

Commerce Committee

Thursday, February 26, 2026
3:30 PM – 6:30 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: Thursday, February 26, 2026 03:30 PM

End Date and Time: Thursday, February 26, 2026 06:30 PM

Location: Sumner Hall (404 HOB)

Duration: 3.00 hrs

Consideration of the following bill(s):

CS/HB 185 Home Hardening Products by Ways & Means Committee, Dunkley
CS/HB 221 Minimum Wage Requirements by Industries & Professional Activities Subcommittee, Chamberlin
CS/HB 425 Historic Cemeteries Program by Intergovernmental Affairs Subcommittee, Aristide
CS/HB 527 Mandatory Human Reviews of Insurance Claim Denials by Insurance & Banking Subcommittee, Cassel
CS/HB 637 Farm Equipment by Housing, Agriculture & Tourism Subcommittee, Griffitts
CS/CS/CS/HB 657 Community Associations by Budget Committee, Civil Justice & Claims Subcommittee, Housing, Agriculture & Tourism Subcommittee, Porras
CS/HB 1001 Official Actions of Local Governments by Civil Justice & Claims Subcommittee, Black
CS/HB 1007 Data Centers by State Affairs Committee, Griffitts
CS/CS/HB 1177 Spaceport Operations and Space Florida by Transportation & Economic Development Budget Subcommittee, Ways & Means Committee, Sirois
CS/CS/HB 1221 Department of Financial Services by State Administration Budget Subcommittee, Insurance & Banking Subcommittee, LaMarca
CS/HB 1263 Office of Insurance Regulation by Insurance & Banking Subcommittee, Chaney
CS/HB 1291 Florida Birth-Related Neurological Injury Compensation Association by State Administration Budget Subcommittee, Anderson

NOTICE FINALIZED on 02/24/2026 4:30PM by Marks.Amie

FLORIDA HOUSE OF REPRESENTATIVES
BILL ANALYSIS

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

BILL #: CS/HB 185	**COMPANION BILL:** CS/SB 78 (Osgood)
TITLE: Home Hardening Products	**LINKED BILLS:** None
SPONSOR(S): Dunkley	**RELATED BILLS:** None

Committee References

Ways & Means
19 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:
The bill establishes a two-year sales and use tax exemption for the purchase of qualifying home hardening products. The exemption is administered through a refund of taxes paid. Qualifying products are defined as impact-resistant doors, garage doors, and windows installed on eligible residential properties. To qualify, purchases must be made between July 1, 2026, and June 30, 2028, and a refund application must be submitted no later than September 30, 2028.

Fiscal or Economic Impact:
The Revenue Estimating Conference estimated the provisions of the bill to have a total nonrecurring negative impact on General Revenue of -$29.9 million and a total nonrecurring negative impact on local government revenue of -$8.4 million over 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 s. 212.08(21), F.S., which provides for a two-year exemption from the sales and use tax on the sale of home hardening products used on eligible residential properties. The bill creates a refund mechanism through which the property owner may receive the benefit of the exemption.

Home hardening products are defined as impact-resistant doors, garage doors, and windows that are designed to resist wind and wind-borne debris forces. They must be rated for impact resistance and wind pressure in accordance with the most recent test methods, standards and specifications. (Section 1)

To be eligible for the refund, home hardening products must be purchased from July 1, 2026, through June 30, 2028. The products are required to be used on site-built dwellings on residential property granted a homestead exemption under s. 196.031, F.S., with a maximum just value of $700,000. A property owner must apply to the Department of Revenue (Department) for the refund, and may only apply for one eligible property. The owner may receive up to $500 through a refund of previously paid sales tax. The owner must submit the refund application between July 1, 2026, and September 30, 2028. The Department must determine the eligibility of the refund within 30 days of receipt. Once a refund has been approved, the Department has 30 days to issue the refund. (Section 1)

The bill specifies the refund application requirements and the process for the Department to issue refunds. The Department is authorized to adopt emergency rules to implement the refund program. The program is repealed from statute on June 30, 2029. (Section 1)

The bill takes effect upon becoming law. (Section 2)

RULEMAKING:

The Department has existing rulemaking authority to implement the provisions of Chapter 212, F.S. The bill also provides emergency rulemaking authority to the Department to implement the program, and specifies that those emergency rules last until the subsection is repealed (currently set for June 30, 2029) or until the Department repeals the emergency rules, whichever occurs first.

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 estimates the provisions of the bill will have a total nonrecurring impact on General Revenue of -$29.9 million through fiscal years 2026-27, 2027-28 and 2028-29.

LOCAL GOVERNMENT:

The Revenue Estimating Conference estimates the provisions of the bill will have a total nonrecurring impact on local government revenues of -$8.4 million over fiscal years 2026-27, 2027-28 and 2028-29.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Sales Tax

Florida's sales and use tax is a six percent levy[1] on retail sales of a wide array of tangible personal property, admissions, and transient lodgings, 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.

In addition to the state sales tax, counties have been granted limited authority to levy discretionary sales surtaxes for specific purposes on all transactions occurring in the county subject to the state sales tax in ch. 212, F.S., and on communications services as defined in ch. 202, F.S.[2] A discretionary sales surtax is based on the rate in the county where the taxable goods or services are sold or delivered. Sixty-five counties currently levy a discretionary sales surtax with rates ranging from 0.5% to 2.0%.

Impact-resistant windows, doors, and garage doors are generally subject to Florida sales tax. However, the Legislature previously passed a similar temporary exemption for these type of items for a two-year period lasting from July 1, 2022, through June 30, 2024.[3]

Homestead Exemption

Homestead property is real estate (real property) for which a person 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).[4] The property may be owned jointly, as tenancy by the entireties, or otherwise

[1] S. 212.05, F.S.
[2] The tax rates, duration of the surtax, method of imposition, and proceed uses are individually specified in s. 212.055, F.S. General limitations, administration, and collection procedures are set forth in s. 212.054, F.S.
[3] Chapter 2022-97, Laws of Florida
[4] FLA. CONST. art. VII, s. 6(a) and s. 196.031(1)(a), F.S.

in common with others, and can be apportioned among such shared owners.[5] Only one homestead exemption is allowed to any one person or on any one dwelling house.[6] Individual condominium owners, however, can each qualify for a separate homestead designation.[7]

Every person having legal and equitable title to real estate and who maintains a permanent residence on the real estate (homestead property) is eligible for 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.[8] An additional $25,000 exemption applies to the assessed value of homestead property between $50,000 and $75,000.[9] This exemption is adjusted annually for inflation[10] and does not apply to ad valorem taxes levied by school districts.[11]

Just Value

Just value serves as the basis for determining the assessed value of a homestead property, in accordance with Article VