the farm land from agricultural use. The Farm Act seeks to protect reasonable agricultural and complementary agritourism activities conducted on farm land from nuisance suits and other similar lawsuits.[52]

The Farm Act provides the following definitions:[53]

- Farm means the land, buildings, support facilities, machinery, and other appurtenances used in the production of farm or aquaculture products.

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[43] For purposes of these provisions, "major transportation hub" means any transit station, whether bus, train, or light rail, which is served by public transit with a mix of other transportation options. Ss. 125.01055(7)(f)3. and 166.04151(7)(f)3., F.S.
[44] A local government, however, may not require that the available parking compensate for the reduction in parking requirements. Ss. 125.01055(7)(f)1. and 166.04151(7)(f)1., F.S.
[45] *See* s. 342.201(2)(b), F.S.
[46] *See* s. 369.316, F.S.
[47] *See* s. 373.4592(2)(i), F.S.
[48] Ss. 125.01055(7)(o) and 166.04151(7)(o), F.S.
[49] S. 303.03(5), F.S.
[50] Ss. 125.01055(7)(p) and 166.04151(7)(p), F.S.
[51] Ch. 79-61, Laws of Fla.
[52] S. 823.14(2), F.S.
[53] S. 823.14(3), F.S.

- Farm operation means all conditions or activities by the owner, lessee, agent, independent contractor, or supplier which occur on a farm in connection with the production of farm, honeybee, or apiculture products or in connection with complementary agritourism activities. These conditions and activities include, but are not limited to, the marketing of farm products at roadside stands or farm markets; the operation of machinery and irrigation pumps; the generation of noise, odors, dust, fumes, and particle emissions; ground or aerial seeding and spraying; the placement and operation of an apiary; the application of chemical fertilizers, conditioners, insecticides, pesticides, and herbicides; agritourism activities; and the employment and use of labor.

Florida Fair Housing Act

The Florida Fair Housing Act[54] prohibits discrimination in housing-related activities, including the sale, rental, and financing of housing.[55] The law protects individuals from discrimination based on race, color, national origin, sex, disability, familial status, or religion.[56] The law also specifically prohibits local governments from discriminatory practices in land use decisions and development permitting, including discrimination based on the source of financing of a development, except as otherwise provided by law.[57] The Florida Fair Housing Act is enforced by the Florida Commission on Human Relations, which investigates complaints and can seek legal remedies for violations.[58]

Currently, the state has not waived sovereign immunity for itself and its agencies and political subdivisions for causes of action based a violation of the Florida Fair Housing Act.

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2023	CS/CS/HB 627 - Housing	Busatta, Lopez, V./ *Calatayud*	Created the Live Local Act. Approved by the Governor.
2024	CS/CS/HB 1239 - Affordable Housing	Lopez, V./ *Calatayud*	Amended the Live Local Act. Approved by the Governor.
2025	CS/CS/CS/HB 943 - Real Property and Land Use and Development	Lopez, V./ *Calatayud*	Amended the Live Local Act. Approved by the Governor.

[54] Ss. 760.20-760.37, F.S.
[55] S. 760.23, F.S.
[56] *Id.*
[57] S. 760.26, F.S.
[58] S. 760.03, F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	15 Y, 0 N, As CS	2/11/2026	Curtin	Fletcher
THE CHANGES ADOPTED BY THE COMMITTEE:	• Authorized multifamily and mixed-use residential as allowable uses on property owned by a county, municipality, or school district, if the property is located within the geographic boundaries of the respective county, municipality, or district, and required the county, municipality, or school district, as applicable, to be a party to the application for the proposed development. • Prohibited local governments from restricting the height of a proposed development through the use of setbacks or stepbacks, and prohibited local governments from requiring setbacks or stepbacks for a proposed development that are more restrictive than the minimum setbacks or stepbacks of the underlying zoning applicable to the proposed development. • Specified that farms and farm operations are not considered "commercial uses" or "industrial uses" for purposes of the Live Local Act (Act). • Authorized developments near airports (which are otherwise exempt from the Act) if the application for a proposed development is approved by the governing body of the airport. • Waived sovereign immunity for the state and any governmental entity if prohibited discrimination in a land use decision or the permitting of a development occurs, and clarified that discrimination based on the source of financing for an affordable housing development is prohibited.			
Intergovernmental Affairs Subcommittee	13 Y, 2 N	2/18/2026	Darden	Burgess
Commerce Committee			Hamon	Fletcher

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

A bill to be entitled

An act relating to affordable housing; amending ss. 125.01055 and 166.04151, F.S.; requiring counties and municipalities, respectively, to authorize multifamily and mixed-use residential uses as allowable uses for specified property; requiring certain proposed developments to be within specified geographic boundaries; requiring certain counties, municipalities, and school districts to be a party to an application for certain proposed developments; prohibiting counties and municipalities, respectively, from restricting the height of certain proposed developments in a certain manner or requiring setbacks or step-backs that are more restrictive than certain zoning regulations; revising the definitions of the terms "commercial use" and "industrial use"; authorizing applicants for certain proposed developments to notify, by a specified date, the county or municipality, as applicable, on the applicant's intent to proceed under certain provisions of law; requiring counties and municipalities to allow certain applicants to submit revised applications, written requests, or notices of intent to account for changes made by the act; amending s. 333.03, F.S.; providing that specified provisions of law relating to

proposed developments do not apply to airport zoning regulations unless the governing body of the airport approves the application; amending s. 760.22, F.S.; revising the definition of the term "person"; amending s. 760.26, F.S.; prohibiting certain discriminatory practices based on financing of a development, or a proposed development, for affordable housing; amending s. 760.35, F.S.; waiving the state's sovereign immunity for certain causes of action; providing applicability; providing an effective date.

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

Section 1. Paragraphs (a), (d), and (n) of subsection (7) of section 125.01055, Florida Statutes, are amended to read:

125.01055 Affordable housing.—

(7)(a) A county must authorize multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use;~~, and~~ in portions of any flexibly zoned area such as a planned unit development permitted for commercial, industrial, or mixed use; and on property owned by a county, municipality, or school district, if at least 40 percent of the residential units in a proposed multifamily development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other

law, local ordinance, or regulation to the contrary, a county may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, transfer of density or development units, amendment to a development of regional impact, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes. The county may not require that more than 10 percent of the total square footage of such mixed-use residential projects be used for nonresidential purposes. A proposed development on property owned by a county, municipality, or school district must be within the geographic boundaries of the respective county, municipality, or school district, and the respective county, municipality, or school district must be a party to the application for the proposed development.

(d)1. A county may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within 1 mile of the proposed development or three stories, whichever is higher. A county may not restrict the height of a proposed development below the height authorized in this subparagraph through other dimensional means, such as height

determined by setbacks or step-backs, or require setbacks or step-backs that are more restrictive than the minimum setbacks or step-backs of the underlying zoning applicable to the proposed development. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the county's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use which is within a single-family residential development with at least 25 contiguous single-family homes, the county may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed, or allowed on July 1, 2023, height for the property provided in the county's land development regulations, or three stories, whichever is higher, not to exceed 10 stories. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

3. If the proposed development is on a parcel with a contributing structure or building within a historic district

which was listed in the National Register of Historic Places before January 1, 2000, or is on a parcel with a structure or building individually listed in the National Register of Historic Places, the county may restrict the height of the proposed development to the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within three-fourths of a mile of the proposed development or three stories, whichever is higher. The term "highest currently allowed" in this paragraph includes the maximum height allowed for any building in a zoning district irrespective of any conditions.

(n) As used in this subsection, the term:

1. "Commercial use" means activities associated with the sale, rental, or distribution of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; public lodging establishments as described in s. 509.242(1)(a); food service vendors; sports arenas; theaters; tourist attractions; and other for-profit business activities. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered commercial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include home-based businesses or cottage food operations

undertaken on residential property, public lodging establishments as described in s. 509.242(1)(c), or uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not commercial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not commercial use.

2. "Industrial use" means activities associated with the manufacture, assembly, processing, or storage of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk yards, ~~meat packing facilities, citrus processing and packing facilities, produce processing and packing facilities,~~ electrical generating plants, water treatment plants, sewage treatment plants, and solid waste disposal sites. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered industrial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses,

such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not industrial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not industrial use.

3. "Mixed use" means any use that combines multiple types of approved land uses from at least two of the residential use, commercial use, and industrial use categories. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not mixed use, irrespective of how they are operated.

4. "Planned unit development" has the same meaning as provided in s. 163.3202(5)(b).

Section 2. Paragraphs (a), (d), and (n) of subsection (7) of section 166.04151, Florida Statutes, are amended to read:

166.04151 Affordable housing.—

(7)(a) A municipality must authorize multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use; ~~, and~~ in portions of any flexibly zoned area such as a planned unit development permitted for commercial, industrial, or mixed use; and on property owned by a county, municipality, or school district, if at least 40

percent of the residential units in a proposed multifamily development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a municipality may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, transfer of density or development units, amendment to a development of regional impact, amendment to a municipal charter, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes. The municipality may not require that more than 10 percent of the total square footage of such mixed-use residential projects be used for nonresidential purposes. A proposed development on property owned by a county, municipality, or school district must be within the geographic boundaries of the respective county, municipality, or school district, and the respective county, municipality, or school district must be a party to the application for the proposed development.

(d)1. A municipality may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its

jurisdiction within 1 mile of the proposed development or three stories, whichever is higher. A municipality may not restrict the height of a proposed development below the height authorized in this subparagraph through other dimensional means, such as height determined by setbacks or step-backs, or require setbacks or step-backs that are more restrictive than the minimum setbacks or step-backs of the underlying zoning applicable to the proposed development. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the municipality's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use that is within a single-family residential development with at least 25 contiguous single-family homes, the municipality may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed, or allowed on July 1, 2023, height for the property provided in the municipality's land development regulations, or three stories, whichever is higher, not to exceed 10 stories. For the purposes of this paragraph, the term "adjacent to" means those properties sharing

more than one point of a property line, but does not include properties separated by a public road or body of water, including manmade lakes or ponds. For a proposed development located within a municipality within an area of critical state concern as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code, the term "story" includes only the habitable space above the base flood elevation as designated by the Federal Emergency Management Agency in the most current Flood Insurance Rate Map. A story may not exceed 10 feet in height measured from finished floor to finished floor, including space for mechanical equipment. The highest story may not exceed 10 feet from finished floor to the top plate.

3. If the proposed development is on a parcel with a contributing structure or building within a historic district which was listed in the National Register of Historic Places before January 1, 2000, or is on a parcel with a structure or building individually listed in the National Register of Historic Places, the municipality may restrict the height of the proposed development to the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within three-fourths of a mile of the proposed development or three stories, whichever is higher. The term "highest currently allowed" in this paragraph includes the maximum height allowed for any building in a zoning district irrespective of any conditions.

(n) As used in this subsection, the term:

1. "Commercial use" means activities associated with the sale, rental, or distribution of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; public lodging establishments as described in s. 509.242(1)(a); food service vendors; sports arenas; theaters; tourist attractions; and other for-profit business activities. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered commercial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include home-based businesses or cottage food operations undertaken on residential property, public lodging establishments as described in s. 509.242(1)(c), or uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not commercial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not commercial use.

2. "Industrial use" means activities associated with the

manufacture, assembly, processing, or storage of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk yards, ~~meat packing facilities, citrus processing and packing facilities, produce processing and packing facilities,~~ electrical generating plants, water treatment plants, sewage treatment plants, and solid waste disposal sites. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered industrial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not industrial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not industrial use.

3. "Mixed use" means any use that combines multiple types of approved land uses from at least two of the residential use, commercial use, and industrial use categories. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis.

Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not mixed use, irrespective of how they are operated.

4. "Planned unit development" has the same meaning as provided in s. 163.3202(5)(b).

Section 3. An applicant for a proposed development authorized under s. 125.01055(7), Florida Statutes, or s. 166.04151(7), Florida Statutes, who submitted an application, a written request, or a notice of intent pursuant to either section to a county or municipality and such application, written request, or notice of intent was received by the county or municipality, as applicable, before July 1, 2026, may notify the county or municipality by July 1, 2026, of the applicant's intent to proceed under s. 125.01055(7), Florida Statutes, or s. 166.04151(7), Florida Statutes, as the section existed at the time the application, written notice, or notice of intent was submitted. A county or municipality, as applicable, must allow an applicant who submitted an application, a written notice, or a notice of intent before July 1, 2026, the opportunity to submit a revised application, written request, or notice of intent to account for the changes made by this act.

Section 4. Subsection (5) of section 333.03, Florida Statutes, is amended to read:

333.03 Requirement to adopt airport zoning regulations.—

(5) Sections 125.01055(7) and 166.04151(7) do not apply to

any of the following, unless the respective application is approved by the governing body of the airport:

(a) A proposed development near a runway within one-quarter of a mile laterally from the runway edge and within an area that is the width of one-quarter of a mile extending at right angles from the end of the runway for a distance of 10,000 feet of any existing airport runway or planned airport runway identified in the local government's airport master plan.

(b) A proposed development within any airport noise zone identified in the federal land use compatibility table or in a land-use zoning or airport noise regulation adopted by the local government.

(c) A proposed development that exceeds maximum height restrictions identified in the political subdivision's airport zoning regulation adopted pursuant to this section.

Section 5. Subsection (8) of section 760.22, Florida Statutes, is amended to read:

760.22 Definitions.—As used in ss. 760.20-760.37, the term:

(8) "Person" includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, ~~and~~ fiduciaries, agencies, governmental entities, and other legal or commercial entities.

Section 6. Section 760.26, Florida Statutes, is amended to read:

760.26 Prohibited discrimination in land use decisions and in permitting of development.—It is unlawful to discriminate in land use decisions or in the permitting of development based on race, color, national origin, sex, disability, familial status, or religion, or, except as otherwise provided by law, based on the source of financing of a development or proposed development, including, but not limited to, financing of a development or a proposed development for housing that is affordable as defined in s. 420.0004.

Section 7. Subsection (4) of section 760.35, Florida Statutes, is amended to read:

760.35 Civil actions and relief; administrative procedures.—

(4) If the court finds that a person has engaged in a discriminatory housing practice ~~has occurred~~, it must ~~shall~~ issue an order prohibiting the practice and providing affirmative relief from the effects of the practice, including injunctive and other equitable relief, actual and punitive damages, and reasonable attorney fees and costs. In accordance with s. 13, Art. X of the State Constitution, the state, for itself and its agencies or political subdivisions, waives sovereign immunity for a cause of action based on a violation of part II of chapter 760. Such waiver is limited only to actions

brought under this section.

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

COMMERCE COMMITTEE

CS/HB 1389 by Rep. Redondo
Affordable Housing

AMENDMENT SUMMARY
February 24, 2026

Amendment #406455 by Rep. Redondo (Strike-All):

- Authorizes multifamily and mixed-use residential as allowable uses on certain property owned by a religious institution which contains a house of public worship, requires the religious institution to be a party to the development application, and requires the public house of public worship to continue on the property after the development is constructed.
- Amends the affordable housing tax exemption created by the Act to:
    - Require a taxing authority to make certain findings based on the Shimberg Center for Housing Studies' annual reports for each of the previous 3 years; and
    - Provide that an exemption may be granted to an owner of a property in a multifamily project that received a building permit for the project within 4 years prior to the taxing authority opting out of the tax exemption, and may continue to receive the exemption for each subsequent year that the same or successive owner applies for and is granted the exemption.
- Exempts the following areas from the requirements of the Act:
    - Areas subject to land development regulations in existence before July 1, 2026, intended to retain the open character of land;
    - Areas of Critical State Concern; and
    - Any portion of a property encumbered by a recorded conservation easement.
- Requires local governments to adopt an ordinance to allow accessory dwelling units (ADUs) by right in any area zoned for single-family residential use, subject to certain exceptions and requirements.
- Provides that an owner of a property with an ADU may not be denied a homestead exemption on the basis of renting the ADU to another person, but requires the ADU to be assessed separately according to its use.
- Allows local governments to provide density bonus incentives to landowners who donate real estate for the purpose of assisting local governments in providing affordable housing to military families that receive the basic allowance for housing.
- Requires the Office of Program Policy Analysis and Government Accountability to assess the effectiveness of using mezzanine finance (or second-position, short-term debt) and tiny homes to stimulate the supply of affordable housing in the state.

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 Redondo offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraphs (a), (d), (n), and (o) of subsection (7) of section 125.01055, Florida Statutes, are amended to read:

125.01055 Affordable housing.—

(7)(a) A county must authorize multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use;~~, and~~ in portions of any flexibly zoned area such as a planned unit development permitted for commercial, industrial, or mixed use; on property owned by a county, municipality, or school district; and on any parcel greater than 3 acres owned by a religious institution as defined in s. 170.201(2) that has contained a house of public worship

for at least 5 years prior to the proposed development, regardless of underlying zoning, if at least 40 percent of the residential units in a proposed multifamily development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a county may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, transfer of density or development units, amendment to a development of regional impact, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes. The county may not require that more than 10 percent of the total square footage of such mixed-use residential projects be used for nonresidential purposes. A proposed development on property owned by a county, municipality, or school district must be within the geographic boundaries of the respective county, municipality, or school district, and the respective county, municipality, or school district must be a party to the application for the proposed development. A proposed development on property owned by a religious institution must be applied for by both the applicant and the religious institution and the house of public worship

must continue on the property after the proposed development is constructed.

(d)1. A county may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within 1 mile of the proposed development or three stories, whichever is higher. A county may not restrict the height of a proposed development below the height authorized in this subparagraph through other dimensional means, such as height determined by setbacks or step-backs, or require setbacks or step-backs that are more restrictive than the minimum setbacks or step-backs of the underlying zoning applicable to the proposed development as allowed on July 1, 2023. For purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the county's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use which is within a single-family residential development with at least 25 contiguous single-family homes, the county may restrict the height of the proposed development to 150 percent of the

tallest building on any property adjacent to the proposed development, the highest currently allowed, or allowed on July 1, 2023, height for the property provided in the county's land development regulations, or three stories, whichever is higher, not to exceed 10 stories. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road.

3. If the proposed development is on a parcel with a contributing structure or building within a historic district which was listed in the National Register of Historic Places before January 1, 2000, or is on a parcel with a structure or building individually listed in the National Register of Historic Places, the county may restrict the height of the proposed development to the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within three-fourths of a mile of the proposed development or three stories, whichever is higher. The term "highest currently allowed" in this paragraph includes the maximum height allowed for any building in a zoning district irrespective of any conditions.

(n) As used in this subsection, the term:

1. "Commercial use" means activities associated with the sale, rental, or distribution of products or the performance of services related thereto. The term includes, but is not limited

to, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; public lodging establishments as described in s. 509.242(1)(a); food service vendors; sports arenas; theaters; tourist attractions; and other for-profit business activities. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered commercial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include home-based businesses or cottage food operations undertaken on residential property, public lodging establishments as described in s. 509.242(1)(c), or uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not commercial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not commercial use.

2. "Industrial use" means activities associated with the manufacture, assembly, processing, or storage of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk

yards, ~~meat packing facilities, citrus processing and packing facilities, produce processing and packing facilities,~~ electrical generating plants, water treatment plants, sewage treatment plants, and solid waste disposal sites. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered industrial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not industrial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not industrial use.

3. "Mixed use" means any use that combines multiple types of approved land uses from at least two of the residential use, commercial use, and industrial use categories. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not mixed use, irrespective of how they are operated.

4. "Multifamily development" or "mixed-use residential

development" means a residential or mixed-use residential development site authorized under subsection (7), held under common ownership or control, which may consist of an assemblage of parcels separated only by land 15 feet or less and limited to public pedestrian access.

5.~~4.~~ "Planned unit development" has the same meaning as provided in s. 163.3202(5)(b).

(o) This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working waterfront in s. 342.201(2)(b) in any area zoned as industrial.

3. The Wekiva Study Area, as described in s. 369.316.

4. The Everglades Protection Area, as defined in s. 373.4592(2).

5. Areas subject to land development regulations as defined in s. 163.3164(26) that are in existence before July 1, 2026, which are intended to retain the open character of land, including, but not limited to, open space districts, open space recreation districts, open use estate districts, open use rural districts, and park and open space districts.

6. Any area of critical state concern, as designated in ss. 380.055, 380.0551, 380.0552, 380.0553, and 380.0555.

7. Any portion of a property encumbered by a recorded conservation easement as defined in s. 704.06.

Section 2. Paragraphs (a), (d), (n), and (o) of subsection (7) of section 166.04151, Florida Statutes, are amended to read:

166.04151 Affordable housing.—

(7)(a) A municipality must authorize multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use; ~~, and~~ in portions of any flexibly zoned area such as a planned unit development permitted for commercial, industrial, or mixed use; on property owned by a county, municipality, or school district; and on any parcel greater than 3 acres owned by a religious institution as defined in s. 170.201(2) that has contained a house of public worship for at least 5 years prior to the proposed development, regardless of underlying zoning, if at least 40 percent of the residential units in a proposed multifamily development are rental units that, for a period of at least 30 years, are affordable as defined in s. 420.0004. Notwithstanding any other law, local ordinance, or regulation to the contrary, a municipality may not require a proposed multifamily development to obtain a zoning or land use change, special exception, conditional use approval, variance, transfer of density or development units, amendment to a development of regional impact, amendment to a municipal charter, or comprehensive plan amendment for the building height, zoning, and densities authorized under this subsection. For mixed-use residential projects, at least 65 percent of the total square footage must

be used for residential purposes. The municipality may not require that more than 10 percent of the total square footage of such mixed-use residential projects be used for nonresidential purposes. A proposed development on property owned by a county, municipality, or school district must be within the geographic boundaries of the respective county, municipality, or school district, and the respective county, municipality, or school district must be a party to the application for the proposed development. A proposed development on property owned by a religious institution must be applied for by both the applicant and the religious institution and the house of public worship must continue on the property after the proposed development is constructed.

(d)1. A municipality may not restrict the height of a proposed development authorized under this subsection below the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within 1 mile of the proposed development or three stories, whichever is higher. A municipality may not restrict the height of a proposed development below the height authorized in this subparagraph through other dimensional means, such as height determined by setbacks or step-backs, or require setbacks or step-backs that are more restrictive than the minimum setbacks or step-backs of the underlying zoning applicable to the proposed development as allowed on July 1, 2023. For

purposes of this paragraph, the term "highest currently allowed height" does not include the height of any building that met the requirements of this subsection or the height of any building that has received any bonus, variance, or other special exception for height provided in the municipality's land development regulations as an incentive for development.

2. If the proposed development is adjacent to, on two or more sides, a parcel zoned for single-family residential use that is within a single-family residential development with at least 25 contiguous single-family homes, the municipality may restrict the height of the proposed development to 150 percent of the tallest building on any property adjacent to the proposed development, the highest currently allowed, or allowed on July 1, 2023, height for the property provided in the municipality's land development regulations, or three stories, whichever is higher, not to exceed 10 stories. For the purposes of this paragraph, the term "adjacent to" means those properties sharing more than one point of a property line, but does not include properties separated by a public road or body of water, including manmade lakes or ponds. For a proposed development located within a municipality within an area of critical state concern as designated by s. 380.0552 or chapter 28-36, Florida Administrative Code, the term "story" includes only the habitable space above the base flood elevation as designated by the Federal Emergency Management Agency in the most current

Flood Insurance Rate Map. A story may not exceed 10 feet in height measured from finished floor to finished floor, including space for mechanical equipment. The highest story may not exceed 10 feet from finished floor to the top plate.

3. If the proposed development is on a parcel with a contributing structure or building within a historic district which was listed in the National Register of Historic Places before January 1, 2000, or is on a parcel with a structure or building individually listed in the National Register of Historic Places, the municipality may restrict the height of the proposed development to the highest currently allowed, or allowed on July 1, 2023, height for a commercial or residential building located in its jurisdiction within three-fourths of a mile of the proposed development or three stories, whichever is higher. The term "highest currently allowed" in this paragraph includes the maximum height allowed for any building in a zoning district irrespective of any conditions.

(n) As used in this subsection, the term:

1. "Commercial use" means activities associated with the sale, rental, or distribution of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; public lodging establishments as described in s. 509.242(1)(a); food service vendors; sports arenas; theaters; tourist

attractions; and other for-profit business activities. A parcel zoned to permit such uses by right without the requirement to obtain a variance or waiver is considered commercial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include home-based businesses or cottage food operations undertaken on residential property, public lodging establishments as described in s. 509.242(1)(c), or uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not commercial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not commercial use.

2. "Industrial use" means activities associated with the manufacture, assembly, processing, or storage of products or the performance of services related thereto. The term includes, but is not limited to, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk yards, ~~meat packing facilities, citrus processing and packing facilities, produce processing and packing facilities,~~ electrical generating plants, water treatment plants, sewage treatment plants, and solid waste disposal sites. A parcel zoned

to permit such uses by right without the requirement to obtain a variance or waiver is considered industrial use for the purposes of this section, irrespective of the local land development regulation's listed category or title. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not industrial use, irrespective of how they are operated. Farm and farm operations, as those terms are defined in s. 823.14(3), and uses associated therewith, including the packaging and sale of products raised on the premises, are not industrial use.

3. "Mixed use" means any use that combines multiple types of approved land uses from at least two of the residential use, commercial use, and industrial use categories. The term does not include uses that are accessory, ancillary, incidental to the allowable uses, or allowed only on a temporary basis. Recreational uses, such as golf courses, tennis courts, swimming pools, and clubhouses, within an area designated for residential use are not mixed use, irrespective of how they are operated.

4. "Multifamily development" or "mixed-use residential development" means a residential or mixed-use residential development site authorized under subsection (7), held under common ownership or control, which may consist of an assemblage of parcels separated only by land 15 feet or less and limited to

public pedestrian access.

5.~~4.~~ "Planned unit development" has the same meaning as provided in s. 163.3202(5)(b).

(o) This subsection does not apply to:

1. Airport-impacted areas as provided in s. 333.03.

2. Property defined as recreational and commercial working waterfront in s. 342.201(2)(b) in any area zoned as industrial.

3. The Wekiva Study Area, as described in s. 369.316.

4. The Everglades Protection Area, as defined in s. 373.4592(2).

5. Areas subject to land development regulations as defined in s. 163.3164(26) that are in existence before July 1, 2026, which are intended to retain the open character of land, including, but not limited to, open space districts, open space recreation districts, open use estate districts, open use rural districts, and park and open space districts.

6. Any area of critical state concern, as designated in ss. 380.055, 380.0551, 380.0552, 380.0553, and 380.0555.

7. Any portion of a property encumbered by a recorded conservation easement as defined in s. 704.06.

Section 3. An applicant for a proposed development authorized under s. 125.01055(7), Florida Statutes, or s. 166.04151(7), Florida Statutes, who submitted an application, a written request, or a notice of intent pursuant to either section to a county or municipality and such application,

written request, or notice of intent was received by the county or municipality, as applicable, before July 1, 2026, may notify the county or municipality by July 1, 2026, of the applicant's intent to proceed under s. 125.01055(7), Florida Statutes, or s. 166.04151(7), Florida Statutes, as the section existed at the time the application, written notice, or notice of intent was submitted. A county or municipality, as applicable, must allow an applicant who submitted an application, a written notice, or a notice of intent before July 1, 2026, the opportunity to submit a revised application, written request, or notice of intent to account for the changes made by this act.

Section 4. Paragraphs (a) and (o) of subsection (3) of section 196.1978, Florida Statutes, are amended to read:

196.1978 Affordable housing property exemption.—

(3)(a) As used in this subsection, the term:

1. "Corporation" means the Florida Housing Finance Corporation.

2. "Newly constructed" means an improvement to real property which was substantially completed within 5 years before the date of an applicant's first submission of a request for a certification notice pursuant to this subsection.

3. "Substantially completed" has the same meaning as in s. 192.042(1).

4. "Multifamily project" shall mean a development authorized under this subsection that is held under common

ownership or control, approved and developed in compliance with the same site plan approval or development order, and shall exclude individual detached single-family residences.

(o)1. Beginning with the 2025 tax roll, a taxing authority may elect, upon adoption of an ordinance or resolution approved by a two-thirds vote of the governing body, not to exempt property under sub-subparagraph (d)1.a. located in a county specified pursuant to subparagraph 2., subject to the conditions of this paragraph.

2. A taxing authority must make a finding in the ordinance or resolution that annual housing reports ~~the most recently~~ published by the Shimberg Center for Housing Studies ~~Annual Report, prepared~~ pursuant to s. 420.6075~~,~~ identify ~~identifies~~ that a county that is part of the jurisdiction of the taxing authority is within a metropolitan statistical area or region where, for each of the previous 3 years, the number of affordable and available units in the metropolitan statistical area or region is greater than the number of renter households in the metropolitan statistical area or region for the category entitled "0-120 percent AMI."

3. An election made pursuant to this paragraph may apply only to the ad valorem property tax levies imposed within a county specified pursuant to subparagraph 2. by the taxing authority making the election.

4. The ordinance or resolution must take effect on the

January 1 immediately succeeding adoption and shall expire on the second January 1 after the January 1 in which the ordinance or resolution takes effect. The ordinance or resolution may be renewed prior to its expiration pursuant to this paragraph.

5. The taxing authority proposing to make an election under this paragraph must advertise the ordinance or resolution or renewal thereof pursuant to the requirements of s. 50.011(1) prior to adoption.

6. The taxing authority must provide to the property appraiser the adopted ordinance or resolution or renewal thereof by the effective date of the ordinance or resolution or renewal thereof.

7. Notwithstanding an ordinance or resolution or renewal thereof adopted pursuant to this paragraph, property in a multifamily project that received an exemption pursuant to sub-subparagraph (d)1.a. before the adoption or renewal of such ordinance or resolution may continue to receive such exemption for each subsequent consecutive year that the same owner or each successive owner applies for and is granted the exemption.

8. Notwithstanding an ordinance or a resolution or a renewal thereof adopted pursuant to this paragraph, the owner of a property in a multifamily project that received a building permit for the development of the multifamily project within 4 years before the effective date of such ordinance or resolution may apply for and be granted the exemption under sub-

subparagraph (d)1.a. after meeting the requirements of this subsection and may continue to receive such exemption for each subsequent consecutive year that the same owner or each successive owner applies for and is granted the exemption.

Section 5. The amendments made by this act to s. 196.1978, Florida Statutes, first apply to the 2027 property tax roll.

Section 6. Subsection (5) of section 333.03, Florida Statutes, is amended to read:

333.03 Requirement to adopt airport zoning regulations.—

(5) Sections 125.01055(7) and 166.04151(7) do not apply to any of the following, unless the respective application is approved by the governing body of the airport:

(a) A proposed development near a runway within one-quarter of a mile laterally from the runway edge and within an area that is the width of one-quarter of a mile extending at right angles from the end of the runway for a distance of 10,000 feet of any existing airport runway or planned airport runway identified in the local government's airport master plan.

(b) A proposed development within any airport noise zone identified in the federal land use compatibility table or in a land-use zoning or airport noise regulation adopted by the local government.

(c) A proposed development that exceeds maximum height restrictions identified in the political subdivision's airport zoning regulation adopted pursuant to this section.

Section 7. Subsection (8) of section 760.22, Florida Statutes, is amended to read:

760.22 Definitions.—As used in ss. 760.20-760.37, the term:

(8) "Person" includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, ~~and~~ fiduciaries, agencies, governmental entities, and other legal or commercial entities.

Section 8. Section 760.26, Florida Statutes, is amended to read:

760.26 Prohibited discrimination in land use decisions and in permitting of development.—It is unlawful to discriminate in land use decisions or in the permitting of development based on race, color, national origin, sex, disability, familial status, or religion, or, except as otherwise provided by law, based on the source of financing of a development or proposed development, including, but not limited to, financing of a development or a proposed development for housing that is affordable as defined in s. 420.0004.

Section 9. Subsection (4) of section 760.35, Florida Statutes, is amended to read:

760.35 Civil actions and relief; administrative procedures.—

(4) If the court finds that a person has engaged in a discriminatory housing practice ~~has occurred~~, it must ~~shall~~ issue an order prohibiting the practice and providing affirmative relief from the effects of the practice, including injunctive and other equitable relief, actual and punitive damages, and reasonable attorney fees and costs. In accordance with s. 13, Art. X of the State Constitution, the state, for itself and its agencies or political subdivisions, waives sovereign immunity for a cause of action based on a violation of part II of chapter 760. Such waiver is limited only to actions brought under this section.

Section 10. Subsections (2), (3), (4), and (5) of section 163.31771, Florida Statutes, are amended to read:

163.31771 Accessory dwelling units.—

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

(a) "Accessory dwelling unit" means an ancillary or secondary living unit, that has a separate kitchen, bathroom, and sleeping area, existing either within the same structure, or on the same lot, as the primary dwelling unit.

(b) "Affordable rental" means that monthly rent and utilities do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross annual income for extremely-low-income, very-low-income, low-income, or moderate-income persons.

(d) ~~(c)~~ "Local government" means a county or municipality.

(e)~~(d)~~ "Low-income persons" has the same meaning as in s. 420.0004(11).

(f)~~(e)~~ "Moderate-income persons" has the same meaning as in s. 420.0004(12).

(g) "Primary dwelling unit" means an existing or proposed single-family dwelling on the property where a proposed accessory dwelling unit would be located.

(h)~~(f)~~ "Very-low-income persons" has the same meaning as in s. 420.0004(17).

(c)~~(g)~~ "Extremely-low-income persons" has the same meaning as in s. 420.0004(9).

(3) By December 1, 2026, a local government shall ~~may~~ adopt an ordinance to allow accessory dwelling units to be approved without requiring a public hearing; a variance, conditional use permit, special permit, or special exception; or other discretionary action, other than a determination that a site plan conforms with applicable zoning regulations, in any area zoned for single-family residential use. Such ordinance must apply prospectively to accessory dwelling units approved after the date the ordinance is adopted. Such ordinance may regulate the permitting, construction, and use of an accessory dwelling unit but may not do any of the following:

(a) Require that the owner of a parcel on which an accessory dwelling unit is constructed reside in the primary dwelling unit.

(b) Increase parking requirements on any parcel that can accommodate an additional motor vehicle on a driveway without impeding access to the primary dwelling unit.

(c) Require replacement parking if a garage, carport, or covered parking structure is converted to create an accessory dwelling unit.

(d) Impose discretionary review or hearing standards, such as requiring a conditional use approval or special exception to construct an accessory dwelling unit, or other review standards that do not apply generally to other housing in the same district or zone.

A local government that is required by state law to limit the number of new dwelling units within the local government's jurisdiction is not required to adopt an ordinance in accordance with this subsection, but may adopt an ordinance to allow accessory dwelling units in any area zoned for single-family residential use.

(4) ~~An application for a building permit to construct an accessory dwelling unit must include an affidavit from the applicant which attests that the unit will be rented at an affordable rate to an extremely-low-income, very-low-income, low-income, or moderate-income person or persons.~~

~~(5)~~ Each accessory dwelling unit allowed by an ordinance adopted under this section which provides affordable rental

housing shall apply toward satisfying the affordable housing component of the housing element in the local government's comprehensive plan under s. 163.3177(6)(f).

(5) The owner of a property with an accessory dwelling unit may not be denied a homestead exemption for those portions of property on which the owner maintains a permanent residence solely on the basis of the property containing an accessory dwelling unit that is or may be rented to another person. However, if the accessory dwelling unit is rented to another person, the accessory dwelling unit must be assessed separately from the homestead property and taxed according to its use.

Section 11. Subsection (1) of section 420.615, Florida Statutes, is amended to read:

420.615 Affordable housing land donation density bonus incentives.—

(1) A local government may provide density bonus incentives pursuant to ~~the provisions of~~ this section to any landowner who voluntarily donates fee simple interest in real property to the local government for the purpose of assisting the local government in providing affordable housing, including housing that is affordable for military families receiving the basic allowance for housing. Donated real property must be determined by the local government to be appropriate for use as affordable housing and must be subject to deed restrictions to ensure that the property will be used for affordable housing.

Section 12. The Office of Program Policy Analysis and Government Accountability (OPPAGA) shall evaluate the efficacy of using mezzanine finance, or second-position short-term debt, to stimulate the construction of owner-occupied housing that is affordable as defined in s. 420.0004(3), Florida Statutes, in this state. OPPAGA shall also evaluate the potential of tiny homes in meeting the need for affordable housing in this state. OPPAGA shall consult with the Florida Housing Finance Corporation and the Shimberg Center for Housing Studies at the University of Florida in conducting its evaluation. By December 31, 2027, OPPAGA shall submit a report of its findings to the President of the Senate and the Speaker of the House of Representatives. Such report must include recommendations for the structuring of a model mezzanine finance program.

Section 13. This act shall take effect July 1, 2026.

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 affordable housing; amending ss. 125.01055 and 166.04151, F.S.; requiring counties and municipalities, respectively, to authorize multifamily and mixed-use residential uses as allowable uses for specified property; requiring certain proposed developments to be within specified geographic

boundaries; requiring certain counties, municipalities, and school districts to be a party to an application for certain proposed developments; prohibiting counties and municipalities, respectively, from restricting the height of certain proposed developments in a certain manner or requiring setbacks or step-backs that are more restrictive than certain zoning regulations; revising the definitions of the terms "commercial use" and "industrial use"; creating definitions for "multifamily development" and "mixed-use residential development"; providing exceptions; authorizing applicants for certain proposed developments to notify, by a specified date, the county or municipality, as applicable, on the applicant's intent to proceed under certain provisions of law; requiring counties and municipalities to allow certain applicants to submit revised applications, written requests, or notices of intent to account for changes made by the act; amending s. 196.1978, F.S.; creating a definition for "multifamily project"; revising a specified finding that a taxing authority must make in order to elect not to exempt certain property from certain ad valorem taxation; authorizing certain property owners in a multifamily project to apply for and continue to receive an exemption;

amending s. 333.03, F.S.; providing that specified provisions of law relating to proposed developments do not apply to airport zoning regulations unless the governing body of the airport approves the application; amending s. 760.22, F.S.; revising the definition of the term "person"; amending s. 760.26, F.S.; prohibiting certain discriminatory practices based on financing of a development, or a proposed development, for affordable housing; amending s. 760.35, F.S.; waiving the state's sovereign immunity for certain causes of action; providing applicability; amending s. 163.31771, F.S.; defining the term "primary dwelling unit"; requiring local governments to adopt, by a specified date, an ordinance to allow accessory dwelling units to be approved in certain areas; requiring that such ordinances apply prospectively; providing that such ordinances may regulate specified actions; prohibiting the inclusion of certain requirements or prohibitions in such ordinances; providing an exception to the requirement that local governments adopt such ordinances; deleting a requirement that an application for a building permit to construct an accessory dwelling unit include a certain affidavit; revising the accessory dwelling units that apply toward satisfying a certain component

of a local government's comprehensive plan; prohibiting the denial of a homestead exemption for certain portions of property on a specified basis; requiring that a rented accessory dwelling unit be assessed separately from the homestead property and taxed according to its use; amending s. 420.615, F.S.; authorizing a local government to provide a density bonus incentive to landowners who make certain real property donations to assist in the provision of affordable housing for military families; requiring the Office of Program Policy Analysis and Government Accountability to evaluate the efficacy of using mezzanine finance and the potential of tiny homes for specified purposes; requiring the office to consult with certain entities; requiring the office to submit a certain report to the Legislature by a specified date; providing an effective date.

CS/HB 1415

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 1415	**COMPANION BILL:** CS/SB 1568 (DiCeglie)
TITLE: Use of Digital Currency by the Department of Financial Services	**LINKED BILLS:** None
SPONSOR(S): Holcomb and Giallombardo	**RELATED BILLS:** None

Committee References

Insurance & Banking 17 Y, 0 N, As CS	➤	Commerce

SUMMARY

Effect of the Bill:
The bill creates a pilot program within the Department of Financial Services ("DFS"). Participation in the pilot program is voluntary for DFS licensees and applicants. The bill:

- Authorizes DFS to accept, hold, and purchase payment stablecoin.
- Authorizes DFS to accept eligible payment stablecoin as payment for regulatory fees and issue refunds via payment stablecoin.
- Requires issuers of payment stablecoin whose payment stablecoin is being used in the program to be authorized to issue payment stablecoin under state or federal law.
- Requires DFS to provide a compatible digital wallet address for the receipt of payment stablecoin and requires program participants to provide DFS with a compatible digital wallet for the receipt of payment stablecoin.
- Requires DFS to monitor and collect data on the program and submit an annual report to the Governor and Legislature.

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

JUMP TO | SUMMARY | ANALYSIS | RELEVANT INFORMATION | BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Florida Stablecoin Pilot Program

The bill creates a new program within the Department of Financial Services ("DFS") for the purpose of accepting eligible payment stablecoin as payment for government fees, including:

- Licensing fees.
- Registration fees.
- Certification fees.
- Assessment fees.
- Application fees.
- Renewal fees.
- Other regulatory fees administered by DFS.
- Any other fee owed to DFS. (Section 1).

The bill permits DFS to accept, hold, and purchase payment stablecoin for use in the pilot program. (Section 1).

The bill defines "payment stablecoin" as a digital asset that is meant to be used for payments or settling transactions, the issuer of which must be ready to convert or redeem it for a fixed amount of money and

represents, or creates a reasonable expectation that the value of the digital asset will remain stable against a fixed amount of money. (Section 1).

The bill provides that the term "payment stablecoin" does not include:

- A national currency.[1]
- Deposits.[2]
- Securities.[3] (Section 1).

The bill requires payment stablecoin to meet the following criteria to be eligible for the pilot program:

- The payment stablecoin has had an average market capitalization of at least $1 billion during the preceding year.
- The payment stablecoin is fully backed by reserve assets[4] on a one-to-one basis.
- The payment stablecoin is redeemable through the issuer at all times for the United States dollar.
- The payment stablecoin is minted by a permitted payment stablecoin issuer and purchased by DFS directly from a permitted payment stablecoin issuer through a blockchain network, indirectly through an exchange platform, or received by DFS from a program participant.
- The issuer does not charge a fee to mint or create the stablecoin.
- The issuer does not charge withdrawal or redemption fees.
- The issuer meets any additional criteria for a permitted stablecoin issuer under federal or state law. (Section 1).

The bill provides that a "permitted payment stablecoin issuer" means a person formed in the United States which is one of the following:

- A subsidiary of an insured depository institution that has been approved to issue payment stablecoins under the federal GENIUS Act.
- A federal qualified payment stablecoin issuer.[5]
- A state qualified payment stablecoin issuer.[6] (Section 1).

The bill provides that within a reasonable time after receiving a payment stablecoin, DFS must convert the payment stablecoin into United States currency and credit the applicable account in the same manner as a payment made by other authorized means. (Section 1).

The bill permits DFS to send payment stablecoin for refunds, reimbursements, or other disbursements to participants who elect to receive a payment in payment stablecoin. (Section 1).

The bill allows DFS to hold payment stablecoin. If the payment stablecoin does not earn any interest or yields, DFS may only hold payment stablecoin in an amount that is estimated to be required to issue refunds, reimbursements, or other similar disbursements during a revolving 30-day period. Any direct or indirect earnings associated with payment stablecoin must be credited to the benefit of the state. (Section 1).

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[1] Such as United States Dollars or other government-issued money.
[2] A deposit is money or funds held by a bank or savings association that the bank is obligated to repay to the customer. *See* 12 U.S.C. 1813(l).
[3] E.g. notes, stocks and bonds. S. 517.021, F.S., 15 U.S.C. 77b, 15 U.S.C. 78c, and 15 U.S.C. 80a-2.
[4] Permitted reserves include United States currency, demand deposits at insured depository institutions, short-term treasury bills and reverse repurchase agreements collateralized by short-term treasury bills.
[5] The bill defines "federal qualified payment stablecoin issuer" as a nonbank entity approved by the federal Office of the Comptroller of the Currency to issue payment stablecoins; an uninsured national bank that is chartered by the Office of the Comptroller of the Currency and approved to issuer payment stablecoins; and a federal branch that is approved by the Office of the Comptroller of the Currency to issue payment stablecoins.
[6] The bill defines "state qualified payment stablecoin issuer" an entity legally established under the laws of a state and approved by the Office of Financial Regulation to issue payment stablecoin.

Compatible digital wallet address
The bill requires DFS to provide a compatible digital wallet address for the receipt of eligible payment stablecoin. (Section 1).

The bill defines "compatible digital wallet address" as the address of a software application that securely stores private keys for accessing and completing transactions with eligible payment stablecoin. (Section 1).

Voluntary participation
The bill provides that participation in the pilot program is voluntary. (Section 1).

The bill provides that an applicant, licensee, or other participant may submit eligible payment stablecoin to a compatible digital wallet address designated by DFS as valid payment to the department. (Section 1).

The bill also allows program participants to elect to receive refunds, reimbursements, or other similar disbursements from DFS in the form of payment stablecoin. Program participants electing to receive payment stablecoin must provide DFS with a compatible digital wallet address. (Section 1).

Issuers of payment stablecoin
The bill requires DFS to ensure that any payment stablecoin issuer designated for use in the program is a permitted payment stablecoin issuer. (Section 1).

The bill permits DFS to conduct examinations, audits, and investigations of a permitted payment stablecoin issuer, whose stablecoin is being used in the pilot program, in order to verify asset backing, redeemability, and adherence to consumer protection standards, including standards related to fraud prevention and dispute resolution. The bill requires DFS to coordinate with OFR to the extent that DFS intends to engage in such conduct as to a state qualified payment stablecoin issuer, in order to avoid duplicate regulatory efforts. (Section 1).

Monitoring and reporting requirements
The bill requires DFS to monitor and evaluate the pilot program, collect data on transaction volume, cost savings, security incidents, regulatory compliance, and economic impacts, as well as any instances of fraud or disputes. (Section 1).

The bill requires DFS to submit a report to the Governor, President of the Senate, Speaker of the House of Representatives, beginning on February 1, 2027, and annually thereafter. The report must include:

- A summary of collected data.
- Findings regarding any trends or patterns relating to financial matters, such as fiscal impacts, or nonfinancial matters, such as utilization analysis.
- Recommendations for expansion or termination of the pilot program.
- Proposed statutory changes, if appropriate. (Section 1).

Program scope and legislative intent
The bill provides that it does not alter or supersede any existing statutory fee obligations, licensing requirements, or enforcement authority of the department. Acceptance of eligible payment stablecoin is an optional payment method and does not require acceptance of any other digital asset. (Section 1).

The bill provides that the bill may not be construed as relieving the Chief Financial Officer or DFS of any obligation to secure public funds, including payment stablecoins, in a qualified public depository or to hold payment stablecoins in a manner similar to how direct United States Treasury obligations[7] are held. (Section 1).

[7] *See* S. 17.57(2)(a), F.S.

The bill provides that the Legislature intends for the pilot program to yield benefits from the acceptance of payment stablecoins as a form of payment for government fees. (Section 1).

Effective date

The bill provides that it will be effective upon becoming law. (Section 2).

RULEMAKING:

The bill authorizes DFS to adopt rules to implement the pilot program.

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:

The bill may have an indeterminate fiscal impact on the state government, to the extent that DFS incurs costs to establish the program or to the extent that accepting payment stablecoins offers higher or lower transaction costs compared to traditional payment methods.

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on the private sector to the extent the bill increases participation in the payment stablecoin market and provides alternative methods of payment to existing methods.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Department of Financial Services

The Department of Financial Services (the "Department") consists of the following divisions:

- The Division of Accounting and Auditing.
- The Division of Consumer Services.
- The Division of Funeral, Cemetery, and Consumer Services.
- The Division of Insurance Agent and Agency Services.
- The Division of Criminal Investigations.
- The Division of Rehabilitation and Liquidation.
- The Division of Risk Management.
- The Division of State Fire Marshal.
- The Division of Treasury.
- The Division of Unclaimed Property.
- The Division of Workers' Compensation.
- The Division of Administration.
- The Office of Insurance Consumer Advocate.[8]

DFS is responsible for issuing various licenses under the aforesaid divisions and collecting licensing application and renewal fees.

[8] S. 20.121, F.S.

Virtual currency

Virtual currency is a digital asset that functions as a medium of exchange but lacks legal tender status.[9] In some environments, virtual currency operates like "real" currency[10] (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).[11] 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. [12] 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.[13]

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).[14] 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.[15] 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.[16] Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric ''public keys'' rather than by personal names.[17] Virtual currency wallets are interfaces that store and transfer virtual currency.[18]

Stablecoin

Stablecoins are a type of virtual currency designed to maintain a stable value by pegging the value to a national currency or other assets.[19] Stablecoins aim to eliminate volatility by pegging their value to a stable asset, such as the United States Dollar.[20] As of February 2026, the total market cap for stablecoins is approximately $296 billion.[21] The top three stablecoins in terms of market cap are Tether (USDT), USDC (USDC), and USDS (USDS).[22]

Federal law

On July 18, 2025, the federal government signed into law the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 ("GENIUS Act"), establishing the first regulatory framework for payment stablecoin issuers.[23]

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[9] S. 560.103(36), F.S.
[10] Often referred to as "fiat" currency.
[11] IRS, *Digital assets*, https://www.irs.gov/filing/digital-assets (last visited Feb. 5, 2026).
[12] *Id.*
[13] *Id.*
[14] 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 Feb. 5, 2026).
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] 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 Feb. 5, 2026).
[19] Congressional Research Service, *Stablecoins: Background and Policy Issues*, https://www.congress.gov/crs-product/IF11968. (last visited Feb. 5, 2026).
[20] Congressional Research Service, *Stablecoin Policy Issues for the 118th Congress*, https://www.congress.gov/crs-product/IF12450. (last visited Feb. 5, 2026).
[21] Forbes, *Top Stablecoins Coins Today by Market Cap,* https://www.forbes.com/digital-assets/categories/stablecoins/ (last visited Feb. 6, 2026).
[22] *Id.*
[23] 12. U.S.C. ss. 5901-5916.

The GENIUS Act takes effect on the earlier of January 18, 2027 or 120 days after the specified federal payment stablecoin regulators issue implementing regulations.[24]

The GENIUS Act defines "payment stablecoin" as a digital asset meeting the following requirements:

- Is meant to be used for payments or settling transactions.
- The issuer of which:
  - Must be ready to convert or redeem it for a fixed amount of money.[25]
  - Represents, or creates a reasonable expectation that the value of the digital asset will remain stable against a fixed amount of money.[26]

Under the GENIUS Act, only permitted payment stablecoin issuers ("PPSIs") may issue a payment stablecoin in the United States.[27] Beginning July 18, 2028, it will be unlawful for digital asset service providers to offer or sell a payment stablecoin in the United States, unless the provider is a PPSI or a foreign payment stablecoin issuer meeting certain conditions.[28]

The GENIUS Act establishes three types of PPSIs, all of which must be formed in the United States:

- a subsidiary of an insured depository institution;[29]
- a federal qualified payment stablecoin issuer;[30] or
- a state qualified stablecoin issuer.[31]

PPSIs must comply with various requirements under the GENIUS Act, such as:

- Maintaining identifiable reserves backing the outstanding payment stablecoin on at least a one- to-one basis comprising on specified types of reserves, such as U.S. coin and currency.[32]
- Publishing the monthly composition of the issuer's reserve on its website, including the average maturity and custody location of each reserve category.
- Having monthly reserve reports examined by a registered public accounting firm and attested to by the issuer's chief executive officer and chief financial officer.[33]
- Publicly disclosing the issuer's redemption policy which must establish clear procedures for timely redemption of payment stablecoin and clearly disclose all fees[34] associated with purchasing or redeeming payment stablecoin.[35]
- Not engaging in tying practices that condition access to payment stablecoin services on the purchase of unrelated products or services, or on agreements not to use competitors' products, unless authorized by federal law.[36]

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[24] S.1582 - 119th Congress (2025-2026): GENIUS Act, S.1582, 119th Cong. (2025), https://www.congress.gov/bill/119th-congress/senate-bill/1582, (last visited Feb. 5, 2026).
[25] E.g. 1 United States Dollar for 1 stablecoin.
[26] 12 U.S.C. s. 5901. A payment stablecoin does not include a national currency, deposits as defined in 12 U.S.C. s. 1813 or securities.
[27] 12 U.S.C. 5902.
[28] *Id.*
[29] An "insured depository institution" is any bank or savings association the deposits of which are insured by the Federal Deposit Insurance Corporation pursuant to this chapter. *See* 12 U.S.C. 5901 and 12 U.S.C. 1813.
[30] The term "federal qualified payment stablecoin issuer" means: the following issuers approved by the Comptroller to issue payment stablecoin: a nonbank entity, other than a State qualified payment stablecoin issuer; an uninsured national bank chartered pursuant to title LXII of the Revised Statutes; and a federal branch. 12 U.S.C. 5901(11).
[31] The term "state qualified payment stablecoin issuer" means an entity that is legally established under the laws of a state and approved to issue payment stablecoin by a state payment stablecoin regulator; 12 U.S.C. 5901(31).
[32] 12 U.S.C. s. 5903(a)(2) prohibits the required reserves from being pledged, rehypothecated, or reused by the permitted payment stablecoin issuer except for as provided in the GENIUS Act.
[33] 12 U.S.C. s. 5903.
[34] Fee changes require at least seven days' prior notice to consumers.
[35] 12 U.S.C. 5903.
[36] *Id.*

- Not using deceptive names or marketing that imply association with or endorsement by the U.S. Government.[37]
- Not paying interest or other yield solely for holding or using a payment stablecoin.[38]

The GENIUS Act creates a tiered oversight model between federal and state authorities. The GENIUS Act permits states to regulate certain payment stablecoin issuers if:

- The state has a regulatory regime that is substantially similar to the federal regime.
- The state stablecoin regulation submits a certification to the Stablecoin Certification Review Committee attesting that the state-level regulatory regime meets the criteria for substantial similarity.
- The state submits additional certifications to the Stablecoin Certification Review Committee confirming the accuracy of the initial certification.[39]

The GENIUS Act requires designated federal regulators to implement rules and regulations for implementing the GENIUS Act. As of February 2026, said rules and regulations have not been implemented.

Money services businesses

The Financial Services Commission ("Commission") is an executive agency within the Department of Financial Services and is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.[40] The Office of Financial Regulation ("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.[41]

The Division of Consumer Finance within OFR licenses and regulates various aspects of the non-depository financial services industries, including money services businesses.[42]

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."[43] Money services businesses must be licensed with OFR.[44]

[37] *Id.*
[38] *Id.*
[39] 12 U.S.C. 5901.
[40] S. 20.121(3), F.S.
[41] S. 20.121(3)(a)2., F.S.
[42] Office of Financial Regulation, *Division of Consumer Finance*, Division of Consumer Finance (last visited Feb. 5, 2026).
[43] S. 560.103(23), F.S.
[44] S. 560.125, F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	17 Y, 0 N, As CS	2/11/2026	Brackett	Highsmith
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed the provision that allowed DFS to create payment stablecoin. • Required DFS to ensure that any payment stablecoin issuer in the program is a "permitted payment stablecoin issuer." • Required DFS to coordinate with OFR to avoid duplicative regulation. • Permitted DFS to purchase payment stablecoin in order to pay refunds. • Permitted DFS to designate one or more stablecoins for use in the program. • Incorporated requirements for payment stablecoin and issuers from the federal GENIUS Act. • Replaced the requirement for payment stablecoin issuers in the program to be backed by at least $1 billion in reserves with the requirement for the issuer to have had an average market capitalization of at least $1 billion in the preceding year and to be fully backed by reserve assets. • Required program participants to provide DFS with a compatible digital wallet address if they elect to receive refunds from DFS in payment stablecoin. • Clarified that the bill does not relieve the Chief Financial Officer or DFS of any obligation to secure public funds in a secure public depository or to hold payment stablecoin in a manner similar to how direct United States Treasury obligations are held. • Clarified that DFS must convert payment stablecoin into United States currency within a reasonable time after receipt.			
Commerce Committee			Hamon	Highsmith

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

A bill to be entitled

An act relating to the use of digital currency by the Department of Financial Services; creating s. 17.72, F.S.; establishing the Florida Stablecoin Pilot Program within the Department of Financial Services; providing legislative intent; providing definitions; authorizing the department to engage in certain activities; authorizing the department to designate one or more payment stablecoins for certain activities; requiring that certain payment stablecoins meet specified criteria; authorizing the department to accept payment stablecoins; authorizing program participants to elect to voluntarily participate in the program and remit payment stablecoins to a compatible digital wallet address; requiring certain participants to provide the department with a compatible digital wallet address; requiring the department to comply with certain requirements; requiring the department to provide a compatible digital wallet address for a specified purpose; authorizing the department to conduct examinations, audits, and investigations of permitted payment stablecoin issuers; requiring the department to coordinate with the Office of Financial Regulation under certain circumstances; requiring the department

to monitor and evaluate the pilot program and collect certain data; requiring the department to submit an annual report containing certain information to the Governor and the Legislature, beginning on a specified date and annually thereafter; providing construction; authorizing the department to adopt rules; providing an effective date.

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

Section 1. Section 17.72, Florida Statutes, is created to read:

17.72 Florida Stablecoin Pilot Program.—There is established within the department the Florida Stablecoin Pilot Program. It is the intent of the Legislature that the Florida Stablecoin Pilot Program yield benefits from the acceptance of payment stablecoins as a form of payment for governmental fees through this voluntary pilot program.

(1) DEFINITIONS.—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) "Compatible digital wallet address" means the address of a software application that securely stores private keys for accessing and completing transactions with payment stablecoins.

(c) "Digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger.

(d) "Exchange platform" means a company licensed and regulated by the federal or a state government which provides trading, custody, or money transmission services of payment stablecoins or other digital assets.

(e) "Federal qualified payment stablecoin issuer" means any of the following:

1. A nonbank entity, other than a state qualified payment stablecoin issuer, approved by the Office of the Comptroller of the Currency to issue payment stablecoins.

2. An uninsured national bank that is chartered by the Office of the Comptroller of the Currency pursuant to title LXII of the Revised Statutes and is approved to issue payment stablecoins. As used in this subsection, the term "national bank" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

3. A federal branch that is approved by the Office of the Comptroller of the Currency to issue payment stablecoins. For purposes of this subparagraph, the term "federal branch" has the

same meaning as in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813.

(f)1. "Payment stablecoin" means a digital asset that meets all of the following requirements:

a. Is, or is designed to be, used as a means of payment or settlement.

b. The issuer of which:

(I) Is obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

(II) Represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.

2. The term does not include a digital asset that is any of the following:

a. A national currency.

b. A deposit as defined in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, including a deposit recorded using distributed ledger technology. For purposes of this subparagraph, the term "distributed ledger" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

c. A security, as defined in s. 517.021; s. 2 of the Securities Act of 1933, 15 U.S.C. s. 77b; s. 3 of the Securities

and Exchange Act of 1934, 15 U.S.C. s. 78c; or s. 2 of the Investment Company Act of 1940, 15 U.S.C. s. 80a-2.

(g) "Permitted payment stablecoin issuer" means a person formed in the United States which is one of the following:

1. A subsidiary of an insured depository institution that has been approved to issue payment stablecoins under the GENIUS Act, Pub. L. No. 119-27. For purposes of this subparagraph, the term "insured depository institution" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

2. A federal qualified payment stablecoin issuer.

3. A state qualified payment stablecoin issuer.

(h) "State qualified payment stablecoin issuer" means an entity legally established under the laws of a state and approved by the Office of Financial Regulation to issue payment stablecoins.

(2) PROGRAM PARTICIPATION.—

(a) The department may engage in any of the following activities that meet the requirements of this section:

1. Accept payment stablecoin for the payment of authorized fees as provided in paragraph (c).

2. Issue refunds, reimbursements, or other similar disbursements in the form of payment stablecoins to any participant who elects to receive a payment in such form. The department may purchase payment stablecoins in an amount that is necessary to support such activity.

3. Hold payment stablecoin. If such payment stablecoin does not earn any interest or yields, the department may hold payment stablecoin only in the amount that is estimated to be required to issue refunds, reimbursements, or other similar disbursements during a revolving 30-day period. Any direct or indirect yields earned with respect to payment stablecoins shall be credited to the benefit of the state.

(b) The department may designate one or more payment stablecoins for activities authorized in paragraph (a). Any payment stablecoin that is accepted, purchased, held, or disbursed by the department pursuant to this section must meet all of the following criteria:

1. Have an average market capitalization of at least $1 billion during the preceding 12-month period.

2. Be fully backed by reserve assets on a one-to-one basis limited to United States currency, demand deposits at insured depository institutions, United States Treasury bills having a remaining maturity of 93 days or less, or reverse repurchase agreements collateralized by such treasury bills.

3. Be redeemable at all times at a one-to-one ratio for United States dollars through the permitted payment stablecoin issuer or its agent.

4. Be minted by a permitted payment stablecoin issuer.

5. Be issued by an issuer that does not charge withdrawal or redemption fees.

6. Be purchased by the department directly from a permitted payment stablecoin issuer through a blockchain network or indirectly through an exchange platform, or received by the department from a program participant.

7. Except as otherwise provided in this section, be issued by an issuer that meets any additional criteria for a permitted payment stablecoin issuer under any applicable federal or state law including, but not limited to, the GENIUS Act, Pub. L. No. 119-27.

(c) The department may accept payment stablecoins as a form of payment for fees that include, but are not limited to, licensing fees, registration fees, certification fees, assessment fees, application fees, renewal fees, other regulatory fees administered by the department, or any other fee owed to the department.

(d) An applicant, a licensee, or other program participant may elect to voluntarily participate in the pilot program and remit payment stablecoins to a compatible digital wallet address designated by the department as a valid form of payment for any fee authorized in paragraph (c).

(e) A participant that elects to receive from the department a refund, reimbursement, or other similar disbursement in the form of payment stablecoin must provide the department with a compatible digital wallet address where such payment may be sent.

(3) DEPARTMENT DUTIES.—

(a) The department must comply with all of the following requirements:

1. Ensure that any payment stablecoin issuer designated for use in the pilot program is a permitted payment stablecoin issuer.

2. Provide a compatible digital wallet address to any participant that elects to participate in the voluntary pilot program for the payment of any fees authorized in paragraph (2)(c) to be paid in the form of payment stablecoins.

3. Within a reasonable time after receiving a payment stablecoin from any program participant, convert the payment stablecoin into United States currency and credit the applicable account where the funds would be held in a qualified public depository in the same manner as a payment made by any other authorized means.

(b) The department may conduct examinations, audits, or investigations of a permitted payment stablecoin issuer of a payment stablecoin designated for use in the pilot program to verify asset backing, redeemability, and adherence to consumer protection standards, including standards related to fraud prevention and dispute resolution. To the extent that the department intends to engage in such conduct as to a state qualified payment stablecoin issuer, the department must

coordinate with the Office of Financial Regulation to avoid duplicated efforts and to efficiently regulate such issuer.

(4) REPORTING.—

(a) The department shall monitor and evaluate the pilot program and collect data on transaction volume, cost savings, security incidents, regulatory compliance, and economic impacts, as well as any instances of fraud or disputes.

(b) Beginning February 1, 2027, and annually thereafter, the department must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which must include all of the following:

1. A summary of the data collected pursuant to paragraph (a).

2. Any findings the department makes with respect to the pilot program which include, but are not limited to, findings regarding any trends or patterns relating to financial matters, such as fiscal impacts, or nonfinancial matters, such as utilization analysis.

3. Any recommendations for expansion or termination of the pilot program.

4. Any proposed statutory changes, if appropriate.

(5) CONSTRUCTION.—This section:

(a) Does not alter or supersede any existing statutory fee obligations, licensing requirements, or enforcement authority of the department.

(b) Authorizes the acceptance of payment stablecoins as an optional payment method and does not require or authorize the acceptance of any other digital asset.

(c) May not be construed to relieve the Chief Financial Officer or the department of any obligation to secure public funds, including any payment stablecoins, in a qualified public depository unless an exemption applies pursuant to s. 280.03 or, with respect to payment stablecoins, to hold such stablecoins in a manner similar to how direct United States Treasury obligations are held pursuant to s. 17.57(2)(a).

(6) RULEMAKING.—The department may adopt rules to implement this section.

Section 2. This act shall take effect upon becoming a law.

COMMERCE COMMITTEE

CS/HB 1415 by Rep. Holcomb
Use of Digital Currency by the Department of Financial Services

AMENDMENT SUMMARY
February 24, 2026

Amendment #678913 by Rep. Holcomb (strike-all):

- Authorizes DFS to designate payment stablecoin that is subject to network or exchange fees paid by DFS.
    - Such fees must be reasonable and may not exceed the fees that would be charged to DFS if payment were accepted by similar means.
    - DFS is also required to minimize any fees resulting from the conversion of payment stablecoin into United States currency.
- Amends the definition of state qualified payment stablecoin issuer to include issuers from out of state, to align the bill with the requirements of the federal GENIUS Act.
- Permits DFS, when designating payment stablecoin for use in the pilot program, to prefer payment stablecoin issued by OFR approved payment stablecoin issuers.
- Provides that DFS may not engage in the activities authorized under the program until either the federal government or a state payment stablecoin regulator approves qualified payment stablecoin issuers.

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 Holcomb offered the following:

Amendment

Remove everything after the enacting clause and insert:

Section 1. Section 17.72, Florida Statutes, is created to read:

17.72 Florida Stablecoin Pilot Program.—There is established within the department the Florida Stablecoin Pilot Program. It is the intent of the Legislature that the Florida Stablecoin Pilot Program yield benefits from the acceptance of payment stablecoins as a form of payment for governmental fees through this voluntary pilot program.

(1) DEFINITIONS.—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) "Compatible digital wallet address" means the address of a software application that securely stores private keys for accessing and completing transactions with payment stablecoins.

(c) "Digital asset" means any digital representation of value that is recorded on a cryptographically secured digital ledger.

(d) "Exchange platform" means a company licensed and regulated by the federal or a state government which provides trading, custody, or money transmission services of payment stablecoins or other digital assets.

(e) "Exchange platform fee" means a fee charged by an exchange platform for the trading, custody, or money transmission services of payment stablecoins or other digital assets.

(f) "Federal qualified payment stablecoin issuer" means any of the following:

1. A nonbank entity, other than a state qualified payment stablecoin issuer, approved by the Office of the Comptroller of the Currency to issue payment stablecoins.

2. An uninsured national bank that is chartered by the Office of the Comptroller of the Currency pursuant to title LXII of the Revised Statutes and is approved to issue payment stablecoins. As used in this subsection, the term "national

bank" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

3. A federal branch that is approved by the Office of the Comptroller of the Currency to issue payment stablecoins. For purposes of this subparagraph, the term "federal branch" has the same meaning as in s. 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813.

(g) "Network fee" means the cost paid by a user to have a transaction processed and confirmed on a blockchain network.

(h)1. "Payment stablecoin" means a digital asset that meets all of the following requirements:

a. Is, or is designed to be, used as a means of payment or settlement.

b. The issuer of which:

(I) Is obligated to convert, redeem, or repurchase the digital asset for a fixed amount of monetary value, not including a digital asset denominated in a fixed amount of monetary value.

(II) Represents that such issuer will maintain, or create the reasonable expectation that it will maintain, a stable value relative to the value of a fixed amount of monetary value.

2. The term does not include a digital asset that is any of the following:

a. A national currency, as defined in the GENIUS Act, Pub. L. No. 119-27.

b. A deposit as defined in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. s. 1813, including a deposit recorded using distributed ledger technology. For purposes of this subparagraph, the term "distributed ledger" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

c. A security, as defined in s. 517.021, section 2 of the Securities Act of 1933, 15 U.S.C. s. 77b, section 3 of the Securities and Exchange Act of 1934, 15 U.S.C. s. 78c, or section 2 of the Investment Company Act of 1940, 15 U.S.C. s. 80a-2.

(i) "Permitted payment stablecoin issuer" means a person formed in the United States which is one of the following:

1. A subsidiary of an insured depository institution that has been approved to issue payment stablecoins under the GENIUS Act, Pub. L. No. 119-27. For purposes of this subparagraph, the term "insured depository institution" has the same meaning as in the GENIUS Act, Pub. L. No. 119-27.

2. A federal qualified payment stablecoin issuer.

3. A state qualified payment stablecoin issuer.

(j) "State payment stablecoin regulator" means the Office of Financial Regulation. The term also includes a state agency in another state that has primary regulatory and supervisory authority in such state over entities that issue payment stablecoins.

(k) "State qualified payment stablecoin issuer" means an entity legally established under the laws of a state and approved to issue payment stablecoins by a state payment stablecoin regulator.

(2) PROGRAM PARTICIPATION.—

(a) The department may engage in any of the following activities that meet the requirements of this section:

1. Accept payment stablecoin for the payment of authorized fees as provided in paragraph (c).

2. Issue refunds, reimbursements, or other similar disbursements in the form of payment stablecoins to any participant who elects to receive a payment in such form. The department may purchase payment stablecoins in an amount that is necessary to support such activity.

3. Hold payment stablecoin. If such payment stablecoin does not earn any interest or yields, the department may hold payment stablecoin only in the amount that is estimated to be required to issue refunds, reimbursements, or other similar disbursements during a revolving 30-day period. Any direct or indirect yields earned with respect to payment stablecoins shall be credited to the benefit of the state.

(b) The department may designate one or more payment stablecoins for activities authorized in paragraph (a). Any payment stablecoin that is accepted, purchased, held, or

disbursed by the department pursuant to this section must meet all of the following criteria:

1. Have an average market capitalization of at least $1 billion during the preceding 12-month period.

2. Be fully backed by reserve assets on a one-to-one basis limited to United States currency, demand deposits at insured depository institutions, United States Treasury bills having a remaining maturity of 93 days or less, or reverse repurchase agreements collateralized by such treasury bills.

3. Be redeemable at all times at a one-to-one ratio for United States dollars through the permitted payment stablecoin issuer or its agent.

4. Be issued by a permitted payment stablecoin issuer.

5. Be purchased by the department directly from a permitted payment stablecoin issuer through a blockchain network or indirectly through an exchange platform, or received by the department from a program participant.

6. If network fees or exchange platform fees are paid by the department, such fees must be reasonable and may not exceed the fees that would be charged to the department if payment were accepted by similar mediums of exchange.

7. Except as otherwise provided in this section, be issued by an issuer that meets any additional criteria for a permitted payment stablecoin issuer under any applicable federal or state

law including, but not limited to, the GENIUS Act, Pub. L. No. 119-27.

(c) The department may accept payment stablecoins as a form of payment for fees that include, but are not limited to, licensing fees, registration fees, certification fees, assessment fees, application fees, renewal fees, other regulatory fees administered by the department, or any other fee owed to the department.

(d) An applicant, a licensee, or other program participant may elect to voluntarily participate in the pilot program and remit payment stablecoins to a compatible digital wallet address designated by the department as a valid form of payment for any fee authorized in paragraph (c).

(e) A participant that elects to receive from the department a refund, reimbursement, or other similar disbursement in the form of payment stablecoin must provide the department with a compatible digital wallet address where such payment may be sent.

(3) DEPARTMENT DUTIES.—

(a) The department must comply with all of the following requirements:

1. Ensure that any payment stablecoin issuer designated for use in the pilot program is a permitted payment stablecoin issuer. If the Federal Government has not approved any federal qualified payment stablecoin issuers and no state payment

stablecoin regulator has approved any state qualified payment stablecoin issuers, the department may not engage in any of the activities authorized in subsection (2).

2. Provide a compatible digital wallet address to any participant that elects to participate in the voluntary pilot program for the payment of any fees authorized in paragraph (2)(c) to be paid in the form of payment stablecoins.

3. Within a reasonable time after receiving a payment stablecoin from any program participant, convert the payment stablecoin into United States currency and credit the applicable account where the funds would be held in a qualified public depository, unless an exception applies pursuant to s. 280.03, in the same manner as a payment made by any other authorized means. The department is required to attempt to minimize the amount of potential fees, if applicable, when determining the date and time to convert the payment stablecoin.

(b) The department may conduct examinations, audits, or investigations of a permitted payment stablecoin issuer of a payment stablecoin designated for use in the pilot program to verify asset backing, redeemability, and adherence to consumer protection standards, including standards related to fraud prevention and dispute resolution. To the extent that the department intends to engage in such conduct as to a state qualified payment stablecoin issuer, the department must

coordinate with the Office of Financial Regulation to avoid duplicated efforts and to efficiently regulate such issuer.

(4) REPORTING.—

(a) The department shall monitor and evaluate the pilot program and collect data on transaction volume, cost savings, security incidents, regulatory compliance, and economic impacts, as well as any instances of fraud or disputes.

(b) Beginning February 1, 2027, and annually thereafter, the department must submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives which must include all of the following:

1. A summary of the data collected pursuant to paragraph (a).

2. Any findings the department makes with respect to the pilot program which include, but are not limited to, findings regarding any trends or patterns relating to financial matters, such as fiscal impacts, or nonfinancial matters, such as utilization analysis.

3. Any recommendations for expansion or termination of the pilot program.

4. Any proposed statutory changes, if appropriate.

(5) CONSTRUCTION.—This section:

(a) Does not alter or supersede any existing statutory fee obligations, licensing requirements, or enforcement authority of the department.

(b) Authorizes the acceptance of payment stablecoins as an optional payment method and does not require or authorize the acceptance of any other digital asset.

(c) May not be construed to relieve the Chief Financial Officer or the department of any obligation to secure public funds, including any payment stablecoins, in a qualified public depository unless an exemption applies pursuant to s. 280.03 or, with respect to payment stablecoins, to hold such stablecoins in a manner similar to how direct United States Treasury obligations are held pursuant to s. 17.57(2)(a).

(c) Permits the department to have a preference for state qualified payment stablecoin issuer legally established under the laws of this state and approved by the Office of Financial Regulation.

(d) Authorizes the department to prefer, when designating payment stablecoins for use in the pilot program pursuant to paragraph (2)(b), state qualified payment stablecoin issuers approved by the Office of Financial Regulation.

(6) RULEMAKING.—The department may adopt rules to implement this section.

Section 2. This act shall take effect upon becoming a law.

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 1451	**COMPANION BILL:** CS/CS/SB 1724 (Martin)
TITLE: Utility Services	**LINKED BILLS:** None
SPONSOR(S): Busatta	**RELATED BILLS:** None

Committee References

Economic Infrastructure	➤	Intergovernmental Affairs	➤	Commerce
14 Y, 0 N, As CS		12 Y, 3 N		

SUMMARY

Effect of the Bill:
The bill requires certain public meetings and reporting for municipalities that provide utility service or intend to provide utility service in areas outside of their municipal boundaries. The bill also limits the rates, fees, and charges that a municipal water or sewer utility may impose on customers outside the boundaries of the municipality to no more than 25 percent in excess of those imposed on customers within the boundaries.

Fiscal or Economic Impact:
The bill may have an indeterminate negative impact on local government revenues and expenditures.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill establishes terms related to the provision of municipal utility services in areas outside a municipality's boundaries.

Extension of Utility Service

Under the bill, a municipality that intends to offer retail electric, natural gas, water, or sewer utility service in another municipality or unincorporated area outside of the municipality's boundaries must hold a public meeting in conjunction with the governing body of each municipality or unincorporated area to be served. The bill provides that this meeting does not need to be a separate public meeting conducted specifically for this purpose. The public meeting must take place before a new agreement to provide such service, or a renewal, extension, or material amendment of an existing agreement, may take effect. The public meeting must be held within each municipality and unincorporated area to be served for the purpose of providing information and soliciting public input on each of the following:

- The nature of the service to be provided or changes to the service being provided.
- The rates, fees, and charges to be imposed for the services provided or intended to be provided, including:
  - Any differential with the rates, fees, and charges imposed for the same service on customers located within the boundaries of the serving municipality;
  - The basis for the differential; and
  - The length of time that the differential is expected to exist.
- The extent to which revenues generated from the provision of the service will be used to fund or finance non-utility government functions or services.
- Any other matters deemed relevant by the parties to the agreement. (Section 1)

Further, the bill requires that a new agreement to provide these utility services beyond a municipality's boundaries, or an extension, renewal, or material amendment to an existing agreement, must be in writing. (Section 1)

The bill requires that an appointed representative[1] of each municipality providing utility service in another municipality or unincorporated area outside of the municipality's boundaries must conduct an annual customer meeting in conjunction with the governing body of each municipality and unincorporated area in which it provides service. The purpose of this meeting is to receive public input on utility-related matters, including rates and service. The bill provides that this meeting does not need to be a separate public meeting conducted specifically for this purpose. (Section 1)

Water and Sewer Rates and Charges

The bill removes the provision from current law allowing a municipal water or sewer utility to add, for customers outside the municipal boundaries, a surcharge of up to 25 percent of the rates, fees, and charges imposed on customers within its boundaries without a public meeting. Furthermore, the bill changes the limit on the rates, fees, and charges such utilities can impose on customers outside of municipal boundaries to no more than 25 percent in excess of the rates, fees, and charges that the municipal water or sewer utility charges customers within the municipal boundaries, provided rates for outside customers are set in a public hearing using the same methods used to set rates for customers within the municipal boundaries. (Section 2).

Reporting

The bill requires that by January 1, 2027, and annually thereafter, each municipality that provides utility service outside its municipal boundaries must report to the Public Service Commission (PSC), for each type of utility service it provides outside of municipal boundaries, the following information:

- The number and percentage of customers that receive utility service provided by the municipality at a location outside the boundaries of the municipality;
- The volume and percentage of sales made to such customers, and the gross revenues generated from such sales; and
- Whether the rates, fees, and charges imposed on customers that receive service at a location outside the municipality's boundaries are different than the rates, fees, and charges imposed on customers within the boundaries of the municipality, and, if so, the amount and percentage of the differential. (Section 3)

The bill provides that a municipality that fails to file this report is subject to the penalties provided in s. 366.095, F.S. (Section 3)

The bill requires the PSC to compile this information and report it to the Speaker of the House of Representatives, the Senate President, and the Governor by March 31, 2027, and annually thereafter. The bill provides that it does not modify or extend the authority of the PSC otherwise provided by law with respect to any municipal utility that must report this information. (Section 3)

The effective date for these reporting provisions is July 1, 2026. (Section 3)

The bill provides an effective date of July 1, 2027, for all other provisions of the bill. (Section 4)

[1] The appointed representative must be an executive-level leadership employee of the municipality, or the municipality's utility authority, board, or commission, specifically appointed by the governing body of the municipality to serve as its representative for the purpose of the meeting.

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The bill may have an indeterminate negative impact on local government expenditures associated with the public meeting and reporting requirements for municipalities that provide utility service in areas outside of their municipal boundaries. The bill may also have an indeterminate negative impact on the revenues of municipalities that currently levy a surcharge in excess of 25 percent

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Municipal Utility Service

Pursuant to s. 2(b), Art. VIII of the State Constitution, municipalities have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services. Municipalities may exercise any power for municipal purposes, except when expressly prohibited by law.[2] The legislative body of each municipality has the power to enact legislation on any subject upon which the state Legislature may act with certain exceptions.[3] Under their home rule power and as otherwise provided or limited by law or agreement, municipalities may provide utilities to citizens and entities within the municipality's corporate boundaries, in unincorporated areas, and even in other municipalities.

Many municipalities own and operate electric utilities and natural gas utilities and govern the operation of those utilities through ordinance, code, or policies. Currently, there are 35 municipal electric utilities in the state and 27 municipally owned natural gas utilities.[4] Municipal electric and natural gas utility rates are not directly regulated by the Florida Public Service Commission (PSC), however, the PSC does have jurisdiction over municipal electric utilities for matters related to rate structure, power plant transmission line site certification, general reporting jurisdiction, service territory and territory disputes, energy efficiency reporting, ten-year site plans, reporting on system hardening and resiliency, reporting on net metering, audits related to regulatory assessment fees, monitoring renewable energy, reporting on facilities inspection and vegetation management, and ensuring a reliable, coordinated power grid.[5] Many of these utilities provide service to customers located outside of the municipality's boundaries.

Municipalities are authorized by general law to provide water and sewer utility services.[6] With respect to public works projects, including water and sewer utility services,[7] municipalities may extend and execute their corporate

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[2] Section 166.021(2), F.S., provides that any activity or power which may be exercised by the state or its political subdivisions is considered a municipal purpose.

[3] Pursuant to s. 166.021(3), F.S., a municipality may not enact legislation on the following: the subjects of annexation, merger, and exercise of extraterritorial power, which require general law or special law; any subject expressly prohibited by the constitution; any subject expressly preempted to state or county government by the constitution or by general law; and any subject preempted to a county pursuant to a county charter adopted under the authority of the State constitution.

[4] Florida Public Service Commission, *Facts & Figures of the Florida Utility Industry* (2025), p, 1, 14, available at https://www.psc.state.fl.us/reports (last visited Feb. 9, 2026).

[5] Presentation on *Florida Public Power*, Florida Municipal Electric Association (Feb. 9, 2023), slide 3, available at https://www.flhouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3226&Session=2023&DocumentType=Meeting+Packets&FileName=ecc+2-9-23.pdf (last visited Feb. 9, 2026).

[6] Pursuant to s. 180.06, F.S., a municipality may "provide water and alternative water supplies;" "provide for the collection and disposal of sewage, including wastewater reuse, and other liquid wastes;" and "construct reservoirs, sewerage systems, trunk sewers, intercepting sewers, pumping stations, wells, siphons, intakes, pipelines, distribution systems, purification works, collection systems, treatment and disposal works" to accomplish these purposes.

[7] Other public works projects authorized under s. 180.06, F.S., include alternative water supplies, maintenance of water flow and bodies of water for sanitary purposes, garbage collection and disposal, airports, hospitals, jails, golf courses, gas plants and distribution systems, and related facilities.

powers outside of their corporate limits as "desirable or necessary for the promotion of the public health, safety and welfare."[8] A municipality may not extend or apply these corporate powers within the corporate limits of another municipality.[9] In general, however, local governments may enter into mutually advantageous agreements to provide services or facilities to other localities.[10] Further, the law specifically authorizes a municipality to permit any other municipality and the owners of lands outside its corporate limits or within the limits of another municipality to connect with its water and sewer utility facilities and use its services upon agreed terms and conditions.[11] Municipal water and sewer utility systems are exempt from PSC jurisdiction.[12]

Rates for Municipal Water and Sewer Service

A municipality that operates a water or sewer utility outside of its municipal boundaries may impose higher rates, fees, and charges on customers receiving service outside of its corporate boundaries as compared to the rates, fees, and charges imposed on customers within its boundaries. The municipality can accomplish this in two ways:

- First, for customers outside of its boundaries, it may add a surcharge of up to 25 percent of the rates, fees, and charges imposed on customers within its boundaries. This mechanism does not require a public hearing.[13]
- Second, it may set separate rates, fees, and charges for customers outside its boundaries based on the same factors used to set rates for customers within its boundaries. It may add a surcharge of up to 25 percent of these charges, provided that the total of all such rates, fees, and charges for service to customers outside its boundaries may not exceed the total charges to customers within its boundaries by more than 50 percent for corresponding service. Rates set in this manner require a public hearing at which all users served or to be served by the water or sewer utilities and all other interested persons will have an opportunity to be heard concerning the proposed rates.[14]

There is no central repository for information concerning municipal water or sewer service rates that identifies municipalities that impose higher rates on customers outside of the municipal boundaries, the specific mechanism used by such municipalities to establish such rates, or the level of any additional charge or surcharge imposed.

Utility Penalties

Florida law grants the PSC power to impose a penalty upon any entity subject to its jurisdiction under ch. 366, F.S., that is found to have refused to comply with or to have willfully violated any lawful rule or order of the PSC or any provision of that chapter.[15] The penalty may not exceed $5,000, but each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the entity, enforceable by the PSC.[16]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 1523 - Utility Services	Busatta	Died in Senate

[8] S. 180.02(2), F.S.
[9] *Id.*
[10] *See* s. 163.01, F.S.
[11] S. 180.19, F.S.
[12] S. 367.022(2), F.S.
[13] S. 180.191(1)(a), F.S.
[14] S. 180.191(1)(b), F.S.
[15] S. 366.095, F.S.
[16] *Id.*

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	14 Y, 0 N, As CS	2/4/2026	Keating	Rubottom
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed a provision of the bill related to limitations on the use and transfer of utility revenues. • Limited the rates, fees, and charges that a municipal water or sewer utility may impose on customers outside the boundaries of the municipality to no more than 25 percent in excess of those imposed on customers within the boundaries. • Established a penalty for failure to file the annual report required by the bill.			
Intergovernmental Affairs Subcommittee	12 Y, 3 N	2/12/2026	Darden	Burgess
Commerce Committee			Hamon	Rubottom

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

A bill to be entitled

An act relating to utility services; amending s. 180.19, F.S.; requiring certain public meetings as a condition precedent to the effectiveness of a new or an extended agreement under which a municipality will provide specified utility services in other municipalities or unincorporated areas; specifying the matters to be addressed at such public meetings; requiring such agreements to be written; requiring annual public customer meetings; defining the terms "appointed representative" and "governing body"; amending s. 180.191, F.S.; revising provisions relating to permissible rates, fees, and charges imposed by municipal water and sewer utilities on customers located outside the municipal boundaries; creating s. 180.192, F.S.; requiring municipalities that provide specified utility services to report certain information by a specified date, and annually thereafter, to the Florida Public Service Commission; providing penalties; requiring the commission to compile such information and submit a report by a specified date, and annually thereafter, to the Governor and the Legislature; providing construction; providing effective dates.

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

Section 1. Section 180.19, Florida Statutes, is amended to read:

180.19 Use by other municipalities and by individuals outside corporate limits.—

(1) A municipality which constructs any works as are authorized by this chapter, may permit any other municipality and the owners or association of owners of lots or lands outside of its corporate limits or within the limits of any other municipality, to connect with or use the utilities mentioned in this chapter upon such terms and conditions as may be agreed between such municipalities, and the owners or association of owners of such outside lots or lands.

(2) Any private company or corporation organized to accomplish the purposes set forth in this chapter, which has been granted a privilege or franchise by a municipality, may permit the owners or association of owners of lots or lands outside of the boundaries of said municipality granting said privilege or franchise, or other municipality, to connect with and use the utility operated by the said private company or corporation upon such terms as may be agreed between the said private company or corporation and the owners or association of owners of said lots or lands or the said municipality.

(3)(a) A new agreement, or an extension, renewal, or

material amendment of an existing agreement, to provide electric, natural gas, water, or sewer utility service at retail pursuant to subsection (1) must be written and may not become effective before an appointed representative of the municipality that provides service or intends to provide the service, in conjunction with the governing body of each municipality and unincorporated area served or to be served, has participated in a public meeting, which is not required to be a separate public meeting, within each municipality and unincorporated area served or to be served for purposes of providing information and soliciting public input on:

1. The nature of the services to be provided or changes to the services being provided.

2. The rates, fees, and charges to be imposed for the services provided or intended to be provided, including any differential with the rates, fees, and charges imposed for the same services on customers located within the boundaries of the serving municipality, the basis for the differential, and the length of time that the differential is expected to exist.

3. The extent to which revenues generated from the provision of the services will be used to fund or finance nonutility government functions or services.

4. Any other matters deemed relevant by the parties to the agreement.

(b) Rates, fees, and charges imposed for water or sewer

utility services provided pursuant to subsection (1) shall comply with s. 180.191.

(c) A representative of each municipality that provides electric, natural gas, water, or sewer utility services pursuant to subsection (1), in conjunction with the governing body of each municipality and unincorporated area in which it provides services, must annually conduct a public customer meeting, which is not required to be a separate public meeting, within each municipality and unincorporated area for purposes of soliciting public input on utility-related matters, including fees, rates, charges, and services.

(d) For purposes of this subsection, the term:

1. "Appointed representative" means an executive-level leadership employee of a municipality, or such municipality's related and separate utility authority, board, or commission, specifically appointed by the governing body to serve as its representative for purposes of this subsection.

2. "Governing body" means a:

a. Governing body of a municipality in which services are provided or proposed to be extended.

b. Board of county commissioners of a county in which services are provided or proposed to be extended, if services are provided or proposed to be extended in an unincorporated area within the county.

Section 2. Subsection (1) of section 180.191, Florida

Statutes, is amended to read:

180.191 Limitation on rates charged consumer outside city limits.—

(1) Any municipality within the state operating a water or sewer utility outside of the boundaries of such municipality shall charge consumers outside the boundaries rates, fees, and charges determined in one of the following manners:

(a) It may charge the same rates, fees, and charges as consumers inside the municipal boundaries. ~~However, in addition thereto, the municipality may add a surcharge of not more than 25 percent of such rates, fees, and charges to consumers outside the boundaries.~~ Fixing of such rates, fees, and charges in this manner shall not require a public hearing except as may be provided for service to consumers inside the municipality.

(b) It may charge rates, fees, and charges that are just and equitable and which are based on the same factors used in fixing the rates, fees, and charges for consumers inside the municipal boundaries. ~~In addition thereto, the municipality may add a surcharge not to exceed 25 percent of such rates, fees, and charges for said services to consumers outside the boundaries. However, the total of all~~ Such rates, fees, and charges for the services to consumers outside the boundaries may ~~shall~~ not be more than 25 ~~50~~ percent in excess of the rates, fees, and charges ~~total amount~~ the municipality charges consumers served within the municipality for corresponding

service. No such rates, fees, and charges shall be fixed until after a public hearing at which all of the users of the water or sewer systems; owners, tenants, or occupants of property served or to be served thereby; and all others interested shall have an opportunity to be heard concerning the proposed rates, fees, and charges. Any change or revision of such rates, fees, or charges may be made in the same manner as such rates, fees, or charges were originally established, but if such change or revision is to be made substantially pro rata as to all classes of service, both inside and outside the municipality, no hearing or notice shall be required.

Section 3. Effective July 1, 2026, section 180.192, Florida Statutes, is created to read:

180.192 Reporting requirements related to municipal utility service.—

(1) By January 1, 2027, and annually thereafter, each municipality that provides electric, natural gas, water, or sewer utility services pursuant to s. 180.191(1) must provide a report to the Florida Public Service Commission. A municipality that fails to file the report required by this subsection is subject to the penalties provided in s. 366.095. The report must identify, for each type of utility service provided by the municipality:

(a) The number and percentage of customers that receive utility services provided by the municipality at a location

outside the boundaries of the municipality.

(b) The volume and percentage of sales made to such customers, and the gross revenues generated from such sales.

(c) Whether the rates, fees, and charges imposed on customers that receive services at a location outside the municipality's boundaries are different than the rates, fees, and charges imposed on customers within the boundaries of the municipality, and, if so, the amount and percentage of the differential.

(2) By March 31, 2027, and annually thereafter, the commission shall compile the information provided pursuant to subsection (1) and submit a report containing this information to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(3) This section does not modify or extend the authority of the commission otherwise provided by law with respect to any municipal utility that is required to comply with subsection (1).

Section 4. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2027.

Commerce Committee

CS/HB 1451 by Rep. Busatta
Utility Services

AMENDMENT SUMMARY
February 24, 2026

Amendment #486173 by Rep. Busatta (line 137):

- Limits the rates, fees, and charges that a municipal utility may impose on the water or wastewater customers it serves within the boundaries of another municipality, where the serving utility uses a water or wastewater treatment plant located within the boundaries of the other municipality to provide such service.
- Revises reporting requirements for municipalities that provide utility services to customers outside their municipal boundaries.
- Requires the PSC, in the annual report required by the bill, to:
    - Identify any issues related to the reporting and collection of information required by the bill;
    - Identify municipalities that fail to report required information; and
    - Make recommendations as necessary to improve the reporting process and the consistency of information provided by reporting municipalities.
- Expressly preempts to the state the subject of a regional utility authority created by the Legislature through charter amendment after January 1, 2023.

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 Busatta offered the following:

Amendment (with title amendment)

Remove lines 137-170 and insert:

(2) Notwithstanding subsection (1), any municipality within this state operating a water or sewer utility that provides services to consumers within the boundaries of a separate municipality through the use of a water treatment plant or sewer treatment plant located within the boundaries of that separate municipality may charge consumers in the separate municipality no more than the rates, fees, and charges imposed on consumers inside its own municipal boundaries.

Section 3. Effective July 1, 2026, section 180.192, Florida Statutes, is created to read:

180.192 Reporting requirements related to municipal

utility service.—

(1) By January 1, 2027, and annually thereafter, each municipality that provided electric, natural gas, water, or sewer utility service during its most recently completed fiscal year to customers who received such service at a location outside the municipality's boundaries must provide a report to the Florida Public Service Commission that identifies, for the municipality's most recently completed fiscal year:

(a) For each type of utility service, the total number of customers that received utility service from the municipality, and the number and percentage of customers that received utility service from the municipality at a location outside the boundaries of the municipality.

(b) For each type of utility service, the gross revenues generated from the sale of utility service by the municipality, the volume and percentage of sales made to customers that received utility service from the municipality at a location outside the boundaries of the municipality, and the gross revenues generated from such sales.

(c) For each type of utility service, whether the rates, fees, and charges imposed on customers that received utility service from the municipality at a location outside the boundaries of the municipality were different than the rates, fees, and charges imposed on customers that received utility service from the municipality within the boundaries of the

municipality, and, if so, the amount and percentage of the differential for each customer class for which a differential exists.

(d) The percentage of revenues generated from the provision of utility services that were used to fund or finance nonutility government functions or services of the municipality, and the percentage of the municipality's nonutility budget that was funded by such revenues.

A municipality that fails to file the report required by this subsection is subject to the penalties provided in s. 366.095.

(2) By March 31, 2027, and annually thereafter, the commission shall compile the information provided pursuant to subsection (1) and submit a report containing this information to the Governor, the President of the Senate, and the Speaker of the House of Representatives. In its report, the commission shall identify any issues related to the reporting and collection of information required by this section, identify municipalities that fail to report the required information in whole or in part, and make recommendations as necessary to improve the reporting process and the consistency of information provided by reporting municipalities.

(3) This section does not modify or extend the authority

of the commission otherwise provided by law with respect to any municipal utility that is required to comply with subsection (1).

Section 4. (1) The subject of a regional utilities authority created by the legislature through charter amendment after January 1, 2023, is expressly preempted to the state.

(2) This section shall take effect upon becoming a law.

Section 5. Except as otherwise provided in this act and except for this section, which shall take effect upon becoming a law, this act shall take effect July 1, 2027.

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

Remove line 24 and insert:
providing for state preemption over the subject of certain regional utilities authorities; providing effective dates.

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 1461	**COMPANION BILL:** SB 1696 (McClain)
TITLE: Advanced Nuclear Reactors	**LINKED BILLS:** None
SPONSOR(S): Miller and Gentry	**RELATED BILLS:** None

Committee References

Economic Infrastructure 15 Y, 0 N, As CS	➤ Budget 25 Y, 0 N	➤ Commerce

SUMMARY

Effect of the Bill:
The bill authorizes the Florida Public Service Commission (PSC) to regulate advanced nuclear reactors (ANRs) and related nuclear materials, and addresses several areas of state policy related to the promotion and development of energy resources. Specifically, the bill:

- Requires the PSC to regulate ANRs, the possession and use of nuclear materials, and safety and construction standards for the development and operation of ANRs.
- Requires the PSC, the Florida Department of Health, and the Florida Department of Environmental Protection to jointly establish criteria for the certification of laboratories that use nuclear materials for developing technology for nuclear power plants.
- Authorizes, subject to certain conditions, the possession of nuclear materials for the research, design, testing, construction, and operation of ANRs.
- Includes the promotion of nuclear resources as a consideration in Florida's energy policy, electric utility planning, and the PSC's determination of need for new electrical power plants.
- Provides that an entity producing electricity from an off-grid ANR for consumption by a single customer is not considered a public utility subject to the PSC's jurisdiction.
- Provides that ANRs are not subject to the Power Plant Siting Act, under certain conditions.

Fiscal or Economic Impact:
The bill has a negative impact on state government expenditures. The PSC will be required to expend resources to implement its new responsibilities under the bill. The PSC will need to create discrete units within the agency, which may require additional staffing, office space, as well as other additional expenses.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill addresses several areas of state policy related to nuclear energy promotion and development, utility regulation, and the regulation of nuclear power plants and nuclear materials.

Nuclear Regulation

The bill grants the Florida Public Service Commission (PSC) authority to regulate advanced nuclear reactors (ANRs) in this state and requires the PSC to do the following, at a minimum:

- Evaluate and approve designs for ANRs.
- Issue permits for the possession, transportation, transfer, and use of nuclear materials in sufficient quantities to facilitate ANR research, design, testing, construction, and operation.
- Prescribe safety and construction standards for the use of nuclear materials in the development and operation of ANRs. (Section 1)

The bill defines the term "advanced nuclear reactor" to mean a nuclear fusion[1] reactor, or a nuclear fission[2] reactor that uses new or significantly improved designs compared to commercial nuclear reactors in operation as of January 1, 2021, including improvements such as:

- Inherent or passive safety features;
- Lower waste yields;
- Improved fuel performance or efficiency;
- Significantly improved designs, materials, fuels, or cooling systems;
- Reduced consumption of cooling water and other environmental impacts; or
- Flexibility in operational output or ability to integrate into electric or nonelectric applications. (Section 1)

The bill requires the PSC, the Florida Department of Health (FDOH), and the Florida Department of Environmental Protection (FDEP) to jointly establish criteria for the certification of laboratories that use nuclear materials for the purpose of researching, designing, testing, or otherwise developing technology for nuclear power plants as provided in the bill. (Section 1)

The bill authorizes a person, corporation, or entity to possess nuclear materials for the research, design, testing, construction, and operation of ANRs. However, the bill prohibits the possession of nuclear materials in quantities that pose a danger to national defense and security or public health and safety, except for active military personnel or contractors acting pursuant to a lawful military order. (Section 1)

The bill requires an ANR research facility operator to obtain a permit from the PSC for the use and storage of nuclear materials for the purpose of research and testing. The bill also requires a permit for the transfer, receipt, possession, use, or disposal of nuclear materials relating to the operation of ANRs. Before issuing such permits, the PSC must determine that the facility or reactor is equipped with radiation control devices that will abate or prevent radiological contamination in compliance with the standards and rules established under the bill. (Section 1)

The bill requires any construction or significant design modification of an ANR to be certified by the PSC before such construction or modification may begin. Such construction or significant design modification must include radiation control devices that will abate or prevent radiological contamination in compliance with the standards and rules established under the bill. The bill requires the PSC, before issuing such a certification, to consider, at a minimum, all of the following:

- The extent to which the design will effectively mitigate and prevent danger to the public health and safety.
- The compliance of the design with the safety standards prescribed by the commission.
- The ability of the design to address known or reasonably foreseeable risks, including system failures, accidents, natural disasters, and extreme weather events.
- The completeness and accuracy of engineering calculations and testing data for the design.
- The ability of the design to promote the efficient and sustainable use of water and other natural resources. (Section 1)

The bill provides that the PSC may grant a reciprocal permit or certification to applicants who receive a permit or certification from another state or federal agency, provided the safety standards of the other jurisdiction are no less stringent than the standards and rules established under the bill. (Section 1)

The bill establishes a civil penalty of up to $100,000 per day for any violation of the provisions of the bill or rules adopted under the bill, with a maximum penalty of $1 million for any related series of violations. (Section 1)

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[1] "Fusion" occurs when two atoms slam together to form a heavier atom, like when two hydrogen atoms fuse to form one helium atom, creating huge amounts of energy without producing highly radioactive byproducts. *See* U.S. Dep't of Energy (USDOE), *Fission and Fusion: What is the Difference?*, https://www.energy.gov/ne/articles/fission-and-fusion-what-difference (last visited Jan. 26, 2026).

[2] "Fission" occurs when a neutron collides with a larger atom, forcing it to excite and split into two smaller atoms, releasing a tremendous about of energy. *Id.*

The bill requires the PSC, after consultation with FDOH and FDEP, to adopt rules to implement the provisions of the bill related to the regulation of nuclear material and certification of nuclear facilities. In developing the rules, the PSC must refer to the provisions of law and agency rules adopted under ch. 403, part II, F.S., which includes the Florida Electrical Power Plant Siting Act (PPSA),[3] the Florida Electric Transmission Siting Act,[4] and the PSC's determination of need for electrical power plants.[5] (Section 1)

Energy Policy and Utility Regulation

Energy Policy

The bill amends Florida's state energy policy[6] to provide that it is the state's policy to encourage the research, development, demonstration, and application of domestic advanced nuclear energy resources. (Section 5)

The bill further provides that it is the intent of the Legislature to promote the development of clean energy and protect the economic viability of Florida's existing clean energy and protect the economic viability of Florida's existing clean energy facilities. The bill defines "clean energy" to mean energy produced by nuclear reactors as well as renewable energy and renewable natural gas. The bill also requires all electric utilities to develop standards for the promotion, encouragement, and expansion of the use of clean energy resources, and to file an annual report with the PSC identifying such standards. (Section 4)

Ten-year Site Plans

The bill requires the PSC, in reviewing whether a utility's ten-year site plan is suitable, to consider:

- The amount of nuclear energy resources the utility produces or purchases.
- The amount of nuclear energy resources the utility plans to produce or purchase over the 10-year planning horizon and the means by which the production or purchases will be achieved. (Section 2)

Utility Regulation

The bill provides that an entity other than an electric utility[7] that produces electricity from an ANR is not considered a public utility subject to the ratemaking jurisdiction and monopoly territory protection of the PSC, provided that the ANR:

- Is not interconnected to the state's electrical power grid.
- Produces electricity for consumption by a single consumer. (Section 3)

Power Plant Siting

The bill provides that the PPSA does not apply to the following, unless the applicant elects to apply for certification under the act:

- Capacity expansions of 75 megawatts or less, in the aggregate, of one or more ANRs installed within the boundaries of an electrical power plant site previously certified under the act.
- One or more ANRs to be located within the boundaries of an electrical power plant site previously certified under this act, provided that:
    - The ANR or ANRs are intended to replace an existing electrical power plant located on the site.
    - The certificate holder intends to retire the existing electrical power plant from service.
    - The gross capacity of the ANR or ANRs, in the aggregate, does not exceed the gross capacity of the electrical power plant to be retired.

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[3] Ss. 403.501-403.518, F.S., are known collectively as the "Florida Electrical Power Plant Siting Act."
[4] Ss. 403.52-403.5365, F.S., are known collectively as the "Florida Electric Transmission Line Siting Act."
[5] Ss. 403.519 and 403.537, F.S., address the PSC's determination of need for electrical power plants and electric transmission lines, respectively.
[6] S. 377.601, F.S.
[7] Florida law defines the term "electric utility" to mean any municipal electric utility, investor-owned electric utility, or rural electric cooperative which owns, maintains, or operates an electric generation, transmission, or distribution system within the state. S. 366.02(4), F.S.

- One or more ANRs that are not interconnected to the state's electrical power grid and that are owned by a non-utility entity for purposes of producing power for its own consumption or for use by a single consumer of electrical power. (Section 6)

The bill requires the PSC, in making a determination of need for an electrical power plant subject to the PPSA, to take into account whether nuclear resources are used to the extent available. The bill removes the requirement that the PSC take into consideration the use of renewable energy resources and technologies. (Section 7)

Effective Date

The bill provides an effective date of July 1, 2026. (Section 8)

RULEMAKING:

The bill requires the PSC, FDOH, and FDEP to jointly establish criteria for the certification of laboratories that use nuclear materials for the purpose of researching, designing, testing, or otherwise developing technology for nuclear power plants as provided in the bill.

The bill requires the PSC to adopt rules to implement the provisions of the bill related to the regulation of nuclear material and certification of nuclear facilities.

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:

The bill has a negative impact on state government expenditures. The PSC will be required to expend resources to implement its new responsibilities under the bill. The PSC would assume responsibilities that will necessitate the creation of discrete units within the agency to accommodate these new responsibilities, and the recruitment of staff with the requisite training and necessary experience. The PSC estimates it will need 83 additional staff (73 Technical staff) over the course of several years. In fiscal year 2026-2027, the PSC estimates they will need 17 additional staff to begin rulemaking and infrastructure planning, as well as expenses needed to facilitate inspections of the advanced nuclear reactor facilities. The PSC also estimates a need for 4 regional office spaces, and additional vehicles equipped with standard safety features and necessary equipment to support field operations. The recurring and nonrecurring funding need by fiscal year is:

	Recurring	Non-Recurring	Total
FY 2026-27	$ 3,662,273	$ 236,015	**$ 3,898,288**
FY 2027-28	$ 3,654,991	$ 851,655	**$ 4,506,646**
FY 2028-29	$ 2,011,063	$ 373,804	**$ 2,384,867**
FY 2029-30	$ 4,481,895	$ 1,214,973	**$ 5,696,868**

[8]

PRIVATE SECTOR:

The bill may encourage the development of new ANRs in Florida.

[8] Public Service Commission, pgs. 7-9, *2026 Agency Legislative Bill Analysis for HB 1461* (2026), On file with the Health Care Budget Subcommittee

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Regulation of Nuclear Energy and Nuclear Material

Nuclear Regulation in the US

The United States federal government maintained a complete monopoly on the use, control, and ownership of nuclear technology until 1954 when, through passage of the Atomic Energy Act of 1954 (AEA), it authorized private development of nuclear technology for peaceful purposes, such as nuclear power for generating electricity.[9] In the AEA, Congress declared that the development, use, and control of atomic energy shall be directed toward two primary purposes: first, "to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense"; and second, "to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise and security."[10]

The AEA created the Atomic Energy Commission (AEC), which exercised exclusive jurisdiction over the license, transfer, delivery, acquisition, possession, and use of all nuclear materials, but left to the states the established jurisdiction over the generation, sale, or transmission of electric power.[11]

In 1959, Congress amended the AEA to expand state-level jurisdiction over certain nuclear materials and nuclear power.[12] Under the amended AEA, the AEC could enter into agreements with states to relinquish regulatory authority over certain nuclear materials not capable of creating, and materials not in quantities sufficient to create, a nuclear chain reaction.[13] Agreement States[14] were permitted to assert increased regulatory authority in limited circumstances and with permission from the AEC. However, the amended AEA explicitly retained to the AEC jurisdiction over the construction and operation of nuclear power plants as well as the disposal of certain nuclear materials deemed by the AEC potentially hazardous.[15] Additionally, the AEA continued to allow states to regulate power generation and activities for purposes other than protection against radiation hazards.[16]

U.S. Nuclear Regulatory Commission (NRC)

In 1974, the AEC was replaced by its successor agency, the U.S. Nuclear Regulatory Commission (NRC).[17] The NRC is tasked to ensure the safe use of radioactive materials for beneficial civilian purposes while protecting people and the environment.[18] Its mission is to protect public health and safety and advance the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and

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[9] Jason O. Heflin, Congressional Research Service (CRS), *State Authority to Regulate Nuclear Power: Federal Preemption Under the Atomic Energy Act (AEA)*, Nov. 1, 2023, at page 4, available at https://www.congress.gov/crs_external_products/R/PDF/R41984/R41984.7.pdf (last visited Jan. 24, 2026).

[10] *See* Atomic Energy Act of 1954, 42 U.S.C. § 2011, et seq. (2024).

[11] *Id.*

[12] CRS, *State Authority to Regulate Nuclear Power: Federal Preemption Under the Atomic Energy Act (AEA)*, *supra* note 8, at page 4.

[13] *Id.*

[14] States that enter an agreement under the AEA to take regulatory jurisdiction over certain nuclear materials are known as "Agreement States." Florida law defines the term "agreement state" in s. 404.031(2), F.S., to mean any state which has consummated an agreement with the NRC under the authority of s. 274 of the Atomic Energy Act of 1954, as amended, as authorized by compatible state legislation providing for acceptance by that state of licensing authority for agreement materials and the discontinuance of such activities by the NRC.

[15] CRS, *State Authority to Regulate Nuclear Power: Federal Preemption Under the Atomic Energy Act (AEA)*, *supra* note 8, at page 5.

[16] *Id.*

[17] Nuclear Regulatory Commission (NRC), *About NRC*, https://www.nrc.gov/about-nrc (last visited Jan. 24, 2026).

[18] *Id.*

radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment.[19] The NRC's regulatory jurisdiction extends to three primary areas:

- Reactors: Commercial nuclear power plants for generating electric power and research and test reactors used for research, testing, and training.
- Materials: Uses of nuclear material in medical, industrial, and academic settings and facilities that produce nuclear fuel.
- Waste: Transportation, storage, and disposal of nuclear materials and waste, and decommissioning of nuclear facilities from service.[20]

The NRC's primary responsibility is to protect the health and safety of the public.[21] Its regulatory functions include establishing standards and regulations, issuing licenses for nuclear facilities and users of nuclear materials, and inspecting facilities and users of nuclear materials to ensure compliance with its requirements.[22]

Nuclear Materials

The AEA distinguishes between different categories of nuclear material for regulatory purposes, including special nuclear material, source material, byproduct material, and radium. Congress included in the AEA a clause that states:

> Source and special nuclear material, production facilities, and utilization facilities are affected with the public interest, and regulation by the United States of the production and utilization of atomic energy and of the facilities used in connection therewith is necessary in the national interest to assure the common defense and security and to protect the health and safety of the public.[23]

Special nuclear material (SNM) includes plutonium, uranium-233, and uranium enriched in the isotopes uranium-233 or uranium-235.[24] SNMs do not occur naturally but are produced by the irradiation of certain nuclear material in nuclear reactors and could be extracted from used nuclear fuel by chemical separation.[25] SNM is only mildly radioactive, but it includes certain isotopes that, in concentrated form, could be used as the primary ingredients of nuclear explosives. These materials, in amounts greater than formula quantities, are defined as "strategic special nuclear material" (SSNM).[26]

Source material includes most uranium and thorium ores and product resulting from the mining and milling processes.[27] Source material can also be generated as a side product during the refining of ores mined for other precious metals.[28] Source material is used for a variety of private commercial applications, including as fuel for nuclear reactors, production of metals used to make capacitors for electronic devices, and the manufacture of certain industrial and military products.[29] One source material, natural uranium, contains uranium-235, a material that can be concentrated (enriched) to make highly enriched uranium, the primary ingredient of some nuclear explosive designs.[30]

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[19] *Id.*
[20] *Id.*
[21] NRC, *NRC—Independent Regulator of Nuclear Safety*, https://www.nrc.gov/reading-rm/doc-collections/nuregs/brochures/br0164/index (last visited Jan 24, 2026).
[22] *Id.*
[23] NRC, *Special Nuclear Material*, https://www.nrc.gov/materials/types/sp-nucmaterials (last visited Jan. 24, 2026).
[24] *Id.*
[25] *Id.*
[26] *Id.*
[27] NRC, *Source Material*, https://www.nrc.gov/materials/types/srcmaterial (last visited Jan. 24, 2026).
[28] *Id.*
[29] *Id.*
[30] *Id.*

Byproduct materials include various materials, some of which are regulated and some exempt from regulation, and can be used for a variety of applications, including commercial, medical, and research activity.[31] Under the AEA, Agreement States can exercise regulatory authority over byproduct material, but the NRC retains authority in other states.[32]

NRC Agreement State Program

The AEA allows states to establish regulatory programs to assume authority to license and regulate byproduct materials (radioisotopes), source materials (uranium and thorium), and certain quantities of special nuclear materials.[33] To transfer authority to a state, the AEA requires an agreement signed by the Governor of the state and the Chairman of the NRC.[34]

As part of its regulatory oversight of Agreement States, the NRC conducts training courses and workshops, evaluates technical licensing and inspection issues, evaluates state rule changes, and provides early and substantive involvement of the states in NRC rulemaking and other regulatory efforts.[35] The NRC also coordinates with Agreement States the reporting of event information and responses to allegations reported to NRC involving Agreement States.[36]

Florida became an Agreement State in 1964.[37] The FDOH's Bureau of Radiation Control is the primary state office that administers the Agreement State program in Florida and oversees the licensing and control of nuclear materials and facilities.[38] The Florida Division of Emergency Management implements NRC directives with respect to radiological emergencies.[39] In its last periodic review of Florida's Agreement State program, the NRC found Florida's performance to be adequate to protect public health and safety but not compatible with the NRC's program due in part to delayed implementation of recent NRC requirements.[40]

Recent Federal Activity to Promote Nuclear Energy

More recently, the AEA was amended again in 2024 when Congress passed the "Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024," also known as the "ADVANCE Act."[41] The ADVANCE Act revised the NRC's mission and responsibilities to prioritize regulatory efficiency and to support the development of nuclear energy in several ways, including decreasing licensing application fees for advanced reactors, increasing staffing for NRC reviews, providing for prize awards for deployment, and eliminating costs associated with pre-

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[31] NRC, *Byproduct Material*, https://www.nrc.gov/materials/types/byproduct-mat (last visited Jan. 24, 2026).
[32] *Id.*
[33] NRC, *Agreement State Program*, https://www.nrc.gov/about-nrc/state-tribal/agreement-states (last visited Jan. 24, 2026).
[34] *Id.*
[35] *Id.*
[36] *Id.*
[37] *See* U.S. Atomic Energy Commission, *Agreement Between the Atomic Energy Commission and the State of Florida, Discontinuance of Certain Commission Regulatory Authority and Responsibility Within the State*, available at https://bmswnrcgovsamediaprd.blob.core.windows.net/prd/libraries/media/nrcweb/nmss/pdf/flagreements.pdf (last visited Jan, 24, 2026); *see also* s. 404.061(1), F.S. (authorizing the Governor to enter into agreements with the Federal Government which provide for the assumption by certain responsibilities with respect to sources of ionizing radiation).
[38] NRC, *Florida: Agreement State Information*, https://www.nrc.gov/agreement-states/florida (last visited Jan. 26, 2026).
[39] S. 252.60, F.S.
[40] NRC, *Integrated Materials Performance Evaluation Program Review of the Florida Agreement State Program: Final Report*, June 12-16, 2023, available at https://www.nrc.gov/docs/ML2328/ML23289A168.pdf (last visited Jan. 26, 2026). In its review, the NRC found Florida's performance satisfactory for Technical Staffing and Training, Status of Materials Inspection Program, Technical Quality of Inspections, Technical Quality of Licensing Actions, Technical Quality of Incidents and Allegation Activities, and Sealed Source and Device Evaluation; but found it unsatisfactory for Legislation, Regulations, and other Program Elements.
[41] Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024, Pub. L. No. 118-67, 118th Cong. (July 9, 2024).

application activities and early site permits at U.S. Department of Energy (USDOE) sites.[42] The ADVANCE Act also requires 25-month deadlines for NRC license issuance after receiving an application, requires the NRC to develop guidance to license and regulate microreactor designs, and increases permitting speed for certain sites.[43]

In 2025, President Donald J. Trump issued Executive Orders directed toward reforming nuclear energy policy on the federal level:

- **Executive Order 14299: Deploying Advanced Nuclear Reactor Technologies for National Security:**
  - This order established a comprehensive national security policy focused on accelerating the development, deployment, and export of U.S.-designed advanced nuclear technologies. The policy aims to ensure rapid development and deployment of advanced nuclear technologies to support national security objectives, enable private sector investment and innovation, and coordinate regulatory efforts across the U.S. Department of War and the USDOE.
- **Executive Order 14300: Ordering the Reform of the Nuclear Regulatory Commission:**
  - This order initiated a comprehensive reform of the NRC with a goal of deploying new nuclear reactor technologies and expanding U.S. nuclear energy capacity from approximately 100 GW in 2024 to 400 GW by 2050. The order directed the NRC to undergo significant structural and operational reforms, including reorganization, potential reductions in its workforce, and a wholesale revision of regulations and guidance documents to be completed by November of 2026. The order redefined the NRC's mission to include facilitating nuclear power while ensuring reactor safety and required the NRC to consider the benefits of nuclear power to economic and national security alongside traditional safety, health, and environmental considerations.
- **Executive Order 14301: Reforming Nuclear Reactor Testing at the Department of Energy:**
  - This order sought to reform nuclear reactor testing at the USDOE and accelerate the development of advanced nuclear technologies for domestic production. The order established a comprehensive framework to expedite the review, approval, and deployment of advanced reactors within the USDOE's jurisdiction. The order also mandated environmental review reforms under the National Environmental Policy Act (NEPA) and directed the use of all available authorities to eliminate or expedite environmental reviews for various permits and approvals.
- **Executive Order 14302: Reinvigorating the Nuclear Industrial Base:**
  - This order aimed to reinvigorate America's nuclear energy industrial base in an effort to ensure national and economic security. The order established a comprehensive policy to expedite and promote nuclear energy production and operation to provide affordable, reliable, safe, and secure energy to the American people. It also aimed to power ANR technologies and build associated supply chains that secure global industrial and digital dominance, while achieving energy independence. The order required the U.S. Secretary of Energy to develop plans for expanding domestic uranium conversion and enrichment capabilities and prioritized work with the nuclear industry to facilitate 5 gigawatts of power uprates to existing reactors and have 10 new large reactors under construction by 2030.[44]

Preemption in Nuclear Regulation

The legal doctrine of preemption is derived from the constitutional principle that federal law takes precedence over inconsistent state law. The "Supremacy Clause" of the U.S. Constitution states: "[t]his Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made,

[42] PSC, *Advanced Nuclear Power Feasibility Report*, Mar. 31, 2025, at page 47, available at https://www.floridapsc.com/pscfiles/website-files//PDF/Home/Advanced%20Nuclear%20Power%20Feasibility%20Report.pdf (last visited Jan. 26, 2026).
[43] *Id.*
[44] PSC, *Advanced Nuclear Update*, at pages 1-2, available at https://www.floridapsc.com/pscfiles/website-files//PDF/Home/AdvancedNuclearUpdate.pdf (last visited Jan. 16, 2026). *See also* The White House, *Executive Orders*, https://www.whitehouse.gov/presidential-actions/executive-orders (last visited Jan. 26, 2026).

under the Authority of the United States, shall be the supreme Law of the Land."[45] Thus, a federal law will prevail over an inconsistent state law. However, a state law need not be utterly incompatible with federal law in order to be preempted.[46] Courts interpret the Supremacy Clause to conclude that where Congress has expressed an intent to displace state authority within a given subject matter by establishing exclusive federal authority, state action in the field is thereby preempted.[47]

While courts have recognized the AEA to grant the NRC exclusive authority over radiological safety related to the construction and operation of nuclear power plants, the precise extent of preemption over state law is unclear.[48] Some states have sought to assert authority over nuclear power production by directing laws at the initial determination of whether a need for nuclear power exists or whether nuclear power is economically feasible.[49]

Texas, et al. v. NRC

One recent attempt to clarify the precise boundary of federal-state authority is a lawsuit[50] filed on December 30, 2024, against the NRC by various states and private industry entities.[51] The state of Florida joined the lawsuit on April 7, 2025.[52] The lawsuit alleges that certain ANRs fall outside the scope of the NRC's original authority, and that by requiring smaller, less hazardous reactors to comply with the same regulations as traditional reactors, the NRC has overstepped its jurisdiction.[53] After issuance of the Trump administration's executive orders supporting nuclear energy, the court granted a stay to permit the parties to discuss a potential path forward without further litigation.[54] That case is still pending.

Advanced Nuclear Reactors (ANRs)

An advanced nuclear reactor (ANR) is a term that describes a category of nuclear technology that maintains the benefits of existing technology while offering improved safety, scaling, and output features, as well as increased industrial applications and additional use cases.[55]

ANR designs seek to use combinations of new and existing technologies and materials to improve upon earlier generations of nuclear reactors in one or more of the following areas: cost, safety, security, waste management, and versatility.[56] To achieve these improvements, advanced designs may incorporate one or more of the following characteristics: inherent or passive safety features, simplified or modular designs, enhanced load-following capabilities, high-temperature stability, fast neutron spectrums, and "closed" fuel cycles.[57] ANRs also fall under sub-categories based on their output capacity:

- Microreactor: < 50 Megawatts (MW)
- Small (SMR): 50-300 MW
- Medium: 300-600 MW
- Large: >600 MW[58]

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[45] U.S. Const. art. VI, cl. 2.
[46] CRS, *State Authority to Regulate Nuclear Power: Federal Preemption Under the Atomic Energy Act (AEA)*, *supra* note 8, at page 2.
[47] *Id.*
[48] *Id.* at 12.
[49] *Id.*
[50] *Texas v. NRC*, Case No. 6:24-cv-00507-JDK (E.D. Tex.).
[51] PSC, *Advanced Nuclear Update*, *supra* note 43, at page 8.
[52] *Id.* at 9.
[53] *Id.* at 8-9.
[54] *Id.*
[55] PSC, *Advanced Nuclear Power Feasibility Report*, *supra* note 41, at page 19.
[56] CRS, *Advanced Nuclear Reactors: Technology Overview and Current Issues*, Feb. 17, 2023, at page 7, available at https://www.congress.gov/crs_external_products/R/PDF/R45706/R45706.7.pdf (last visited Jan. 16, 2026).
[57] *Id.*
[58] PSC, *Advanced Nuclear Power Feasibility Report*, *supra* note 41, at page 19.

Some ANRs have standardized or modular designs and are commonly referred to as small modular reactors (SMRs). SMRs can be factory built, have a smaller site footprint once installed, and can be incrementally scaled by installing additional units in sequence.[59] While a number of SMRs are in the process of seeking certification, the NRC has approved only one SMR design, the NuScale Power Module, which was approved by the NRC in 2023.[60]

Currently, there are three large ANR designs certified by the NRC: Korea Electric Power Corporation's Advanced Power Reactor 1400 (APR1400), GE Hitachi's Economic Simplified Boiling Water Reactor (BWR), and Westinghouse's AP1000.[61] The AP1000 is the only large ANR presently in commercial service in the U.S., located at Plant Vogtle in Georgia.[62]

Florida Public Service Commission (PSC)

The Florida Public Service Commission (PSC) is an arm of the legislative branch of government.[63] The role of the PSC is to ensure Florida's consumers receive utility services, including electric, natural gas, telephone, water, and wastewater, in a safe and reliable manner and at fair prices.[64] The PSC exercises regulatory authority over utilities in the following areas: rate base or economic regulation; competitive market oversight; and monitoring of safety, reliability, and service issues.[65] In carrying out its duties, the PSC sets rates and charges for investor-owned electric, natural gas, water, and wastewater utilities;[66] approves territorial agreements and resolves service area disputes among electric and natural gas utilities;[67] certifies service areas for water and wastewater utilities;[68] and oversees carrier-to-carrier relationships and related interconnection agreements to prevent anticompetitive behavior in the telecommunications sector.[69] In 2024, the PSC regulated four investor-owned electric companies, five investor-owned natural gas utilities, and 153 investor-owned water and wastewater utilities, and exercised competitive market oversight over 276 telecommunications companies operating in the state.[70]

The PSC consists of five Commissioners selected for their knowledge and competence in one or more fields substantially related to the duties and functions of the PSC, including economics, accounting, engineering, finance, natural resource conservation, energy, public affairs, and law.[71] Assisting the Commissioners in evaluating petitions and proceedings before it, the PSC has a staff comprised of various divisions with particular areas of expertise, including engineering, economics, accounting and finance, and law.[72]

The PSC's operations are funded through the Florida Public Service Regulatory Trust Fund, and each utility regulated by the PSC is required to pay a regulatory assessment fee twice a year that, to the extent practicable, is

[59] *See, e.g.*, NuScale, *NuScale Power Module*, https://www.nuscalepower.com/products/nuscale-power-module (last visited Jan. 26, 2026).
[60] USDOE, *NRC Certifies First U.S. Small Modular Reactor Design*, Jan. 20, 2023, https://www.energy.gov/ne/articles/nrc-certifies-first-us-small-modular-reactor-design (last visited Jan. 26, 2026).
[61] PSC, *Advanced Nuclear Power Feasibility Report*, *supra* note 41, at page 21.
[62] *Id.*
[63] S. 350.001, F.S.
[64] *See* PSC, *PSC Homepage*, http://www.psc.state.fl.us (last visited Jan. 26, 2026).
[65] PSC, *About the PSC*, https://www.psc.state.fl.us/about (last visited Jan. 26, 2026).
[66] Ss. 366.04(2)(b), 366.06(1), 367.011(2), and 367.081(1), F.S.
[67] S. 366.04(2)(d)-(e) and (3)(a)-(b), F.S.
[68] Ss. 367.031 and 367.045, F.S.
[69] *See* s. 364.16, F.S.
[70] PSC, *About the PSC*, *supra* note 64. While the PSC does not fully regulate publicly owned municipal or cooperative utilities, it retains limited jurisdiction, including territorial boundaries, over 35 municipally owned electric systems, 18 rural electric cooperatives, 27 municipally owned natural gas utilities, and 4 gas districts, and exercises statewide safety authority over all electric and natural gas systems.
[71] Ss. 350.01, 350.031, F.S.
[72] PSC, *About the PSC*, *supra* note 64.

related to the PSC's cost of regulating that type of company.[73] While the PSC's budget is set annually by the Legislature, the PSC does not receive any funding from the General Revenue Fund.[74]

Florida Department of Health (FDOH)

The Florida Department of Health (FDOH) was created for the purpose of protecting and promoting the health of all residents and visitors in the state through organized state and community efforts.[75] FDOH's primary tasks are to:

- Identify, diagnose, and conduct surveillance of diseases and health conditions in the state and accumulate the health statistics necessary to establish trends.
- Implement interventions that prevent or limit the impact or spread of diseases and health conditions.
- Collect, manage, and analyze vital statistics and other health data to inform the public and formulate public health policy and planning.
- Maintain and coordinate preparedness for and responses to public health emergencies in the state.
- Provide or ensure the provision of quality health care and related services to identified populations in the state.
- Regulate environmental activities that have a direct impact on public health in the state.
- Regulate health practitioners for the preservation of the health, safety, and welfare of the public.[76]

Bureau of Radiation Control

FDOH's Bureau of Radiation Control (BRC) is the primary state office that administers the NRC's Agreement State program in Florida to oversee the licensing and regulation of radioactive materials users.[77] The program is authorized under ch. 404, F.S., known as the Florida Radiation Protection Act.[78] The BRC's program licenses more than 1,800 users, including hospitals, universities, industrial facilities, doctors, roofing companies, a food irradiator, and a medical product irradiator.[79] The radioactive material employed by these users may be contained in a medical pharmaceutical or inside an industrial device such as a moisture density gauge or a static eliminator. The licenses are dynamic documents that may be amended to accommodate the licensees' needs and industry's changing needs in the use of radioactive materials, and each year the BRC issues over 2,100 license amendments or changes requested by licensees.[80]

Each materials license is valid for five years. Program staff inspects each licensee periodically from every six months to every five years depending on the type of license. During the inspection, which may take 100 hours or more at a large facility, the inspector takes direct radiation readings and interviews and observes personnel. The inspector also reviews records, and if necessary, collects samples from equipment surfaces and the general environment which are later analyzed for contamination at FDOH's radiation laboratory.[81]

Florida Department of Environmental Protection (FDEP)

The Florida Department of Environmental Protection (FDEP) is the state agency tasked with environmental management and stewardship and with protecting the state's air, water, and land.[82] FDEP's work is divided into three primary areas:

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[73] S. 350.113, F.S.; *see also, e.g.*, s. 366.14, F.S.
[74] Senate Regulated Industries Committee, *Bill Analysis for SB 1312 (2023)*, Mar. 30, 2023, available at https://flsenate.gov/Session/Bill/2023/1312/Analyses/2023s01312.ri.PDF (last visited Jan. 26, 2026).
[75] S. 20.43, F.S.
[76] S. 20.43(1), F.S.
[77] NRC, *Florida: Agreement State Information*, https://www.nrc.gov/agreement-states/florida (last visited Jan. 26, 2026).
[78] Ss. 404.022(1), 404.062, F.S.
[79] FDOH, *Radioactive Materials*, https://www.floridahealth.gov/licensing-regulations/radiation-control/radioactive-materials/ (last visited Jan. 26, 2026).
[80] *Id.*
[81] *Id.*
[82] FDEP, *About DEP*, https://floridadep.gov/sec/sec/content/about-dep (last visited Jan. 26, 2026).

- **Land and Recreation:** FDEP acquires and protects lands for preservation and recreation, overseeing 175 state parks and trails and more than 12 million acres of public lands and 4 million acres of coastal uplands and submerged lands.
- **Regulatory:** FDEP safeguards natural resources by overseeing permitting and compliance activities that protect air and water quality, and FDEP manages waste cleanups.
- **Ecosystems Restoration:** FDEP protects and improves Florida's water quality and aquatic resources, working with communities, local governments, and other agencies to protect and restore water quality and supply and to provide funding assistance for water restoration and infrastructure projects, and FDEP coordinates the protection of Florida's submerged lands and coastal areas.[83]

FDEP is also responsible for collecting and analyzing information concerning energy resources in this state; for coordinating the energy conservation programs of state agencies; and for coordinating the development, review, and implementation of the state's energy policy.[84]

Florida Energy Policy & Utility Regulation

Public Utilities

In Florida, the term "public utility" means every person, corporation, partnership, association, or other legal entity supplying electricity or gas to or for the public within the state.[85] However, the term does not include rural electric cooperatives, municipally owned utilities, or certain other specified entities.[86] The PSC has jurisdiction to regulate and supervise each public utility in the state with respect to its rates and service.[87] Public utilities in Florida may not charge or receive any rate not approved by the PSC.[88]

The Florida Supreme Court has, in interpreting the definition of "public utility," held that the sale of electricity to a single customer makes the provider a public utility under Florida law.[89]

Energy Policy

The state's energy policy is codified in s. 377.601, F.S., and was last revised in 2024.[90] The purpose of the policy is to ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public and economic growth.[91] The Legislature requires that the state's energy policy must be guided by the following goals:

- Ensuring a cost-effective and affordable energy supply.
- Ensuring adequate supply and capacity.
- Ensuring a secure, resilient, and reliable energy supply, with an emphasis on a diverse supply of domestic energy resources.
- Protecting public safety.
- Protecting the state's natural resources, including its coastlines, tributaries, and waterways.
- Supporting economic growth.[92]

To further those goals, it is the state's policy to:

- Promote the cost-effective development and use of a diverse supply of domestic energy resources in the state and discourage energy waste.

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[83] *Id.*
[84] S. 20.255(7), F.S.
[85] S. 366.02(8), F.S.
[86] *Id.*
[87] S. 366.04(1), F.S.
[88] S. 366.06(1), F.S.
[89] *PW Ventures, Inc. v. Nichols*, 533 So. 2d 281, 282-84 (Fla. 1988) (interpreting the phrase "to the public").
[90] Ch. 2024-186, Laws of Fla.
[91] S. 377.601(1), F.S.
[92] S. 377.601(2), F.S.

- Promote the cost-effective development and maintenance of energy infrastructure that is resilient to natural and manmade threats to the security and reliability of the state's energy supply.
- Reduce reliance on foreign energy resources.
- Include energy reliability and security considerations in all state, regional, and local planning.
- Utilize and manage effectively energy resources used within state agencies.
- Encourage local governments to include energy considerations in all planning and to support their work in promoting energy management programs.
- Include the full participation of citizens in the development and implementation of energy programs.
- Consider in its decisions the energy needs of each economic sector, including residential, industrial, commercial, agricultural, and governmental uses, and reduce those needs whenever possible.
- Promote energy education and the public dissemination of information on energy and its impacts in relation to the goals.
- Encourage the research, development, demonstration, and application of domestic energy resources, including the use of renewable energy resources.
- Consider, in its decisionmaking, the impacts of energy-related activities on the goals, including the whole-life-cycle impacts of any potential energy use choices, so that detrimental effects of these activities are understood and minimized.
- Develop and maintain energy emergency preparedness plans to minimize the effects of an energy shortage within this state.[93]

Florida law also states that it is in the public interest to promote the development of renewable energy resources in this state, and that renewable energy resources have the potential to help diversify fuel types to meet Florida's growing dependency on natural gas for electric production, minimize the volatility of fuel costs, encourage investment within the state, improve environmental conditions, and make Florida a leader in new and innovative technologies.[94] Each public utility in Florida, as well as certain municipal electric utilities and rural electric cooperatives, must continuously offer a purchase contract to producers of renewable energy based on the utility's full avoided costs.[95] Such utilities must also offer standardized interconnection agreements and net-metering programs for customer-owned renewable generation, subject to certain requirements.[96] However, Florida law requires the contracting producer of renewable energy to pay the actual costs of its interconnection with the transmission grid or distribution system.[97]

Florida's Energy Mix

As of 2023, approximately 73% of Florida's electricity generation comes from natural gas power plants, 11% comes from nuclear power plants, and approximately 7% comes from renewable energy sources.[98] Florida currently has four nuclear reactors in operation generating electricity, located at Turkey Point and St. Lucie, with all four reactors owned and operated by Florida Power & Light Company.[99] Florida's natural gas power plants are supplied by five interstate pipelines that deliver gas across the state.[100]

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[93] S. 377.601(3), F.S.
[94] S. 366.91(1), F.S.
[95] S. 366.91(3)-(4), F.S. The term "full avoided costs" is defined in s. 366.051, F.S., for regulated electric utilities to mean the incremental costs to the utility of the electric energy or capacity, or both, which, but for the purchase, such utility would generate itself or purchase from another source.
[96] S. 366.91(5)-(6), F.S.
[97] S. 366.91(8), F.S.
[98] PSC, *Facts and Figures of the Florida Utility Industry*, 2025, at page 2, available at https://www.floridapsc.com/pscfiles/website-files/PDF/Publications/Reports/General/FactsAndFigures/April%202025.pdf (last visited Jan. 16, 2026).
[99] *Id.* at 7.
[100] *Id.* at 18.

Ten-Year Site Plans

Each electric utility in Florida that generates electricity is required to annually submit to the PSC a Ten-year Site Plan (TYSP) to estimate the utility's power generating needs and the general location of its proposed power plant sites over a 10-year planning horizon.[101] A utility's TYSP is the culmination of a process known as integrated resource planning (IRP), in which the utility considers its forecasted load, conducts a reliability analysis, and evaluates a cost-effective combination of demand-side resources and supply-side resources.[102]

The PSC reviews each TYSP and is required to classify each plan as "suitable" or "unsuitable."[103] The PSC's annual review of utility TYSPs is non-binding, and each TYSP is considered tentative information for planning purposes only, but it does provide state, regional, and local agencies advance notice of proposed power plants and transmission facilities.[104] In its preliminary study of the TYSPs, the PSC must consider:

- The need, including the need as determined by the PSC, for electrical power in the area to be served.
- The effect on fuel diversity within the state.
- The anticipated environmental impact of each proposed electrical power plant site.
- Possible alternatives to the proposed plan.
- The views of appropriate local, state, and federal agencies, including the views of the appropriate water management to the availability of water and its recommendation as to the use by the proposed plant of salt water or fresh water for cooling purposes.
- The extent to which the plan is consistent with the state comprehensive plan.
- The plan with respect to the information of the state on energy availability and consumption.
- The amount of renewable energy resources the utility produces or purchases.
- The amount of renewable energy resources the utility plans to produce or purchase over the ten-year planning horizon and the means by which the production or purchases will be achieved.
- A statement describing how the production and purchase of renewable energy resources impact the utility's present and future capacity and energy needs.[105]

Any concerns identified during the review of the utilities' TYSPs may be addressed by the PSC at a formal public hearing, such as a power plant need determination proceeding.[106] After its review of the TYSPs, the PSC makes all of its findings available to FDEP for its consideration at any subsequent site certification proceeding under the PPSA or the Florida Electric Transmission Line Siting Act.[107] The PSC also provides a copy to the Florida Department of Agriculture and Consumer Services as part of its report on electricity and natural gas forecasts.[108]

Florida Power Plant Siting Act (PPSA)

The Power Plant Siting Act (PPSA)[109] is the state's centralized process for licensing large power plants.[110] A certification under the PPSA replaces all local and state permits, but local governments within whose jurisdiction the power plant is to be built, as well as state agencies whose regulatory authority is implicated by the plant, participate in the process. Certification addresses permitting, land use and zoning, and property interests. A certification grants approval for the location of the power plant and its associated facilities such as a natural gas pipeline supplying the plant's fuel, rail lines for bringing coal to the site, and roadways and electrical transmission

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[101] PSC, *Review of the 2025 Ten Year Site Plans of Florida's Electric Utilities*, at page 1, https://www.floridapsc.com/pscfiles/website-files/PDF/Utilities/Electricgas/TenYearSitePlans//2025/Review.pdf (last visited Jan. 26, 2026); R. 25-6.071, F.A.C.

[102] PSC, *Review of the 2025 Ten Year Site Plans of Florida's Electric Utilities*, *supra* note 100, at page 1.

[103] *Id.*

[104] *Id.*; s. 186.801(2), F.S.

[105] S. 186.801(2), F.S.

[106] PSC, *Review of the 2025 Ten Year Site Plans of Florida's Electric Utilities*, *supra* note 100, at page 1.

[107] S. 186.801(2), F.S. Ss. 403.501-403.518, F.S., are known collectively as the "Florida Electrical Power Plant Siting Act," and ss. 403.52-403.5365, F.S., are known collectively as the "Florida Electric Transmission Line Siting Act."

[108] S. 377.703(2)(e), F.S.; PSC, *Review of the 2025 Ten Year Site Plans of Florida's Electric Utilities*, *supra* note 100, at page 2.

[109] Ss. 403.501-403.518, F.S., are known collectively as the "Florida Electrical Power Plant Siting Act."

[110] FDEP, *Power Plant Siting Act*, https://floridadep.gov/water/siting-coordination-office/content/power-plant-siting-act (last visited Jan. 26, 2026).

lines carrying power to the electrical grid, among others.[111] A PPSA certification is issued by the Siting Board, comprised of the Governor and the Cabinet, or, in uncontested cases, by FDEP.[112] The PPSA applies to all steam or solar electrical power plants that generate 75 MW or more, but power plants that generate less than 75 MW may elect to apply for certification under the PPSA.[113]

PSC Determination of Need

The PSC is the exclusive forum for a determination of need for all electrical power plants subject to the PPSA.[114] In making its determination, the PSC must consider:

- The need for electric system reliability and integrity.
- The need for adequate electricity at a reasonable cost.
- The need for fuel diversity and supply reliability.
- Whether the proposed plant is the most cost-effective alternative available.
- Whether renewable energy sources and technologies, as well as conservation measures, are utilized to the extent reasonably available.
- The conservation measures taken by or reasonably available to the applicant or its members which might mitigate the need for the proposed plant.
- Other matters within its jurisdiction which it deems relevant.[115]

For nuclear power plants, the PSC is required to hold a hearing within 90 days after the filing of the petition to determine need and to issue an order granting or denying the petition within 135 days after the date of the filing of the petition.[116] In making a determination to either grant or deny the petition, the PSC must consider:

- The need for electric system reliability and integrity, including fuel diversity.
- The need for base-load generating capacity.
- The need for adequate electricity at a reasonable cost.
- Whether renewable energy sources and technologies, as well as conservation measures, are utilized to the extent reasonably available.[117]

The PSC is also required to take into account whether the proposed nuclear power plant will:

- Provide needed base-load capacity.
- Enhance the reliability of electric power production within the state by improving the balance of power plant fuel diversity and reducing Florida's dependence on fuel oil and natural gas.
- Provide the most cost-effective source of power, taking into account the need to improve the balance of fuel diversity, reduce Florida's dependence on fuel oil and natural gas, reduce air emission compliance costs, and contribute to the long-term stability and reliability of the electric grid.[118]

After the PSC grants a determination of need for a nuclear power plant, Florida law authorizes a utility to recover certain costs incurred prior to commercial operation of the plant and limits the ability to challenge a utility's recovery of such costs through rates.[119]

Radiological Contamination

Exposure to very high levels of radiation, such as being close to an atomic blast, can cause acute health effects such as skin burns and acute radiation syndrome ("radiation sickness").[120] It can also result in long-term health effects

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[111] *Id.*
[112] *Id.*
[113] *Id. See also* s. 403.506(1), F.S.
[114] S. 403.519, F.S.
[115] S. 403.519(3), F.S.
[116] S. 403.519(4), F.S.
[117] S. 403.519(4), F.S.
[118] S. 403.519(4)(b), F.S.
[119] S. 403.519(4)(e), F.S.

such as cancer and cardiovascular disease.[121] Exposure to low levels of radiation does not cause immediate health effects, but can cause a small increase in the risk of cancer over a lifetime.[122]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2024	CS/CS/HB 1645 - Energy Resources	Payne	Became law on July 1, 2024

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Economic Infrastructure Subcommittee	15 Y, 0 N, As CS	1/28/2026	Keating	Rubottom
THE CHANGES ADOPTED BY THE COMMITTEE:	• Clarified a provision of the bill granting regulatory authority to the Public Service Commission. • Clarified the definition of "clean energy" to include energy produced by all nuclear reactors. • Clarified a provision of the bill related to the applicability of the Florida Power Plant Siting Act to advanced nuclear reactors not interconnected to the grid. • Corrected certain other technical drafting errors.			
Budget Committee	25 Y, 0 N	2/16/2026	Pridgeon	Day
Commerce Committee			Hamon	Rubottom

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

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[120] U.S. Envtl. Prot. Agency, *Radiation Health Effects*, https://www.epa.gov/radiation/radiation-health-effects (last visited Jan. 26, 2026).
[121] *Id.*
[122] *Id.*

A bill to be entitled

An act relating to advanced nuclear reactors; creating s. 403.541, F.S.; providing definitions; authorizing the Florida Public Service Commission to regulate advanced nuclear reactors in this state; authorizing the Department of Health and the Department of Environmental Protection to exercise specified powers and duties; requiring the commission, the Department of Health, and the Department of Environmental Protection to jointly establish criteria for the certification of laboratories that perform analysis on nuclear materials; authorizing the possession of nuclear material for specified purposes; providing an exception and limitation for such possession; requiring permits for the transfer, receipt, possession, use, storage, or disposal of nuclear materials; requiring the commission to make a certain determination before issuing such permits; requiring certifications for construction and significant design modifications of advanced nuclear reactors; requiring the commission to consider certain factors before issuing such certifications; requiring the construction or significant design modification of advanced nuclear reactors to include certain radiation control devices; authorizing the commission to issue

reciprocal permits under certain conditions; providing penalties; requiring the commission, after consultation with the Department of Environmental Protection and the Department of Health, to adopt rules; providing requirements for such rules; amending s. 186.801, F.S.; revising the criteria the commission must consider in the preliminary study of electric utility 10-year site plans; amending s. 366.02, F.S.; revising the definition of the term "public utility"; amending s. 366.92, F.S.; revising legislative intent for the state's renewable energy policy; revising definitions; revising requirements for the development of certain standards by electric utilities; removing such requirement for rural cooperatives; amending s. 377.601, F.S.; revising legislative intent for the state's energy policy; amending s. 403.506, F.S.; revising applicability of power plant capacity and expansion thresholds; amending s. 403.519, F.S.; revising the criteria the commission must consider in making determinations for proposed power plants; providing an effective date.

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

Section 1. Section 403.541, Florida Statutes, is created

to read:

403.541 Advanced nuclear reactors.-

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

(a) "Advanced nuclear reactor" means a nuclear fusion reactor, or a nuclear fission reactor that uses new or significantly improved designs compared to commercial nuclear reactors in operation as of January 1, 2021, including improvements such as:

1. Inherent or passive safety features;

2. Lower waste yields;

3. Improved fuel performance or efficiency;

4. Significantly improved designs, materials, fuels, or cooling systems;

5. Reduced consumption of cooling water and other environmental impacts; or

6. Flexibility in operational output or ability to integrate into electric or nonelectric applications.

(b) "Commission" means the Florida Public Service Commission.

(c) "Electrical power plant" has the same meaning as provided in s. 403.503.

(d) "Nuclear material" means byproduct material, source material, and special nuclear material as those terms are defined in s. 404.31.

(2)(a) The authority to regulate advanced nuclear reactors

in this state is granted to the commission. At a minimum, the commission shall do all of the following:

1. Evaluate and approve designs for advanced nuclear reactors.

2. Issue permits for the possession, transportation, transfer, and use of nuclear materials in sufficient quantities to facilitate advanced nuclear reactor research, design, testing, construction, and operation.

3. Prescribe safety and construction standards for the use of nuclear materials in the development and operation of advanced nuclear reactors.

(b) The Department of Health may exercise its powers and duties granted under chapter 404 for the regulation of advanced nuclear reactors under this section. The Department of Health shall develop appropriate guidelines for nuclear facilities and advanced nuclear reactors to mitigate harm to human health resulting from radiological exposure.

(c) The Department of Environmental Protection may exercise its powers and duties granted under chapter 403 for the regulation of advanced nuclear reactors under this section. The Department of Environmental Protection shall develop appropriate guidelines for nuclear facilities and advanced nuclear reactors to mitigate environmental harm and promote the efficient and sustainable use of water and other natural resources.

(d) The commission, the Department of Health, and the

Department of Environmental Protection shall jointly establish criteria for the certification of laboratories that perform analysis on nuclear materials for the purpose of researching, designing, testing, or otherwise developing technology for nuclear power plants under this section.

(3) A person, corporation, or entity may possess nuclear materials for, and in quantities sufficient to facilitate, the research, design, testing, construction, and operation of advanced nuclear reactors. However, except for active military personnel or contractors acting pursuant to a lawful military order, a person, corporation, or entity may not possess nuclear materials in quantities that pose a danger to national defense and security or public health and safety.

(4)(a) The operator of a facility conducting research and testing of advanced nuclear reactors must obtain a permit from the commission for the use and storage of nuclear materials to facilitate such research and testing.

(b) A person, corporation, or entity must obtain a permit from the commission for the transfer, receipt, possession, use, or disposal of nuclear materials relating to the operation of advanced nuclear reactors.

(c) Before issuing a permit under this subsection, the commission must determine that the facility or reactor is equipped with radiation control devices that will abate or prevent radiological contamination in compliance with the

standards and rules established under this section.

(5)(a) The construction or significant design modification of an advanced nuclear reactor must be certified by the commission before such construction or modification may begin.

(b) Before issuing a certification under this subsection, the commission must consider, at a minimum, all of the following:

1. The extent to which the design will effectively mitigate and prevent danger to the public health and safety.

2. The compliance of the design with the safety standards prescribed by the commission.

3. The ability of the design to address known or reasonably foreseeable risks, including system failures, accidents, natural disasters, and extreme weather events.

4. The completeness and accuracy of engineering calculations and testing data for the design.

5. The ability of the design to promote the efficient and sustainable use of water and other natural resources.

(c) The construction or significant design modification of an advanced nuclear reactor must include radiation control devices that will abate or prevent radiological contamination in compliance with the standards and rules established under this section.

(6) If an applicant has been issued a permit or certification from another state or federal agency for the

activities under this section, the commission may issue a reciprocal permit or certification if the safety standards of the other state or federal agency are no less stringent than the standards and rules established under this section.

(7) A person, corporation, or entity who violates this section or any rules adopted hereunder is subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists, except that the maximum civil penalty may not exceed $1 million for any related series of violations.

(8) The commission, after consultation with the Department of Health and the Department of Environmental Protection, shall adopt rules to implement this section. In developing such rules, the commission shall refer to part II of this chapter and the rules and regulations established thereunder.

Section 2. Paragraph (j) of subsection (2) of section 186.801, Florida Statutes, is redesignated as paragraph (l), and new paragraphs (j) and (k) are added to that section, to read:

186.801 Ten-year site plans.—

(2) Within 9 months after the receipt of the proposed plan, the commission shall make a preliminary study of such plan and classify it as "suitable" or "unsuitable." The commission may suggest alternatives to the plan. All findings of the commission shall be made available to the Department of Environmental Protection for its consideration at any subsequent electrical power plant site certification proceedings. It is

recognized that 10-year site plans submitted by an electric utility are tentative information for planning purposes only and may be amended at any time at the discretion of the utility upon written notification to the commission. A complete application for certification of an electrical power plant site under chapter 403, when such site is not designated in the current 10-year site plan of the applicant, shall constitute an amendment to the 10-year site plan. In its preliminary study of each 10-year site plan, the commission shall consider such plan as a planning document and shall review:

(j) The amount of nuclear energy resources the utility produces or purchases.

(k) The amount of nuclear energy resources the utility plans to produce or purchase over the 10-year planning horizon and the means by which the production or purchases will be achieved.

Section 3. Subsection (8) of section 366.02, Florida Statutes, is amended to read:

366.02 Definitions.—As used in this chapter:

(8) "Public utility" means every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers supplying electricity or gas (natural, manufactured, or similar gaseous substance) to or for the public within this state; but the term "public utility" does not include either a cooperative now or hereafter organized and

existing under the Rural Electric Cooperative Law of the state; a municipality or any agency thereof; any entity, other than an electric utility, which produces electricity from an advanced nuclear reactor that is not interconnected to this state's electrical power grid for its own consumption or supplies such electricity for consumption by a single consumer; any dependent or independent special natural gas district; any natural gas transmission pipeline company making only sales or transportation delivery of natural gas at wholesale and to direct industrial consumers; any entity selling or arranging for sales of natural gas which neither owns nor operates natural gas transmission or distribution facilities within the state; or a person supplying liquefied petroleum gas, in either liquid or gaseous form, irrespective of the method of distribution or delivery, or owning or operating facilities beyond the outlet of a meter through which natural gas is supplied for compression and delivery into motor vehicle fuel tanks or other transportation containers, unless such person also supplies electricity or manufactured or natural gas.

Section 4. Subsections (1), (2), and (3) of section 366.92, Florida Statutes, are amended to read:

366.92 Florida renewable energy policy.—

(1) It is the intent of the Legislature to promote the development of clean ~~renewable~~ energy; protect the economic viability of Florida's existing clean ~~renewable~~ energy

facilities; diversify the types of fuel used to generate electricity in Florida; lessen Florida's dependence on natural gas and fuel oil for the production of electricity; minimize the volatility of fuel costs; encourage investment within the state; improve environmental conditions; and, at the same time, minimize the costs of power supply to electric utilities and their customers.

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

(a) "Clean energy" includes energy produced by nuclear reactors and includes renewable energy and renewable natural gas as those terms are defined in s. 366.91.

(b) ~~(a)~~ "Provider" means a "utility" as defined in s. 366.8255(1)(a).

~~(b) "Renewable energy" includes renewable energy and renewable natural gas as those terms are defined in s. 366.91(2).~~

(3) Each ~~municipal~~ electric utility ~~and rural electric cooperative~~ shall develop standards for the promotion, encouragement, and expansion of the use of clean ~~renewable~~ energy resources and energy conservation and efficiency measures. On or before April 1, annually, each ~~municipal~~ electric utility ~~and electric cooperative~~ shall submit to the commission a report that identifies such standards.

Section 5. Paragraph (m) is added to subsection (3) of section 377.601, Florida Statutes, to read:

377.601 Legislative intent.—

(3) In furtherance of the goals in subsection (2), it is the policy of the state to:

(m) Encourage the research, development, demonstration, and application of domestic advanced nuclear energy resources.

Section 6. Subsection (1) of section 403.506, Florida Statutes, is amended to read:

403.506 Applicability, thresholds, and certification.—

(1)(a) ~~The provisions of~~ This act applies ~~shall apply~~ to any electrical power plant as defined herein, except that ~~the provisions of~~ this act does ~~shall~~ not apply to the following, unless the applicant has elected to apply for certification under this act:

1. Any electrical power plant of less than 75 megawatts in gross capacity, including its associated facilities~~, unless the applicant has elected to apply for certification of such electrical power plant under this act~~.

2. ~~The provisions of this act shall not apply to~~ Capacity expansions of 75 megawatts or less, in the aggregate, of an existing exothermic reaction cogeneration electrical generating facility that was exempt from this act when it was originally built; however, this exemption shall not apply if the unit uses oil or natural gas for purposes other than unit startup.

3. Capacity expansions of 75 megawatts or less, in the aggregate, of one or more advanced nuclear reactors as defined

in s. 403.541 installed within the boundaries of an electrical power plant site previously certified under this act.

4. One or more advanced nuclear reactors as defined in s. 403.541 to be located within the boundaries of an electrical power plant site previously certified under this act, provided that:

a. The advanced nuclear reactor or reactors are intended to replace an existing electrical power plant located on the site.

b. The certificate holder intends to retire the existing electrical power plant from service.

c. The gross capacity of the advanced nuclear reactor or reactors, in the aggregate, does not exceed the gross capacity of the electrical power plant to be retired.

5. One or more advanced nuclear reactors as defined in s. 403.541 that are not interconnected to this state's electrical power grid and that are owned by an entity other than an electric utility for purposes of producing power for its own consumption or for use by a single consumer of electrical power.

(b) The ~~No~~ construction of any new electrical power plant or expansion in steam generating capacity as measured by an increase in the maximum electrical generator rating of any existing electrical power plant may not be undertaken after October 1, 1973, without first obtaining certification in the manner as herein provided, except that this act shall not apply

to any such electrical power plant which is presently operating or under construction or which has, upon the effective date of chapter 73-33, Laws of Florida, applied for a permit or certification under requirements in force prior to the effective date of such act.

Section 7. Subsection (3) of section 403.519, Florida Statutes, is amended to read:

403.519 Exclusive forum for determination of need.—

(3) The commission shall be the sole forum for the determination of this matter, which accordingly may ~~shall~~ not be raised in any other forum or in the review of proceedings in such other forum. In making its determination, the commission shall take into account the need for electric system reliability and integrity, the need for adequate electricity at a reasonable cost, the need for fuel diversity and supply reliability, whether the proposed plant is the most cost-effective alternative available, and whether nuclear ~~renewable~~ energy resources ~~sources and technologies~~, as well as conservation measures, are used ~~utilized~~ to the extent reasonably available. The commission shall also expressly consider the conservation measures taken by or reasonably available to the applicant or its members which might mitigate the need for the proposed plant and other matters within its jurisdiction which it deems relevant. The commission's determination of need for an electrical power plant shall create a presumption of public need

and necessity and shall serve as the commission's report required by s. 403.507(4). An order entered pursuant to this section constitutes final agency action.

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

Commerce Committee

CS/HB 1461 by Reps. Miller and Gentry
Advanced Nuclear Reactors

AMENDMENT SUMMARY
February 24, 2026

Amendment #584073 by Rep. Miller (line 53):

- Adds legislative findings.
- Adds a provision requiring the Public Service Commission (PSC) to consult with the University of Florida's Nuclear Fuels and Materials Characterization Facility in exercising the authority granted by the bill.
- Removes a provision amending the definition of the term "public utility."
- Removes a provision exempting advanced nuclear reactors that will not be interconnected to the grid from the power plant siting act.
- Adds provisions exempting advanced nuclear reactors that will not be interconnected to the grid from the PSC's need determination process.

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 Miller offered the following:

Amendment (with title amendment)

Remove lines 53-328 and insert:

(1) Based on Florida's energy needs, economic considerations, statewide energy reliability goals, and the need for additional base-load electrical generating capacity, the Legislature intends to promote the development of nuclear energy and to protect the viability of Florida's existing nuclear energy facilities, encourage investment into nuclear energy within the state, and minimize rising electricity rates through the use of nuclear energy.

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

(a) "Advanced nuclear reactor" means a nuclear fusion reactor, or a nuclear fission reactor that uses new or significantly improved designs compared to commercial nuclear reactors in operation as of January 1, 2021, including improvements such as:

1. Inherent or passive safety features;

2. Lower waste yields;

3. Improved fuel performance or efficiency;

4. Significantly improved designs, materials, fuels, or cooling systems;

5. Reduced consumption of cooling water and other environmental impacts; or

6. Flexibility in operational output or ability to integrate into electric or nonelectric applications.

(b) "Commission" means the Florida Public Service Commission.

(c) "Electrical power plant" has the same meaning as provided in s. 403.503.

(d) "Nuclear material" means byproduct material, source material, and special nuclear material as those terms are defined in s. 404.31.

(3)(a) The authority to regulate advanced nuclear reactors in this state is granted to the commission. At a minimum, the commission shall do all of the following:

1. Evaluate and approve designs for advanced nuclear reactors.

2. Issue permits for the possession, transportation, transfer, and use of nuclear materials in sufficient quantities to facilitate advanced nuclear reactor research, design, testing, construction, and operation.

3. Prescribe safety and construction standards for the use of nuclear materials in the development and operation of advanced nuclear reactors.

In exercising its authority granted by this section, the commission shall consult with the University of Florida's Nuclear Fuels and Materials Characterization Facility, or its successor facility at the University of Florida supporting research in nuclear materials science.

(b) The Department of Health may exercise its powers and duties granted under chapter 404 for the regulation of advanced nuclear reactors under this section. The Department of Health shall develop appropriate guidelines for nuclear facilities and advanced nuclear reactors to mitigate harm to human health resulting from radiological exposure.

(c) The Department of Environmental Protection may exercise its powers and duties granted under chapter 403 for the regulation of advanced nuclear reactors under this section. The Department of Environmental Protection shall develop appropriate

guidelines for nuclear facilities and advanced nuclear reactors to mitigate environmental harm and promote the efficient and sustainable use of water and other natural resources.

(d) The commission, the Department of Health, and the Department of Environmental Protection shall jointly establish criteria for the certification of laboratories that perform analysis on nuclear materials for the purpose of researching, designing, testing, or otherwise developing technology for nuclear power plants under this section.

(4) A person, corporation, or entity may possess nuclear materials for, and in quantities sufficient to facilitate, the research, design, testing, construction, and operation of advanced nuclear reactors. However, except for active military personnel or contractors acting pursuant to a lawful military order, a person, corporation, or entity may not possess nuclear materials in quantities that pose a danger to national defense and security or public health and safety.

(5)(a) The operator of a facility conducting research and testing of advanced nuclear reactors must obtain a permit from the commission for the use and storage of nuclear materials to facilitate such research and testing.

(b) A person, corporation, or entity must obtain a permit from the commission for the transfer, receipt, possession, use, or disposal of nuclear materials relating to the operation of advanced nuclear reactors.

(c) Before issuing a permit under this subsection, the commission must determine that the facility or reactor is equipped with radiation control devices that will abate or prevent radiological contamination in compliance with the standards and rules established under this section.

(6)(a) The construction or significant design modification of an advanced nuclear reactor must be certified by the commission before such construction or modification may begin.

(b) Before issuing a certification under this subsection, the commission must consider, at a minimum, all of the following:

1. The extent to which the design will effectively mitigate and prevent danger to the public health and safety.

2. The compliance of the design with the safety standards prescribed by the commission.

3. The ability of the design to address known or reasonably foreseeable risks, including system failures, accidents, natural disasters, and extreme weather events.

4. The completeness and accuracy of engineering calculations and testing data for the design.

5. The ability of the design to promote the efficient and sustainable use of water and other natural resources.

(c) The construction or significant design modification of an advanced nuclear reactor must include radiation control devices that will abate or prevent radiological contamination in

compliance with the standards and rules established under this section.

(7) If an applicant has been issued a permit or certification from another state or federal agency for the activities under this section, the commission may issue a reciprocal permit or certification if the safety standards of the other state or federal agency are no less stringent than the standards and rules established under this section.

(8) A person, corporation, or entity who violates this section or any rules adopted hereunder is subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists, except that the maximum civil penalty may not exceed $1 million for any related series of violations.

(9) The commission, after consultation with the Department of Health and the Department of Environmental Protection, shall adopt rules to implement this section. In developing such rules, the commission shall refer to part II of this chapter and the rules and regulations established thereunder.

Section 2. Paragraph (j) of subsection (2) of section 186.801, Florida Statutes, is redesignated as paragraph (l), and new paragraphs (j) and (k) are added to that section, to read:

186.801 Ten-year site plans.—

(2) Within 9 months after the receipt of the proposed plan, the commission shall make a preliminary study of such plan and classify it as "suitable" or "unsuitable." The commission

may suggest alternatives to the plan. All findings of the commission shall be made available to the Department of Environmental Protection for its consideration at any subsequent electrical power plant site certification proceedings. It is recognized that 10-year site plans submitted by an electric utility are tentative information for planning purposes only and may be amended at any time at the discretion of the utility upon written notification to the commission. A complete application for certification of an electrical power plant site under chapter 403, when such site is not designated in the current 10-year site plan of the applicant, shall constitute an amendment to the 10-year site plan. In its preliminary study of each 10-year site plan, the commission shall consider such plan as a planning document and shall review:

(j) The amount of nuclear energy resources the utility produces or purchases.

(k) The amount of nuclear energy resources the utility plans to produce or purchase over the 10-year planning horizon and the means by which the production or purchases will be achieved.

Section 3. Subsections (1), (2), and (3) of section 366.92, Florida Statutes, are amended to read:

366.92 Florida clean ~~renewable~~ energy policy.—

(1) It is the intent of the Legislature to promote the development of clean ~~renewable~~ energy; protect the economic

viability of Florida's existing clean ~~renewable~~ energy facilities; diversify the types of fuel used to generate electricity in Florida; lessen Florida's dependence on natural gas and fuel oil for the production of electricity; minimize the volatility of fuel costs; encourage investment within the state; improve environmental conditions; and, at the same time, minimize the costs of power supply to electric utilities and their customers.

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

(a) "Clean energy" includes energy produced by nuclear reactors and includes renewable energy and renewable natural gas as those terms are defined in s. 366.91.

(b) ~~(a)~~ "Provider" means a "utility" as defined in s. 366.8255(1)(a).

~~(b) "Renewable energy" includes renewable energy and renewable natural gas as those terms are defined in s. 366.91(2).~~

(3) Each ~~municipal~~ electric utility ~~and rural electric cooperative~~ shall develop standards for the promotion, encouragement, and expansion of the use of clean ~~renewable~~ energy resources and energy conservation and efficiency measures. On or before April 1, annually, each ~~municipal~~ electric utility ~~and electric cooperative~~ shall submit to the commission a report that identifies such standards.

Section 4. Paragraph (m) is added to subsection (3) of section 377.601, Florida Statutes, to read:

377.601 Legislative intent.—

(3) In furtherance of the goals in subsection (2), it is the policy of the state to:

(m) Encourage the research, development, demonstration, and application of domestic advanced nuclear energy resources.

Section 5. Subsection (5) of section 403.503, Florida Statutes, is amended to read:

403.503 Definitions relating to Florida Electrical Power Plant Siting Act.—As used in this act:

(5) "Applicant" means any electric utility or other person that ~~which~~ applies for certification pursuant to the provisions of this act.

Section 6. Subsection (1) of section 403.506, Florida Statutes, is amended to read:

403.506 Applicability, thresholds, and certification.—

(1)(a) ~~The provisions of~~ This act applies ~~shall apply~~ to any electrical power plant as defined herein, except that ~~the provisions of~~ this act does ~~shall~~ not apply to the following, unless the applicant has elected to apply for certification under this act:

1. Any electrical power plant of less than 75 megawatts in gross capacity, including its associated facilities~~, unless the~~

~~applicant has elected to apply for certification of such electrical power plant under this act~~.

2. ~~The provisions of this act shall not apply to~~ Capacity expansions of 75 megawatts or less, in the aggregate, of an existing exothermic reaction cogeneration electrical generating facility that was exempt from this act when it was originally built; however, this exemption shall not apply if the unit uses oil or natural gas for purposes other than unit startup.

3. Capacity expansions of 75 megawatts or less, in the aggregate, of one or more advanced nuclear reactors as defined in s. 403.541 installed within the boundaries of an electrical power plant site previously certified under this act.

4. One or more advanced nuclear reactors as defined in s. 403.541 to be located within the boundaries of an electrical power plant site previously certified under this act, provided that:

a. The advanced nuclear reactor or reactors are intended to replace an existing electrical power plant located on the site.

b. The certificate holder intends to retire the existing electrical power plant from service.

c. The gross capacity of the advanced nuclear reactor or reactors, in the aggregate, does not exceed the gross capacity of the electrical power plant to be retired.

(b) The ~~No~~ construction of any new electrical power plant or expansion in steam generating capacity as measured by an increase in the maximum electrical generator rating of any existing electrical power plant may not be undertaken after October 1, 1973, without first obtaining certification in the manner as herein provided, except that this act shall not apply to any such electrical power plant which is presently operating or under construction or which has, upon the effective date of chapter 73-33, Laws of Florida, applied for a permit or certification under requirements in force prior to the effective date of such act.

Section 7. Paragraph (c) is added to subsection (4) of section 403.507, Florida Statutes, to read:

403.507 Preliminary statements of issues, reports, project analyses, and studies.—

(4)

(c) This subsection does not apply to an application for an advanced nuclear reactor as defined in s. 430.541 that will not be interconnected to this state's electrical power grid.

Section 8. Subsection (3) of section 403.519, Florida Statutes, is amended, and a new subsection (5) is added to that section, to read:

403.519 Exclusive forum for determination of need.—

(3) The commission shall be the sole forum for the determination of this matter, which accordingly may ~~shall~~ not be

raised in any other forum or in the review of proceedings in such other forum. In making its determination, the commission shall take into account the need for electric system reliability and integrity, the need for adequate electricity at a reasonable cost, the need for fuel diversity and supply reliability, whether the proposed plant is the most cost-effective alternative available, and whether nuclear ~~renewable~~ energy resources ~~sources and technologies~~, as well as conservation measures, are used ~~utilized~~ to the extent reasonably available. The commission shall also expressly consider the conservation measures taken by or reasonably available to the applicant or its members which might mitigate the need for the proposed plant and other matters within its jurisdiction which it deems relevant. The commission's determination of need for an electrical power plant shall create a presumption of public need and necessity and shall serve as the commission's report required by s. 403.507(4). An order entered pursuant to this section constitutes final agency action.

(5) This section does not apply to an application for an advanced nuclear reactor as defined in s. 430.541 that will not be interconnected to this state's electrical power grid.

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

Remove lines 3-45 and insert:

s. 403.541, F.S.; providing definitions; providing legislative findings; authorizing the Florida Public Service Commission to regulate advanced nuclear reactors in this state; authorizing the Department of Health and the Department of Environmental Protection to exercise specified powers and duties; requiring the commission, the Department of Health, and the Department of Environmental Protection to jointly establish criteria for the certification of laboratories that perform analysis on nuclear materials; authorizing the possession of nuclear material for specified purposes; providing an exception and limitation for such possession; requiring permits for the transfer, receipt, possession, use, storage, or disposal of nuclear materials; requiring the commission to make a certain determination before issuing such permits; requiring certifications for construction and significant design modifications of advanced nuclear reactors; requiring the commission to consider certain factors before issuing such certifications; requiring the construction or significant design modification of advanced nuclear reactors to include certain radiation control devices; authorizing the commission to issue reciprocal permits under certain conditions; providing

penalties; requiring the commission, after consultation with the Department of Environmental Protection and the Department of Health, to adopt rules; providing requirements for such rules; amending s. 186.801, F.S.; revising the criteria the commission must consider in the preliminary study of electric utility 10-year site plans; amending s. 366.92, F.S.; revising legislative intent for the state's renewable energy policy; revising definitions; revising requirements for the development of certain standards by electric utilities; removing such requirement for rural cooperatives; amending s. 377.601, F.S.; revising legislative intent for the state's energy policy; amending s. 403.503, F.S.; revising the definition of the term "applicant"; amending s. 403.506, F.S.; revising applicability of power plant capacity and expansion thresholds; amending s. 403.519, F.S.; revising the criteria the commission must consider in making determinations for proposed power plants; exempting advanced nuclear reactors that are not interconnected to the electrical power grid from the requirement to obtain a determination of need;

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/CS/HB 1481	**COMPANION BILL:** CS/SB 1602 (Wright)
TITLE: Housing for Veterans	**LINKED BILLS:** CS/HB 1483 Rosenwald, Daley
SPONSOR(S): Rosenwald and Daley	**RELATED BILLS:** CS/SB 1604 (Wright)

Committee References

Housing, Agriculture & Tourism	➤	Intergovernmental Affairs	➤	Commerce
16 Y, 0 N, As CS		16 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill creates, subject to appropriation, the Homes for Veterans Property Management Incentive Pilot Program (pilot program) in Broward, Escambia, Hillsborough, and Santa Rosa counties to provide landlords with incentives to lease eligible dwelling units to veterans who are participating in the U.S. Department of Housing and Urban Development-U.S. Department of Veterans Affairs Supportive Housing program.

The bill allows landlords who enter into an agreement with eligible veterans to apply to an entity contracted by the Florida Housing Finance Corporation to receive funding to:

- Compensate a landlord for the time that a dwelling unit is held vacant before the veteran is able to move in.
- Cover property loss at the dwelling unit caused by the veteran which extends beyond the amount of the deposit money, up to $2,000.

Fiscal or Economic Impact:
The bill may have an indeterminate, negative fiscal impact on state government related to providing funding for certain landlords to veteran tenants and administering the pilot program.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill, subject to annual legislative appropriation, creates the Homes for Veterans Property Management Incentive Pilot Program (pilot program) in Broward, Escambia, Hillsborough, and Santa Rosa counties to provide landlords with incentives to lease eligible dwelling units to veterans who are participating in the U.S. Department of Housing and Urban Development (HUD)-U.S. Department of Veterans Affairs (VA) Supportive Housing (HUD-VASH) program, a program that combines HUD's housing choice voucher rental assistance for homeless veterans with case management and clinical services provided by the VA. (Section 1)

The bill allows landlords who enter into an agreement with eligible veterans to apply to program administrators who have contracted with the Florida Housing Finance Corporation (FHFC) to receive funding from the Vacancy Relief and Risk Mitigation Trust Fund (Fund) related to veteran housing, which is created by the linked bill, HB 1483, for the following purposes:

- To compensate a landlord for the time that the dwelling unit is held vacant before the veteran is able to move in.
    - The Fund may provide proportional rent to eligible landlords for a period of up to 45 days after the date the dwelling unit becomes available or until the actual date that the veteran moves into the dwelling unit, whichever is sooner.
- To cover property loss at the dwelling unit caused by the veteran which extends beyond the amount of the deposit money.

- The Fund may provide funding if a veteran moves out of the dwelling unit during the first 12 months of a year-to-year rental agreement or after the expiration of a rental agreement for any duration. The landlord may apply for up to $2,000 beyond the deposit money. (Section 1)

The bill requires FHFC, in consultation with the local public housing authority and case managers assigned to veterans by the VA, to establish and oversee the Fund, the applications for such trust funds, the document requirements, and all processes of the pilot program. (Section 1)

The bill provides that FHFC's responsibilities for the pilot program are limited to program administration, including:

- Rulemaking;
- Oversight; and
- Establishing and executing contracts with one or more local public housing authorities, contracted program administrators, or other public or nonprofit entities that have experience administering the HUD-VASH program, supportive housing, or landlord mitigation programs to perform:
  - Intake;
  - Documentation review;
  - Claim verification functions to locally administer the funds in the Fund; and
  - Distribution of funding to the contracted program administrator for payment of approved reimbursement requests. (Section 1)

The bill provides that FHFC is not responsible for maintaining eligibility files, tenancy records, or other case-level documentation for the HUD-VASH program, which must be maintained by the contracted program administrator. (Section 1)

In order to apply for the Fund for vacancy issues, the bill requires a landlord to submit all required documentation to the contracted program administrator within 60 days after the veteran moves into the dwelling unit. The case manager assigned to the veteran by the VA must assist FHFC by facilitating trust fund requests from landlords and documentation compliance. At a minimum, a landlord must submit documentation to the contracted program administrator in the form and manner established by FHFC. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management or rental assistance administration in the HUD-VASH program. The contracted program administrator must maintain all required documentation and provide FHFC with a certification of eligibility, tenancy dates, and verified costs within the timeframe established by FHFC by rule. (Section 1)

In order to apply for the Fund related to risk mitigation issues, the bill requires a landlord to submit all required documentation to the contracted program administrator within 60 days after the veteran moves out of the dwelling unit. The case manager assigned to the veteran must assist the contracted program administrator by facilitating trust fund requests from landlords and documentation compliance. The contracted program administrator must maintain all required documentation and provide FHFC, within the timeframe established by rule, a certification of eligibility, tenancy dates, verified damage amounts, and verified costs. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management or rental assistance administration in the HUD-VASH program. (Section 1)

The bill requires the landlord, after the veteran vacates the dwelling unit, to provide a copy of the move-out checklist with current photos of the dwelling unit and a copy of the written notice of intent to impose a claim on the deposit provided to the veteran by the landlord in accordance with s. 83.49(3)(a), F.S. (Section 1)

The bill provides that a landlord may apply for the Fund for risk mitigation issues only if the landlord previously applied to the Fund for vacancy issues. (Section 1)

The bill provides that, due to funding for the pilot program being limited, FHFC is required to award funds on a first-come, first-served basis. The bill allows FHFC to suspend acceptance of applications when available

appropriations are fully obligated. FHFC must notify contracted program administrators if the intake of applications is suspended and when the intake of applications is resumed. (Section 1)

The bill requires FHFC to adopt rules to implement the pilot program. (Section 1)

The bill has an effective date of July 1, 2026, if HB 1483 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law. (Section 2)

RULEMAKING:

The bill requires FHFC to adopt rules to implement the pilot program.

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:

The bill may have an indeterminate, negative fiscal impact on state government related to providing funding for certain landlords to veteran tenants and administering the pilot program.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Housing Finance Corporation

The Florida Housing Finance Corporation (FHFC) is a public-private entity created by the Legislature in 1997 to assist in providing a range of affordable housing opportunities for Floridians.[1] The FHFC is a corporation held by the state and housed within the Department of Commerce (Department). The FHFC is a separate budget entity and its operations are not subject to control, supervision, or direction by the Department.[2]

The goal of the FHFC is to increase the supply of safe, affordable housing for individuals and families with very low to moderate incomes by stimulating investment of private capital and encouraging public and private sector housing partnerships.[3] As a financial institution, the FHFC administers federal and state resources to finance the development and preservation of affordable rental housing and to assist homebuyers with financing and down payment assistance.[4]

The FHFC administers several affordable housing programs, including the:[5]

- State Apartment Incentive Loan Program,
- Multifamily Mortgage Revenue Bonds Program,
- Florida Affordable Housing Guarantee Program,
- Low Income Housing Tax Credit Program,
- State Housing Initiatives Partnership Program,
- Predevelopment Loan Program,

[1] Chapter 97-167, Laws of Fla. From 1980 through 1997, the former Florida Housing Finance Agency, placed within the former Department of Community Affairs, performed similar duties. *See* ch. 80-161, and ch. 97-167, s. 7, Laws of Fla.
[2] S. 420.504(3), F.S.
[3] *See* ss. 420.502 and 420.511, F.S.
[4] Florida Housing Finance Corporation, *Overview of Florida Housing Finance Corporation*, p. 1 (July 2017) *available at* https://www.floridahousing.org/docs/default-source/aboutflorida/august2017/august2017/tab8.pdf (last visited Jan. 29, 2026).
[5] *Id.* at pp. 6-8.

- Foreclosure Counseling Program,
- Affordable Housing Catalyst Program,
- Homebuyer Loan Program,
- Downpayment Assistance Program, and
- Homeownership Pool Program.

The FHFC may prevent an applicant or an applicant's affiliate from participating in any of its programs under certain circumstances if the applicant or affiliate has:[6]

- Made a material misrepresentation or engaged in fraudulent actions in connection with any FHFC program;
- Been convicted or found guilty of, or entered a plea of guilty or nolo contendere[7] to, a crime in any jurisdiction which directly relates to the financing, construction, or management of affordable housing or the fraudulent procurement of state or federal funds;
- Been excluded from any federal funding program related to providing housing, including debarment[8] from participation in federal housing programs by HUD;
- Been excluded from any federal or Florida procurement programs;
- Offered or given consideration, other than the consideration to provide affordable housing, with respect to a local contribution;
- Demonstrated a pattern of noncompliance and a failure to correct any such noncompliance after notice from FHFC in the construction, operation, or management of one or more developments funded through a FHFC program; or
- Materially or repeatedly violated any condition imposed by FHFC in connection with the administration of a FHFC program, including a land use restriction agreement, an extended use agreement, or any other financing or regulatory agreement with FHFC.

U.S. Department of Housing and Urban Development-Department of Veterans Affairs Supportive Housing

The U.S. Department of Housing and Urban Development (HUD) administers programs that provide housing and community development assistance, and also works to ensure fair and equal housing opportunity.[9] The HUD-Department of Veterans Affairs (VA) Supportive Housing (HUD-VASH) program combines the HUD's Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the VA. The VA provides these services for participating veterans at VA medical centers, community-based outreach clinics, through VA contractors, or through other VA designated entities.[10]

Each year, HUD and the VA collaboratively award HUD-VASH vouchers based on current geographic need and public housing agency (PHA) performance. Since 2017, the allocation process for awarding HUD-VASH vouchers has changed to allow PHAs to self-identify their interest in the program. HUD publishes an annual HUD-VASH Registration of Interest Notice containing detailed instructions that PHAs must follow if they are interested in receiving a portion of the available HUD-VASH vouchers. PHAs must have the support of a partnering VA facility and meet any utilization threshold requirements to be eligible for an award. After the registration period has closed, HUD and the VA use a formula to determine relative need, and ultimately invite eligible PHAs to apply for a

[6] S. 420.518(1), F.S.

[7] By entering a plea of nolo contendere, a defendant does not admit the allegations of the charge against him or her in a technical sense, but rather represents the defendant's unwillingness to contest the charge. *Grizzard v. State*, 881 So. 2d 673, at 676-677 (Fla. Dist. Ct. App. 2004). *See also, Vinson v. State*, 345 So.2d 711 (Fla.1977); *Kelly v. Dep't of Health & Rehab. Serv.*, 610 So.2d 1375 (Fla. 2d DCA 1992).

[8] "Debarment" means an action taken by a federal agency to prohibit a recipient from participating in federal government procurement contracts and covered nonprocurement transactions. 1 C.F.R. § 182.630.

[9] USA.GOV, *U.S. Department of Housing and Urban Development (HUD)*, https://www.usa.gov/agencies/u-s-department-of-housing-and-urban-development#:~:text=The%20Department%20of%20Housing%20and,equal%20housing%20opportunity%20for%20all. (last visited Jan. 29, 2026).

[10] HUD, *HUD-VASH*, https://www.hud.gov/helping-americans/housing-choice-vouchers-homeless-veterans (last visited Jan. 29, 2026).

specific number of HUD-VASH vouchers. The associated funding awarded for HUD-VASH vouchers is determined by the actual average per unit cost at each PHA.[11]

There is at least one PHA currently administering HUD-VASH in each of the 50 states, District of Columbia, Puerto Rico, and Guam.[12] In Florida there are 97 PHA's working with HUD.[13] HUD-VASH vouchers are renewed based on actual PHA leasing along with all other HCVs.[14] Generally, the HUD-VASH program is administered in accordance with regular HCV and project-based voucher program requirements.[15] However, the 2008 Consolidated Appropriations Act allows the HUD to waive or specify alternative requirements for any provision of any statute or regulation affecting the HCV program in order to effectively deliver and administer HUD-VASH voucher assistance.[16]

U.S. Department of Veterans' Affairs Case Management and Services

The VA runs programs that benefit veterans and members of their families. It offers educational opportunities and rehabilitation services and provides compensation payments for disabilities or death related to military service, home loan guaranties, pensions, burials, and health care that includes the services of nursing homes, clinics, and medical centers.[17] The VA Care Management and Social Work programs provide a vast array of clinical services, which address the needs of wounded, injured and ill Servicemembers, Veterans, their family members, and family caregivers.[18]

Community Resource and Referral Centers (CRRCs) are places where veterans who are experiencing homelessness or are at risk of homelessness can connect to stable housing and supportive services. CRRCs are collaborative, multi-agency programs that provide access to housing, health care, and a wide variety of services that veterans may need. These community-based store front operations are located in areas accessible to veterans and services are provided by both the VA and community partner staff.[19] CRRCs are an important part of the VA's community outreach efforts and a primary access point for veterans experiencing homelessness or risk.[20]

Veteran Homelessness

Section 1.01(14), F.S., defines "veteran" to mean a person who served in the active military, naval, or air service and who was discharged or released under honorable conditions only or who later received an upgraded discharge under honorable conditions, notwithstanding any action by the VA on individuals discharged or released with other than honorable discharges.

Florida has the second largest population of veterans in the nation after Texas.[21] Nearly 1.4 million veterans reside in the state, which is 12 percent of the state's population of adults aged 18 and over.[22]

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[11] *Id*.
[12] *Id*.
[13] HUD, Local Public Housing Authority, *PHA Contact Information*, https://www.hud.gov/sites/dfiles/PIH/documents/PHA_Contact_Report_FL.pdf (last visited Jan. 29, 2026).
[14] HUD, *supra* note 10.
[15] 24 CFR ss. 982 and 983.
[16] Pu. L. No. 110-161.
[17] USA.GOV, *U.S. Department of Veterans Affairs (VA)*, https://www.usa.gov/agencies/u-s-department-of-veterans-affairs (last visited Jan. 29, 2026).
[18] VA, *Care Management and Social Work*, https://www.patientcare.va.gov/caremanagement.asp (last visited Jan. 29, 2026).
[19] VA, *Outreach & Case Management*, https://www.va.gov/homeless/nchav/program-development-implementation/outreach-case-management/ (last visited Jan. 29, 2026).
[20] *Id*.
[21] VA, *Our Veterans*, https://www.floridavets.org/our-veterans/ (last visited Jan. 29, 2026).
[22] *Id*.

According to the Florida Council on Homelessness, reducing homelessness among veterans is an ongoing policy focus for local, state, and federal agencies.[23] Veterans experience homelessness at a higher rate than non-veterans, and the risk factors for veteran homelessness include substance abuse, mental health, poverty, and social isolation.[24] Preliminary 2025 data indicates the count of veterans experiencing homelessness in Florida decreased significantly from 2019 to 2025, and has seen a year over year decrease of 18.65 percent from 2024 to 2025. Nonetheless, approximately 1,898 veterans were experiencing homelessness in Florida in 2025.[25]

The Florida Department of Veterans' Affairs was created to provide assistance to all former, present, and future members of the Armed Forces of the United States and their spouses and dependents in preparing claims for and securing compensation, hospitalization, career training, and other benefits or privileges to which they are, or may become entitled to, under federal or state law or regulation by reason of their service in the Armed Forces of the United States.[26]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	16 Y, 0 N, As CS	2/5/2026	Curtin	Wright
THE CHANGES ADOPTED BY THE COMMITTEE:	• Clarified FHFC's responsibilities for the pilot program. • Required FHFC to contract with one or more entities with certain qualifications to perform intake, documentation review, document retention, claim verification, and funding distribution for the program. • Required that veterans must be participating in the HUD-VASH program to be eligible to participate in the pilot program. • Allowed FHFC and contracted entities to rely on certain documentation from the VA and local housing authorities when making funding determinations, rather than requiring original documents and applications from the landlord. • Allowed FHFC to suspend accepting applications when appropriated funds are expended.			
Intergovernmental Affairs Subcommittee	16 Y, 0 N, As CS	2/12/2026	Darden	Burgess
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed the definition of "ledger." • Made conforming changes.			
Commerce Committee			Hamon	Wright

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

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[23] Florida's Council on Homelessness, *Florida's Council on Homelessness Annual Report 2025*, p. 28, https://www.myflfamilies.com/sites/default/files/2025-07/Florida%20Council%20on%20Homelessness%20Annual%20Report%202025.pdf (last visited Jan. 29, 2026).
[24] National Coalition for Homeless Veterans, *Risk Factors for Homelessness Among US Veterans*, https://www.nchv.org/images/uploads/RB%2095%20-%20Risk%20Factors%20for%20Homelessness%20Among%20US%20Veterans%20FINAL%20(2).pdf (last visited Jan. 29, 2026).
[25] Florida's Council on Homelessness, *supra* note 23.
[26] S. 292.05(1), F.S.

A bill to be entitled

An act relating to housing for veterans; creating s. 83.684, F.S.; providing a short title; providing definitions; establishing the Homes for Veterans Property Management Incentive Pilot Program in certain counties, subject to legislative appropriation; requiring the Florida Housing Finance Corporation, in consultation with other entities and persons, to oversee specified aspects of the pilot program; providing the responsibilities of the corporation for the pilot program; requiring contracted program administrators to maintain certain functions of the pilot program; authorizing certain landlords to apply to a contracted program administrator to request funding from the Vacancy Relief and Risk Mitigation Trust Fund under certain circumstances; providing the purpose of such trust fund; providing requirements to request funding from the trust fund; requiring certain case managers to assist the contracted program administrator; requiring the contracted program administrator to maintain and provide certain documentation to the corporation; requiring the entity responsible for certain functions to maintain any supporting documentation; authorizing the corporation to rely on certifications, determinations, and

documentation provided by specified entities; providing that funding for the pilot program is awarded on a first-come, first-served basis; authorizing the corporation to suspend the acceptance of applications under certain circumstances; requiring specified notice; requiring the corporation to adopt rules; providing a contingent effective date.

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

Section 1. Section 83.684, Florida Statutes, is created to read:

83.684 Homes for Veterans Property Management Incentive Pilot Program.—

(1) This section may be cited as the "Homes for Veterans Property Management Incentive Pilot Program."

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

(a) "Corporation" means the Florida Housing Finance Corporation.

(b) "HUD-Veterans Affairs Supportive Housing program" means a program that combines the United States Department of Housing and Urban Development's housing choice voucher rental assistance for homeless veterans with case management and clinical services provided by the United States Department of Veterans Affairs.

(c) "Pilot program" means the Homes for Veterans Property Management Incentive Pilot Program.

(d) "Veteran" has the same meaning as in s. 1.01(14).

(3) The Homes for Veterans Property Management Incentive Pilot Program is established in Broward, Escambia, Hillsborough, and Santa Rosa Counties to provide eligible landlords with incentives to lease eligible dwelling units to veterans who are participating in the HUD-Veterans Affairs Supportive Housing program. Implementation of this pilot program is subject to annual legislative appropriation. The corporation, in consultation with the local public housing authority and case managers assigned to veterans by the United States Department of Veterans' Affairs, shall establish and oversee the Vacancy Relief and Risk Mitigation Trust Fund, the applications for such trust fund, the document requirements, and all processes of the pilot program. The corporation's responsibilities under this section are limited to program administration, including rulemaking, oversight, and establishing and executing contracts with one or more local public housing authorities, contracted program administrators, or other public or nonprofit entities that have experience administering the HUD-Veterans Affairs Supportive Housing program, supportive housing, or landlord mitigation programs to perform intake, documentation review, and claim verification functions to locally administer the funds in the Vacancy Relief and Risk Mitigation Trust Fund and to

distribute funding to the contracted program administrator for payment of approved reimbursement requests. The corporation is not responsible for maintaining eligibility files, tenancy records, or other case-level documentation for the HUD-Veterans Affairs Supportive Housing program. Such functions must be maintained by the contracted program administrator.

(4)(a) A landlord who enters into a rental agreement with an eligible veteran may apply to a contracted program administrator to request funding from the Vacancy Relief and Risk Mitigation Trust Fund created under s. 420.56 for the purpose of allowing a landlord to hold a dwelling unit for a period of time, and still be compensated for the time that the dwelling unit is vacant, until the veteran is able to move into the dwelling unit. Such trust fund provides proportional rent to eligible landlords for a period of up to 45 days after the date the dwelling unit becomes available or until the actual date that the veteran moves into the dwelling unit, whichever is sooner.

(b) To apply for funding under paragraph (a), a landlord must submit all required documentation to the contracted program administrator within 60 days after the veteran moves into the dwelling unit. The case manager assigned to the veteran must assist the contracted program administrator by facilitating trust fund requests from landlords and documentation compliance. The contracted program administrator must maintain all

documentation required under this subsection and provide the corporation with a certification of eligibility, tenancy dates, and verified costs within the timeframe established by the corporation by rule. At a minimum, a landlord must submit documentation to the contracted program administrator in the form and manner established by the corporation. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management or rental assistance administration in the HUD-Veterans Affairs Supportive Housing program.

(c) The corporation may rely on certifications, determinations, and documentation provided by public housing authorities, the United States Department of Veterans Affairs, providers of Supportive Services for Veteran Families, continuums of care, or other entities responsible for administering or supporting the functions of the HUD-Veterans Affairs Supportive Housing program. The corporation's reliance on such certifications, determinations, and documentation satisfies the corporation's oversight and evaluation responsibilities of the functions, activities, and outcomes for the pilot program.

(5)(a) If a veteran moves out of the dwelling unit during the first 12 months of a year-to-year rental agreement or after the expiration of a rental agreement for any duration, the

landlord may apply to the contracted program administrator for funding from the Vacancy Relief and Risk Mitigation Trust Fund created under s. 420.56 to cover property loss at the dwelling unit caused by the veteran which extends beyond the amount of the deposit money. The landlord may apply for up to $2,000 beyond the deposit money.

(b) To apply for funding under paragraph (a), a landlord must submit all required documentation to the contracted program administrator within 60 days after the veteran moves out of the dwelling unit. The case manager assigned to the veteran must assist the contracted program administrator by facilitating trust fund requests from landlords and documentation compliance. The contracted program administrator must maintain all documentation required under this subsection and provide the corporation, within the timeframe established by rule, a certification of eligibility, tenancy dates, verified damage amounts, and verified costs. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management or rental assistance administration in the HUD-Veterans Affairs Supportive Housing program.

(c) After the veteran vacates the dwelling unit, the landlord must provide a copy of the move-out checklist with current photos of the dwelling unit and a copy of the written notice provided to the veteran by the landlord in accordance

with s. 83.49(3)(a).

(d) A landlord may apply for funding under paragraph (a) only if the landlord previously applied for funding under paragraph (4)(a).

(6) Funding for the pilot program is limited, and the corporation shall award funds on a first-come, first-served basis. The corporation may suspend acceptance of applications when available appropriations are fully obligated. The corporation must notify contracted program administrators if intake of applications is suspended and when intake of applications is resumed.

(7) The corporation shall adopt rules to implement this section.

Section 2. This act shall take effect July 1, 2026, if HB 1483 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

COMMERCE COMMITTEE

CS/CS/HB 1481 by Rep. Rosenwald and Rep. Daley
Housing for Veterans

AMENDMENT SUMMARY
February 24, 2026

Amendment #677957 by Rep. Rosenwald (Lines 85-166):

- Removes references to linked bill that created the Trust Fund.

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 Rosenwald offered the following:

Amendment (with title amendment)

Remove lines 85-166 and insert:

Risk Mitigation Trust Fund for the purpose of allowing a landlord to hold a dwelling unit for a period of time, and still be compensated for the time that the dwelling unit is vacant, until the veteran is able to move into the dwelling unit. Such trust fund provides proportional rent to eligible landlords for a period of up to 45 days after the date the dwelling unit becomes available or until the actual date that the veteran moves into the dwelling unit, whichever is sooner.

(b) To apply for funding under paragraph (a), a landlord must submit all required documentation to the contracted program administrator within 60 days after the veteran moves into the

dwelling unit. The case manager assigned to the veteran must assist the contracted program administrator by facilitating trust fund requests from landlords and documentation compliance. The contracted program administrator must maintain all documentation required under this subsection and provide the corporation with a certification of eligibility, tenancy dates, and verified costs within the timeframe established by the corporation by rule. At a minimum, a landlord must submit documentation to the contracted program administrator in the form and manner established by the corporation. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management or rental assistance administration in the HUD-Veterans Affairs Supportive Housing program.

(c) The corporation may rely on certifications, determinations, and documentation provided by public housing authorities, the United States Department of Veterans Affairs, providers of Supportive Services for Veteran Families, continuums of care, or other entities responsible for administering or supporting the functions of the HUD-Veterans Affairs Supportive Housing program. The corporation's reliance on such certifications, determinations, and documentation satisfies the corporation's oversight and evaluation

responsibilities of the functions, activities, and outcomes for the pilot program.

(5)(a) If a veteran moves out of the dwelling unit during the first 12 months of a year-to-year rental agreement or after the expiration of a rental agreement for any duration, the landlord may apply to the contracted program administrator for funding from the Vacancy Relief and Risk Mitigation Trust Fund to cover property loss at the dwelling unit caused by the veteran which extends beyond the amount of the deposit money. The landlord may apply for up to $2,000 beyond the deposit money.

(b) To apply for funding under paragraph (a), a landlord must submit all required documentation to the contracted program administrator within 60 days after the veteran moves out of the dwelling unit. The case manager assigned to the veteran must assist the contracted program administrator by facilitating trust fund requests from landlords and documentation compliance. The contracted program administrator must maintain all documentation required under this subsection and provide the corporation, within the timeframe established by rule, a certification of eligibility, tenancy dates, verified damage amounts, and verified costs. Required supporting documentation necessary to confirm eligibility for reimbursement and oversight must be maintained by the entity responsible for case management

or rental assistance administration in the HUD-Veterans Affairs Supportive Housing program.

(c) After the veteran vacates the dwelling unit, the landlord must provide a copy of the move-out checklist with current photos of the dwelling unit and a copy of the written notice provided to the veteran by the landlord in accordance with s. 83.49(3)(a).

(d) A landlord may apply for funding under paragraph (a) only if the landlord previously applied for funding under paragraph (4)(a).

(6) Funding for the pilot program is limited, and the corporation shall award funds on a first-come, first-served basis. The corporation may suspend acceptance of applications when available appropriations are fully obligated. The corporation must notify contracted program administrators if intake of applications is suspended and when intake of applications is resumed.

(7) The corporation shall adopt rules to implement this section.

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

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

Remove line 32 and insert:

rules; 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/CS/HB 1521	**COMPANION BILL:** CS/SB 1004 (Gaetz)
TITLE: Domestic Animals	**LINKED BILLS:** None
SPONSOR(S): Weinberger	**RELATED BILLS:** None

Committee References

Industries & Professional Activities	➤	Budget	➤	Commerce
17 Y, 0 N, As CS		26 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill requires the Florida Department of Law Enforcement (FDLE), by January 1, 2027, to post specified information on its website regarding individuals that have been convicted of cruelty to animals. The bill requires the Department of Business and Professional Regulation (DBPR) to develop and publish on its website a list of voluntary best management practices for dog breeders, recommending the minimum standards of care for the breeding, feeding, housing, health, enrichment, recordkeeping, selling, financing, and transferring of dogs in the state. The bill creates the Dog Awareness and Welfare Guidelines (DAWG) Breeder Program to recognize breeders who voluntarily adopt and implement the best management practices for dog breeders.

The bill modifies provisions governing the sale of cats and dogs in the state. Specifically, the bill imposes additional requirements on pet dealers; extends certain notification time frames related to the sale of an ill or unfit animal; and clarifies jurisdiction and remedies for disputes over the sale of an animal.

The bill also requires DBPR to maintain on its website information relating to animal cruelty and abuse, and instructions on how to report suspected abuse to the appropriate local authority.

Fiscal or Economic Impact:
The bill does not include an appropriation. However, the bill authorizes DBPR, subject to appropriation, to inspect an applicant's breading program. The bill requires that all feels collected be deposited in the Professional Regulation Trust Fund withing DBPR. Further, the bill authorizes DBPR to contract with and designate local law enforcement, animal services, and other entities to perform inspections or related investigative activities.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Animal Cruelty

The bill expands the information that the Florida Department of Law Enforcement (FDLE) must include on its website for a person convicted of animal cruelty, before January 1, 2027. The information is expanded to include, all aliases, date of birth, race, counties of conviction, charges, case numbers, depositions, description of any identifying marks and tattoos, and a photograph taken at the time of booking related to the animal cruelty offense of each individual convicted of cruelty to animals. (Section 1)

Best Management Practices for Dog Breeders

The bill directs the Department of Business and Professional Regulation (DBPR) to develop and publish on its website a list of voluntary best management practices for dog breeders. These practices are intended to recommend minimum standards of care related to animal care, facility operations, and breeding practices in the state. However, the bill does not require dog breeders to adopt or comply with the recommended best management practices. (Section 2)

Specifically, DBPR must develop best management practices addressing the following areas:

- Breeding;
- Feeding;
- Housing;
- Health;
- Enrichment;
- Selling and transferring; and
- Record keeping. (Section 2)

In addition to the recommended best management practices for dog breeders, the bill requires DBPR to develop and publish information for the public on how to identify whether a breeder is adhering to the recommended practices, including a checklist for consumers to use when purchasing a dog. (Section 2)

Dog Awareness and Welfare Guidelines (DAWG) Breeder Program

The bill creates the Dog Awareness and Welfare Guidelines (DAWG) Breeder Program to recognize dog breeders who voluntarily adopt and implement the best management practices for breeders. The DAWG Breeder Program is administered by DBPR. (Section 3)

A dog breeder who voluntarily adopts the best management practices and seeks certification as a DAWG Breeder must:

- Submit an application;
- Voluntarily submit to an inspection by DBPR or its designee; and
- Pay the actual cost of such inspection. (Section 3)

Subject to appropriation, DBPR or its designee may conduct an inspection of an applicant's dog breeding program. DBPR may contract with and designate local law enforcement or animal services, or any other public or private entity that regularly conducts animal welfare investigations. Private service providers may include veterinarians who have been licensed for at least ten years and who currently have a Florida license in good standing. If sufficient resources are not available, an applicant to the DAWG Breeder Program may either wait until such resources become available or contract with a private service provider designated and approved by DBPR. (Section 3)

Upon inspection, if DBPR determines that the dog breeder has voluntarily adopted and implemented the best management practices for dog breeding, the department must issue the breeder a DAWG Breeder Certificate. Once certified, a DAWG Breeder may identify themselves as such in their professional practice, including in marketing and advertising materials. (Section 3)

A DAWG Breeder Certificate is valid for two years. However, DBPR may suspend or revoke a DAWG Breeder's certification if the department determines that the breeder has failed to maintain the best management practices. (Section 3)

Consumer Protections

The bill revises ch. 828.29, F.S., governing the sale of cats and dogs to strengthen consumer protections and promote animal welfare throughout the state. Specifically, the bill:

- Extends the return or exchange period for an ill or unfit animal from 14 days to 30 days.

- Extends the timeframe within which a consumer must notify the pet dealer and provide documentation that an animal is unfit following such diagnosis, from two business days to seven days.
- Clarifies that a consumer may seek reimbursement from a pet dealer for emergency medical services and treatment provided to alleviate the suffering of an ill or unfit animal.
- Expressly prohibits a consumer from returning or exchanging, or otherwise seeking reimbursements, for an animal with a congenital or hereditary disorder, based solely on such disorder, if the pet dealer notified the consumer that the animal had such disorder at the time of the sale.
- Clarifies that jurisdiction over disputes regarding the return of an ill or unfit animal includes the county court or the small claims court division in the county where the consumer resides.
- Authorizes the consumer to recover up to $2,500 in punitive damages in a dispute involving the return of an ill or unfit animal. (Section 4)

The bill also imposes additional requirements on pet dealers, including that the pet dealer must:

- Disclose all financial terms to the consumer before the sale of an animal.
- Ensure that any pet financing arrangement is terminated without penalty to the consumer when an animal is determined to be unfit for purchase due to illness or disease.
- Retain copies of all records given to the consumer for a minimum of three years. (Section 4)

The bill revises the technical and substantive requirements for the notice that every pet dealer must provide to a consumer at the time of the sale. The notice must:

- Be separate from the sales contract.
- Be printed, in 14-point bold font.
- Be signed by the consumer.
- Specifically inform the consumer of their rights to return the animal, exchange the animal, and receive reimbursement for certain veterinary expenses under certain circumstances.
- Further, the pet dealer must retain a signed copy of the notice and give the consumer a copy. (Section 4)

The bill amends the definition of "pet dealer" as used in s. 828.29, F.S., to exclude not-for-profit entities that offer animals for sale or adoption for a fee that not exceeding $500, inclusive of all taxes, fees, and other costs. (Section 4)

The bill requires DBPR to maintain information on its website relating to animal cruelty and abuse, including instructions for reporting suspected abuse to the appropriate local authority. Such information must include a description of conduct that constitutes animal cruelty, the penalties for such conduct, and contact information for at least one appropriate authority in each county in the state. (Section 2)

Effective Date

The bill provides an effective date of July 1, 2026.

RULEMAKING:

Currently, the Department of Business and Professional Regulation has the authority to adopt rules as necessary, pursuant to ss. 120.536 (1) and 120.54, F.S., to implement the regulatory requirements of any profession within the department's jurisdiction which does not have a statutorily authorized regulatory board.[1] The bill specifies that such authority extends as necessary to create and implement the DAWG Breeder Program.

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.

[1] S. 455.2035, F.S.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill does not include an appropriation. However, the bill authorizes DBPR, subject to appropriation, to inspect an applicant's breading program. Further, the bill authorizes DBPR to contract with and designate local law enforcement, animal services, and other entities to perform inspections or related investigative activities.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Sale of Domestic Animals

Florida does not currently regulate the breeding of domestic animals.[2] However, s. 828.29, F.S., provides restrictions on the sale of cats and dogs within the state, including requirements related to the animals being sold, the actions of the seller, and the conditions under which sales may occur.

A "pet dealer" is any person, firm, partnership, corporation, or other association that, in the ordinary course of business, sells more than two litters or 20 dogs or cats per year, whichever is greater, to the public. This includes breeders who sell animals directly to consumers.[3]

In Florida, all cats and dogs sold, offered for sale, or transported into the state must be at least 8 weeks of age.[4]

Required Medical Treatment and Documentation

Currently, all dogs and cats sold or transported into the state are required to receive tests, vaccines, and antiparasitic treatments under the supervision of a licensed veterinarian at least 14-30 days prior to the animal entering the state.[5] Animals offered for sale within the state must also be treated before sale, unless a veterinarian certifies that such treatment would not be in the animal's best medical interest.[6] All dogs and cats sold, or offered for sale, within the state must be accompanied by a current official certificate of veterinary inspection[7] at all times, detailing all medical treatment that the animal has received. The examining veterinarian must retain a copy of the official certificate of veterinary inspection for at least one year. The seller must provide a copy of the certificate to the buyer, and retain a copy for at least one year following the sale of the animal.[8]

Required Notice

Every pet dealer who sells an animal to a consumer must provide the consumer with a written notice at the time of sale. The notice must read as follows:[9]

> It is the consumer's right, pursuant to section 828.29, Florida Statutes, to receive a certificate of veterinary inspection with each dog or cat purchased from a pet dealer. Such certificate shall list all vaccines and deworming medications administered to the animal and shall state that the animal has

[2] "Domestic animal" includes any equine or bovine animal, goat, sheep, swine, domestic cat, dog, poultry, ostrich, emu, rhea, or other domesticated beast or bird. S. 585.01(11), F.S.
[3] S. 828.29(13), F.S.
[4] S. 828.29(4), F.S.
[5] S. 828.29(1)(a) and (2)(a), F.S.
[6] S. 828.29(1)(b) and (2)(b), F.S.
[7] An official certificate of veterinary inspection is a document signed by a veterinarian licensed in the state of origin and accredited by the U.S. Department of Agriculture. It must include the animal's age, sex, breed, color, and health record; the names and addresses of the seller and purchaser; and the examining veterinarian's name and license number. It must also list all vaccines and deworming treatments administered with specificity. The examining veterinarian must certify that, to the best of their knowledge, the animal shows no signs of contagious or infectious disease and no evidence of internal or external parasites, excluding fleas and ticks. S. 828.29(3)(b), F.S.
[8] S. 828.29(3), F.S.
[9] S. 828.29(12), F.S.

been examined by a Florida-licensed veterinarian who certifies that, to the best of the veterinarian's knowledge, the animal was found to have been healthy at the time of the veterinary examination. In the event that the consumer purchases the animal and finds it to have been unfit for purchase as provided in section 828.29(5), Florida Statutes, the consumer must notify the pet dealer within 2 business days of the veterinarian's determination that the animal was unfit. The consumer has the right to retain, return, or exchange the animal and receive reimbursement for certain related veterinary services rendered to the animal, subject to the right of the dealer to have the animal examined by another veterinarian.

Consumer Protections

Under Florida's Lemon Pet law, consumers who purchase dogs or cats from pet dealers are entitled to specified remedies if the animal is later determined to be unfit for purchase. An animal may be deemed unfit for purchase after sale if:[10]

- Within 14 days of sale, a veterinarian certifies that the animal was ill, showing signs of contagious or infectious disease, or had internal or external parasites, excluding fleas or ticks.
- Within 1 year of the sale, a veterinarian certifies that the animal has a congenital or hereditary disorder adversely affecting the health of the animal.
- Within 1 year of the sale, the consumer discovers that the pet dealer misrepresented the breed, sex, or health of the animal.

However, an animal may not be deemed unfit for sale based on an injury or illness that occurs after the consumer takes possession of the animal. Further, the presence of intestinal parasites alone does not render an animal unfit, unless the animal is clinically ill as a result of the condition.[11]

Right to Refund or Exchange of Animal

If a dog or cat sold by a pet dealer is determined to be unfit for purchase, the consumer may choose to:

- Return the animal for a refund, including sales tax and reasonable[12] veterinary costs;[13]
- Return the animal for an exchange of equivalent value and receive reimbursement of reasonable veterinary costs;[14] or
- Keep the animal and receive reimbursement for reasonable veterinary costs related to treatment or attempts to cure the animal.[15]

However, reimbursement for veterinary costs may not exceed the purchase price the consumer paid for the animal.[16]

Congenital or Hereditary Disorders

At the time of purchase, a consumer may sign a waiver relinquishing the right to return a dog or car due to a congenital or hereditary disorder. If such waiver is signed, the consumer has 48 normal business hours, excluding weekends and holidays, to have the animal examined by a licensed veterinarian of the consumer's choosing. If the veterinarian certifies that, at the time of sale, the dog or cat was unfit for purchase due to congenital or hereditary disorder, the pet dealer must allow the consumer to either:[17]

- Return the animal and receive a refund of the purchase price, including sales tax, but not including veterinary costs; or

[10] S. 828.29(5), F.S.
[11] S. 828.29(9), F.S.
[12] The cost of veterinary treatment is considered reasonable if it is comparable to the cost charged by other nearby licensed veterinarians for the same services. S. 828.29(5), F.S.
[13] S. 828.29(5)(a), F.S.
[14] S. 828.29(5)(b), F.S.
[15] S. 828.29(5)(c), F.S.
[16] S. 828.29(5), F.S.
[17] S. 828.29(6), F.S.

- Return the animal and receive an exchange of the consumer's choice of equivalent value, with no reimbursement for veterinary costs.

However, if the pet dealer notified the consumer in writing at the time of the sale that the animal had a specific congenital or hereditary disorder, the consumer has no right to any refund or exchange for those disorders.[18]

Refund or Exchange Timeline and Notice Requirements

Upon receiving a veterinarian's determination that an animal is unfit for purchase, the consumer must notify the pet dealer within two business days. The written certification of unfitness must be submitted to the pet dealer no more than three business days after the consumer receives it.[19]

If a consumer that is entitled to return or exchange the animal elects to exercise that right, the pet dealer must provide the refund or exchange within 10 business days after receiving the signed veterinary certification.[20]

Challenged Refund or Exchange

If a pet dealer wishes to contest a consumer's demand for veterinary expenses, a refund, or an exchange, the dealer may require the consumer to produce the animal for examination by a licensed veterinarian of the pet dealer's choice. However, if the consumer and the pet dealer are unable to reach an agreement within ten business days after the dealer's receipt of the animal for examination, the consumer may initiate an action in a court of competent jurisdiction to recover or obtain reimbursement of veterinary expenses, a refund, or an exchange.[21]

Dog Breeding

Dog breeding refers to the practice of mating selected dogs with the intention of producing puppies that possess particular genetic traits and characteristics. Currently, Florida does not regulate dog breeding, leaving oversight of breeder practices largely unmonitored. However, many other states have established various regulatory frameworks to protect animal welfare, including implementing breeder licensing requirements, mandatory standards for housing and care, and periodic inspections to ensure compliance with animal welfare laws.[22]

Beyond regulatory oversight, programs recognizing breeder excellence are becoming increasingly common. These programs reward breeders who adhere to high standards of animal care, health, and ethical breeding practices. For example, in 2013, Purdue University's College of Veterinary Medicine created the Canine Care Certified Standards. This voluntary, nationwide program provides science-based, peer-reviewed guidelines for breeders to ensure the physical and behavioral health of dogs in the care of breeders. The Canine Care Certified program emphasizes five key pillars of care: physical health, behavioral health, environment, breeding life and retirement, and caretaker expectations. Today, 208 breeders across the country are Canine Care Certified.[23]

Similarly, in 2020, Minnesota launched a statewide breeder excellence program to recognize commercial breeders demonstrating outstanding practices in five categories: behavior and socialization, facility management, health screening, illness specific testing, and continuing education.[24]

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[18] S. 828.29(7), F.S.
[19] S. 828.29(8), F.S.
[20] Id.
[21] S. 828.29(10), F.S.
[22] *See* American Society for the Prevention of Cruelty to Animals, *State Puppy Mill Chart*, https://www.aspca.org/sites/default/files/puppy-mill-chart.pdf (last visited Feb. 1, 2026).
[23] Purdue University, College of Veterinary Medicine, *Canine Care Certified*, https://vet.purdue.edu/ccc/ (last visited Feb. 1, 2026).
[24] Minnesota Board of Animal Health, *Breeder Excellence Program*, https://www.bah.state.mn.us/breeder-excellence (last visited Feb. 1, 2026).

Animal Cruelty

In Florida, animal cruelty includes any act, omission, or neglect that causes unnecessary or unjustifiable pain or suffering to any living animal.[25] A person commits the offense of animal cruelty, a first degree misdemeanor, punishable by up to one year in county jail, a fine of not more than $5,000, or both, if he or she:[26]

- Unnecessarily overloads, overdrives, torments, mutilates, or kills an animal;
- Deprives an animal of necessary sustenance or shelter;
- Causes any of the above to be done to an animal; or
- Carries an animal in or upon a vehicle, or otherwise, in a cruel or inhumane manner.

A person commits the offense of aggravated animal cruelty, a third degree felony, punishable by up to five years in prison, a fine of not more than $10,000, or both, by intentionally committing an act on an animal, or failing to act if the person owns and has custody and control of the animal, and such action or omission:[27]

- Results in the cruel death of the animal;
- The excessive or repeated infliction of unnecessary pain or suffering on the animal; or
- Causes the same to be done to the animal.

A person who is convicted of animal cruelty or aggravated animal cruelty may be prohibited from owning, possessing, keeping, harboring, or having custody or control over any animal for a period of time as determined by a court.[28]

The Florida Department of Law Enforcement is required to post on its website, in a searchable format as prescribed by the department, the names of those individuals who have been convicted of animal cruelty.[29]

OTHER RESOURCES:

Animal Welfare Act and Animal Welfare Regulations

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[25] S. 828.02, F.S.
[26] S. 828.12(1), F.S.
[27] S. 828.12(2), F.S.
[28] S. 828.12(6), F.S.
[29] S. 828.12(7), F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee	17 Y, 0 N, As CS	2/5/2026	Anstead	Bunnell
THE CHANGES ADOPTED BY THE COMMITTEE:	• Established the DAWG Breeder Program. • Increased consumer protections in pet sales. • Required the Department of Agriculture and Consumer Services to maintain certain information on its website. • Removed provisions related to animal shelters. • Removed provision creating a civil cause of action for consumers. • Removed provision making a violation of s. 828.29, F.S., a violation of the Florida Deceptive and Unfair Trade Practices Act.			
Budget Committee	26 Y, 0 N, As CS	2/16/2026	Pridgeon	Helping
THE CHANGES ADOPTED BY THE COMMITTEE:	• Changed the responsible agency from the Department of Agriculture and Consumer Services to the Department of Business and Professional Regulation. • Required collected fees to be deposited in the Professional Regulation Trust Fund within DBPR. • Required FDLE to post on its website additional information regarding individuals convicted of animal cruelty.			
Commerce Committee			Hamon	Bunnell

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

A bill to be entitled

An act relating to domestic animals; amending s. 828.12, F.S.; requiring the Department of Law Enforcement to post on its website specified information for individuals convicted of specified animal cruelty offenses; creating s. 828.291, F.S.; providing purpose; providing construction; requiring the Department of Business and Professional Regulation to develop voluntary best management practices for dog breeders in this state; requiring the department to post certain information on its website; creating s. 828.2911, F.S.; requiring the department to establish the voluntary Dog Awareness and Welfare Guidelines (DAWG) Breeding Program; providing requirements for participation in the program; providing for the issuance, suspension, revocation, and use of program certificates; providing for the deposit of certain fees; requiring the department to adopt rules; amending s. 828.29, F.S.; extending the period of time after the sale of an animal that a consumer may return or exchange the animal and receive a refund or receive reimbursement for certain costs; requiring that a pet sale financing agreement be terminated without penalty under certain circumstances; removing a limit on veterinary costs under certain circumstances;

requiring all financial terms be disclosed to the consumer before the sale of an animal; removing certain provisions relating to a consumer's waiver relinquishing his or her rights to return an animal; requiring a pet dealer to provide copies of specified medical records to a consumer; revising requirements for a required notice to a consumer; revising the text of the required notice; revising the definition of the term "pet dealer"; requiring a pet dealer to retain a copy of certain records for a specified period; providing construction; providing an effective date.

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

Section 1. Subsection (7) of section 828.12, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

828.12 Cruelty to animals.—

(7) Before ~~Beginning~~ January 1, 2027 ~~2026~~, the Department of Law Enforcement shall post on its website, in a searchable format prescribed by the department, the name and all aliases, date of birth, race, counties of conviction, charges, case numbers, dispositions, description of any identifying marks and tattoos, and a photograph taken at the time of booking related to the animal cruelty offense of each individual ~~names of those~~

~~individuals~~ who has ~~have~~ been convicted of, or who has ~~have~~ entered a plea of guilty or nolo contendere to, regardless of adjudication, a violation of this section.

(8) Each clerk of court and county detention facility shall provide the Department of Law Enforcement with the information, data, and images required under subsection (7).

Section 2. Section 828.291, Florida Statutes, is created to read:

828.291 Best management practices for dog breeding.—

(1) The purpose of this section is to allow voluntary participation in best management practices for minimum standards of care, facility operations, and breeding practices for individuals or entities engaged in the breeding of dogs in order to protect animal welfare, promote responsible breeding, and ensure the health and safety of animals and consumers.

(2) This section may not be construed to prohibit a local jurisdiction from implementing requirements for individuals or entities engaged in the breeding of dogs.

(3) The Department of Business and Professional Regulation shall develop best management practices that individuals or entities engaged in the breeding of dogs may voluntarily adopt and implement. Such best management practices must include minimum standards of care, facility operations, and breeding practices for individuals or entities engaged in the breeding of dogs, including, but not limited to, the following:

(a) Breeding.

(b) Feeding.

(c) Housing.

(d) Health.

(e) Enrichment.

(f) Selling and transferring, in accordance with s. 828.29.

(g) Recordkeeping, in accordance with s. 828.29.

(4) The department shall post on its website guidance for the public about how to identify the dog breeders that are following best breeder practices and provide a checklist to use when purchasing a dog.

(5) The department shall post on its website information regarding animal cruelty, including a description of conduct constituting animal cruelty under ss. 828.12 and 828.13, the penalties for such conduct, and instructions for reporting suspected animal cruelty or abuse to the appropriate local authorities, including the contact information for at least one appropriate authority for each county in the state.

Section 3. Section 828.2911, Florida Statutes, is created to read:

828.2911 Dog Awareness and Welfare Guidelines (DAWG) Breeder Program.—

(1) The Department of Business and Professional Regulation shall establish the Dog Awareness and Welfare Guidelines (DAWG)

Breeder Program to recognize dog breeders who have voluntarily adopted and implemented the best management practices for dog breeding. The department shall certify any individual or entity that the department has determined has voluntarily adopted and implemented the best management practices for dog breeding pursuant to s. 828.291 and who has complied with this section. Such certification is valid for 2 years and dog breeders may reapply at the expiration of such certification.

(2) Participants in the DAWG Breeder Program must agree to submit to inspection by the department or its designee and pay the actual cost of the inspection. Subject to appropriations, the department or its designee may conduct an inspection of the applicant's dog breeding program, including, but not limited to, all animals located on an applicant's premises, the breeding and housing facilities for such animals, and any health records or records of sale for such animals maintained by the applicant.

(a) The department may contract with and designate local law enforcement or animal services, if local staff and resources are available, or any other public or private entity that the department determines regularly conducts animal welfare investigations to perform inspections or related investigative activities. Private service providers may include Florida-licensed veterinarians currently in good standing who have been licensed for at least 10 years.

(b) Local governments or enforcement authorities may

contract with the department to conduct dog breeder inspections, subject to the availability of local funding, staff, and resources. If the local government or enforcement authority lacks the staff or resources to perform dog breeder inspections, such inspections may be conducted by a private provider designated and approved by the department, provided that the breeder pays the cost of the inspection.

(c) If sufficient resources are not available, the applicant must wait until such resources are available or contract with a private provider designated and approved by the department in order to obtain certification.

(3) If the applicant passes inspection, the department must provide the applicant a DAWG Breeder Program certificate.

(4) The department may suspend or revoke the certification of any DAWG-certified dog breeder at any time if the department discovers that the breeder has failed to maintain the best management practices created pursuant to s. 828.291.

(5) A dog breeder that is certified by the program may identify the certification in the breeder's professional practice, including in marketing and advertising materials.

(6) Recognition by the program is not required for a dog breeder to engage in dog breeding in this state.

(7) Any fees collected pursuant to this section shall be deposited in the Professional Regulation Trust Fund within the department.

(8) The department shall adopt rules to implement this section.

Section 4. Subsections (5) through (8), (10), (12), (13), and (17) of section 828.29, Florida Statutes, are amended, and subsection (18) is added to that section, to read:

828.29 Dogs and cats transported or offered for sale; health requirements; consumer guarantee; disclosures. —

(5) If, within 30 ~~14~~ days after ~~following~~ the sale by a pet dealer of an animal subject to this section, a licensed veterinarian of the consumer's choosing certifies that, at the time of the sale, the animal was unfit for purchase due to illness or disease, the presence of symptoms of a contagious or infectious disease, or the presence of internal or external parasites, excluding fleas and ticks; or if, within 1 year after ~~following~~ the sale of an animal subject to this section, a licensed veterinarian of the consumer's choosing certifies such animal to be unfit for purchase due to a congenital or hereditary disorder which adversely affects the health of the animal; or if, within 1 year after ~~following~~ the sale of an animal subject to this section, the breed, sex, or health of such animal is found to have been misrepresented to the consumer, the pet dealer shall afford the consumer the right to choose one of the following options:

(a) The right to return the animal and receive a refund of the purchase price, including any interest accrued and ~~the~~ sales

tax or fees paid or due from the purchaser, and reimbursement for reasonable veterinary costs directly related to the veterinarian's examination and certification that the animal ~~dog or cat~~ is unfit for purchase pursuant to this section or ~~and~~ directly related to necessary emergency services and treatment undertaken to relieve suffering of the animal. If the consumer financed the animal pursuant to a financing agreement with the pet dealer, the pet dealer must ensure that the financing arrangement is terminated without penalty to the consumer;

(b) The right to return the animal and receive an exchange ~~dog or cat~~ of the consumer's choice of equivalent value, and reimbursement for reasonable veterinary costs directly related to the veterinarian's examination and certification that the animal ~~dog or cat~~ is unfit for purchase pursuant to this section or ~~and~~ directly related to necessary emergency services and treatment undertaken to relieve suffering of the animal; or

(c) The right to retain the animal and receive reimbursement for reasonable veterinary costs for necessary services and treatment related to the attempt to cure or curing of the animal, or necessary emergency services or treatment undertaken to relieve the suffering of the animal related to such services received within 1 year after purchase ~~dog or cat~~.

Reimbursement for veterinary costs may not exceed the purchase price of the animal. The cost of veterinary services is

reasonable if such costs are comparable to the cost of similar services rendered by other licensed veterinarians in proximity to the treating veterinarian and the services rendered are related to the examination and ~~appropriate for the~~ certification of fitness by the veterinarian.

(6) All financial terms must be disclosed by the pet dealer to the consumer before the sale of an animal, including the total cost of the animal, any fees, taxes, and, if applicable, financing charges or interest over the period financed

~~(6) A consumer may sign a waiver relinquishing his or her right to return the dog or cat for congenital or hereditary disorders. In the case of such waiver, the consumer has 48 normal business hours, excluding weekends and holidays, in which to have the animal examined by a licensed veterinarian of the consumer's choosing. If the veterinarian certifies that, at the time of sale, the dog or cat was unfit for purchase due to a congenital or hereditary disorder, the pet dealer must afford the consumer the right to choose one of the following options:~~

~~(a) The right to return the animal and receive a refund of the purchase price, including sales tax, but excluding the veterinary costs related to the certification that the dog or cat is unfit; or~~

~~(b) The right to return the animal and receive an exchange dog or cat of the consumer's choice of equivalent value, but not~~

~~a refund of the veterinary costs related to the certification that the dog or cat is unfit~~.

(7) Before the sale of an animal, a pet dealer must provide to the consumer copies of records of all medical examinations or tests that were conducted on the animal and any medication given before the purchase of the animal. A pet dealer may specifically state at the time of sale, in writing to the consumer, the presence of specific congenital or hereditary disorders, in which case the consumer has no right to any refund or exchange for those identified disorders, if the consumer signs a notification that indicates that the animal has been examined by a veterinarian and it has been determined that the animal has the identified specific congenital or hereditary disorder.

(8) The refund or exchange required by subsection (5) must ~~or subsection (6) shall~~ be made by the pet dealer not later than 10 business days after ~~following~~ receipt of a signed veterinary certification as required in subsection (5) ~~or subsection (6)~~. The consumer must provide notice and documentation to ~~notify~~ the pet dealer within 7 ~~2 business~~ days after receipt of the veterinarian's determination that the animal is unfit. ~~The written certification of unfitness must be presented to the pet dealer not later than 3 business days following receipt thereof by the consumer.~~

(10) If a pet dealer wishes to contest a demand for

veterinary expenses, refund, or exchange made by a consumer under this section, the dealer may require the consumer to produce the animal for examination by a licensed veterinarian designated by the dealer. Upon such examination, if the consumer and the dealer are unable to reach an agreement that constitutes one of the options set forth in subsection (5) ~~or subsection (6)~~ within 10 business days after ~~following~~ receipt of the animal for such examination, the consumer may initiate an action in a court of competent jurisdiction or the small claims court of the county court in which the consumer resides to recover or obtain reimbursement of veterinary expenses and a~~,~~ refund~~,~~ or an exchange, as set forth in subsection (5), and may collect punitive damages in an amount not less than $2,500, at the discretion of the court.

(12) Every pet dealer who sells an animal to a consumer must provide the consumer at the time of sale with a printed, written notice in 14-point bold font to be signed by the consumer~~, printed or typed~~, which is separate from the contract. The pet dealer shall retain a copy of the signed notice, and the consumer must be given a copy of the signed notice. Such notice must read ~~reads~~ as follows:

RIGHT TO CANCEL

Florida consumers have certain rights under s. 828.29, Florida Statutes. You have the right to return the

animal, exchange the animal, and receive reimbursement for certain veterinary expenses under certain circumstances. Please have your new pet seen by a veterinarian immediately. A copy of this law is attached to this notice.

It is the consumer's right, pursuant to section 828.29, Florida Statutes, to receive a certificate of veterinary inspection with each animal ~~dog or cat~~ purchased from a pet dealer. Such certificate shall list all vaccines and deworming medications administered to the animal and list any medical diagnosis and treatments ~~shall state that the animal has been examined by a Florida-licensed veterinarian who certifies that, to the best of the veterinarian's knowledge, the animal was found to have been healthy at the time of the veterinary examination~~. In the event that the consumer purchases the animal and finds it to have been unfit for purchase as provided in section 828.29(5), Florida Statutes, the consumer must notify the pet dealer within 7 ~~2 business~~ days of the veterinarian's determination that the animal was unfit. The consumer has the right to retain, return, or exchange the animal and receive reimbursement for certain related veterinary services rendered to the

animal, subject to the right of the dealer to have the animal examined by another veterinarian.

...(Signature of Animal Owner or Lessee, Purchaser, or Authorized Person)...

(13) For the purposes of this section ~~subsections (5)-(12) and (16)~~, the term "pet dealer" means any person, firm, partnership, corporation, or other association which, in the ordinary course of business, engages in the sale of more than three ~~two~~ litters, or 30 ~~20~~ dogs or cats, per year, whichever is greater, to the public. The term ~~This definition~~ includes breeders of animals who sell such animals directly to a consumer. The term does not include not-for-profit entities that offer animals for sale or adoption as long as the total cost of such sale or adoption does not exceed $500, including all taxes and fees, or other costs.

(17) Except as otherwise provided in this chapter, a person who violates ~~any provision of~~ this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(18) Any record provided to a consumer related to the sale of an animal under this section must be maintained by the pet dealer for a period of at least 3 years after the date of sale.

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

COMMERCE COMMITTEE

CS/CS/HB 1521 by Rep. Weinberger
Domestic Animals

AMENDMENT SUMMARY
February 24, 2026

Amendment #968667 by Rep. Weinberger (strike):

- Aligns HB 1521 with SB 1004.
- Revises the definition of pet dealer to exclude not-for-profit entities that do not purchase dogs or cats from a breeder or broker.
- Extends the length of time that pet dealers must retain records to 7 years.
- Provides that a violation of s. 828.29 is an unfair method of competition or an unfair or deceptive action or practice under part II of chapter 501.
- Removes language creating the DAWG Breeder program.
- Makes technical, clarifying changes.

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 Weinberger offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Subsection (7) of section 828.12, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

828.12 Cruelty to animals.—

(7) By ~~Beginning~~ January 1, 2027 ~~2026~~, the Department of Law Enforcement shall post on its website, in a searchable format prescribed by the department, the names and any aliases, the date of birth, the race, the counties of conviction, the charges, the case numbers, the dispositions, the description of any identifying marks and tattoos, and a photograph taken at the time of booking related to the animal cruelty offense of each

individual ~~those individuals~~ who has ~~have~~ been convicted of, or who has ~~have~~ entered a plea of guilty or nolo contendere to, regardless of adjudication, a violation of this section.

(8) Each clerk of court and county detention facility must provide the Department of Law Enforcement with the information, data, and images required in subsection (7).

Section 2. Subsections (5) through (8), (10), (12), (13), and (17) of section 828.29, Florida Statutes, are amended, and subsections (18) and (19) are added to that section, to read:

828.29 Dogs and cats transported or offered for sale; health requirements; consumer guarantee; disclosures.—

(5) If, within 30 ~~14~~ days after ~~following~~ the sale by a pet dealer of an animal subject to this section, a licensed veterinarian of the consumer's choosing certifies that, at the time of the sale, the animal was unfit for purchase due to illness or disease, the presence of symptoms of a contagious or infectious disease, or the presence of internal or external parasites, excluding fleas and ticks; or if, within 1 year after ~~following~~ the sale of an animal subject to this section, a licensed veterinarian of the consumer's choosing certifies such animal to be unfit for purchase due to a congenital or hereditary disorder which adversely affects the health of the animal; or if, within 1 year after ~~following~~ the sale of an animal subject to this section, the breed, sex, or health of such animal is found to have been misrepresented to the

consumer, the pet dealer shall afford the consumer the right to choose one of the following options:

(a) The right to return the animal and receive a refund of the purchase price, including any interest accrued and ~~the~~ sales tax or fees paid or due from the purchaser, and reimbursement for reasonable veterinary costs directly related to the veterinarian's examination and certification that the animal ~~dog or cat~~ is unfit for purchase pursuant to this section or ~~and~~ directly related to necessary emergency services and treatment undertaken to relieve the suffering of such animal. If the consumer financed the animal pursuant to a financing agreement with the pet dealer, the pet dealer must ensure that the financing agreement is terminated without penalty to the consumer;

(b) The right to return the animal and receive an exchange animal ~~dog or cat~~ of the consumer's choice of equivalent value, and reimbursement for reasonable veterinary costs directly related to the veterinarian's examination and certification that the animal ~~dog or cat~~ is unfit for purchase pursuant to this section or ~~and~~ directly related to necessary emergency services and treatment undertaken to relieve the suffering of such animal; or

(c) The right to retain the animal and receive reimbursement for reasonable veterinary costs for necessary services and treatment related to the attempt to cure or curing

of the animal, or necessary emergency services or treatment undertaken to relieve the suffering of such animal received within 1 year after purchase ~~dog or cat~~.

~~Reimbursement for veterinary costs may not exceed the purchase price of the animal.~~ The cost of veterinary services is reasonable if comparable to the cost of similar services rendered by other licensed veterinarians in proximity to the treating veterinarian and the services rendered are appropriate for the certification by the veterinarian.

(6) All financing terms must be disclosed by the pet dealer to the consumer before the sale of the animal ~~A consumer may sign a waiver relinquishing his or her right to return the dog or cat for congenital or hereditary disorders. In the case of such waiver, the consumer has 48 normal business hours, excluding weekends and holidays, in which to have the animal examined by a licensed veterinarian of the consumer's choosing. If the veterinarian certifies that, at the time of sale, the dog or cat was unfit for purchase due to a congenital or hereditary disorder, the pet dealer must afford the consumer the right to choose one of the following options:~~

~~(a) The right to return the animal and receive a refund of the purchase price, including sales tax, but excluding the veterinary costs related to the certification that the dog or cat is unfit; or~~

~~(b) The right to return the animal and receive an exchange dog or cat of the consumer's choice of equivalent value, but not a refund of the veterinary costs related to the certification that the dog or cat is unfit~~.

(7) Before the sale of an animal, a pet dealer must provide to the consumer copies of records of all medical examinations or tests that were conducted on the animal or any medication given before the purchase of the animal. A pet dealer may specifically state at the time of sale, in writing to the consumer, the presence of specific congenital or hereditary disorders, in which case the consumer has no right to any refund or exchange for those identified disorders, if such consumer signs a notification that indicates that the animal has been examined by a veterinarian who determined that the animal has the identified congenital or hereditary disorder.

(8) The refund or exchange required by subsection (5) must ~~or subsection (6) shall~~ be made by the pet dealer not later than 10 business days after ~~following~~ receipt of a signed veterinary certification as required in subsection (5) ~~or subsection (6)~~. The consumer must notify the pet dealer within 7 ~~2~~ business days after receipt of the veterinarian's determination that the animal is unfit. The written certification of unfitness must be presented to the pet dealer not later than 3 business days following receipt thereof by the consumer.

(10) If a pet dealer wishes to contest a demand for veterinary expenses, refund, or exchange made by a consumer under this section, the dealer may require the consumer to produce the animal for examination by a licensed veterinarian designated by the dealer. Upon such examination, if the consumer and the dealer are unable to reach an agreement that constitutes one of the options set forth in subsection (5) ~~or subsection (6)~~ within 10 business days after ~~following~~ receipt of the animal for such examination, the consumer may initiate an action in a court of competent jurisdiction, or the county court small claims court division, in the county where the animal owner resides, to recover or obtain reimbursement of veterinary expenses and a~~,~~ refund, or exchange, as set forth in subsection (5), and may collect punitive damages in an amount not less than $2,500 at the discretion of the court.

(12) Every pet dealer who sells an animal to a consumer must provide the consumer at the time of sale with a printed, written notice in 14-point boldface type to be signed by the consumer~~, printed or typed,~~ which is separate from the contract and reads as follows:

RIGHT TO CANCEL

Florida consumers have certain rights under section 828.29, Florida Statutes. You have the right to: 1) return the animal; 2) exchange the animal; and 3)

receive reimbursement for certain veterinary expenses under certain circumstances. Please have your new pet seen by a veterinarian immediately. A copy of this law is attached to this notice.

It is the consumer's right, pursuant to section 828.29, Florida Statutes, to receive a certificate of veterinary inspection with each animal ~~dog or cat~~ purchased from a pet dealer. Such certificate shall list all vaccines and deworming medications administered to the animal and list any medical diagnosis and treatments ~~and shall state that the animal has been examined by a Florida-licensed veterinarian who certifies that, to the best of the veterinarian's knowledge, the animal was found to have been healthy at the time of the veterinary examination~~. In the event that the consumer purchases the animal and finds it to have been unfit for purchase as provided in section 828.29(5), Florida Statutes, the consumer must notify the pet dealer within 7 ~~2 business~~ days after ~~of~~ the veterinarian's determination that the animal was unfit. The consumer has the right to retain, return, or exchange the animal and receive reimbursement for certain related veterinary services rendered to the animal, subject to

the right of the dealer to have the animal examined by another veterinarian.

...(Signature of Animal owner or Lessee, or Owner's or Lessee's Authorized Person)...

(13) For the purposes of this section ~~subsections (5)-(12) and (16)~~, the term "pet dealer" means any person, firm, partnership, corporation, or other association which, in the ordinary course of business, engages in the sale of more than three ~~two~~ litters, or 30 ~~20~~ dogs or cats, per year, whichever is greater, to the public. This definition includes breeders of animals who sell such animals directly to a consumer. This definition does not include not-for-profit entities that do not purchase dogs or cats from a breeder or broker.

(17) Except as otherwise provided in this chapter, a person who violates ~~any provision of~~ this section commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(18) Any record provided to a consumer pursuant to the sale of an animal under this section must be maintained by the pet dealer for a period of at least 7 years after the sale.

(19) A pet dealer who violates this section commits an unfair method of competition or an unfair or deceptive act or

practice in violation of part II of chapter 501 and is subject to the penalties and remedies provided for such violations.

Section 3. Section 828.291, Florida Statutes, is created to read:

828.291 Best management practices for dog breeding.—

(1) The purpose of this section is to allow voluntary participation in best management practices relating to minimum standards of care, facility operations, and breeding practices for individuals or entities engaged in the breeding of dogs in order to protect animal welfare, promote responsible breeding, and ensure the health and safety of animals and consumers.

(2) This section may not be construed to prohibit a local jurisdiction from implementing requirements for individuals or entities engaged in the breeding of dogs.

(3) The Department of Business and Professional Regulation shall develop a list of best management practices that individuals or entities engaged in the breeding of dogs may voluntarily adopt and implement. Such best management practices must include minimum standards of care, facility operations, and breeding practices for individuals or entities engaged in the breeding of dogs, including, but not limited to, standards relating to all of the following:

(a) Breeding.

(b) Feeding.

(c) Housing.

(d) Health.

(e) Enrichment.

(f) Selling and transferring, in accordance with s. 828.29.

(g) Recordkeeping, in accordance with s. 828.29.

(4) The Department of Business and Professional Regulation shall post on its website guidance for the public about how to identify the breeders that are following best management practices and provide a checklist to use when purchasing an animal.

(5) The Department of Business and Professional Regulation shall post on its website information regarding animal cruelty, including a description of conduct constituting animal cruelty under ss. 828.12 and 828.13, the penalties for such conduct, and instructions for reporting suspected animal cruelty or abuse to the appropriate local authorities, including the contact information for at least one appropriate authority for each county in the state.

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

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 domestic animals; amending s. 828.12, F.S.; requiring the Department of Law

Enforcement to post on its website specified information relating to each individual convicted of specified animal cruelty offenses; requiring the clerk of each court and county detention facility to provide the Department of Law Enforcement with such information; amending s. 828.29, F.S.; extending the timeframe for which a consumer may pursue remedies for the sale of an animal certifiably unfit for purchase; revising such remedies; requiring that all financing terms be disclosed to the consumer by the pet dealer before the sale of the animal; deleting certain provisions relating to a consumer's waiver relinquishing his or her rights to return an animal; requiring a pet dealer to provide copies of specified medical records to a consumer; denying a consumer the right to a refund or an exchange for a pet sale under certain circumstances; extending the timeframe within which a consumer must notify the pet dealer of a veterinarian's determination that the animal is unfit; authorizing the consumer to initiate an action in certain courts for any contestation of veterinary expenses or demands of the pet dealer for a refund or exchange; providing for the award of punitive damages; revising requirements for a required notice to a consumer; revising the text of the required notice;

revising the definition of the term "pet dealer"; requiring a pet dealer to retain a copy of a specified notice for a specified period; providing that violations constitute an unfair method of competition or an unfair or deceptive act or practice in violation of specified provisions and subject to penalties; creating s. 828.291, F.S.; providing a legislative purpose; providing construction; requiring the Department of Business and Professional Regulation to develop a list of best management practices for adoption and implementation; specifying requirements for such best management practices; requiring the department to post guidance on its website related to the selection of breeders and the purchase of an animal; requiring the department to post information on its website relating to animal cruelty; providing requirements for such information; providing an effective date.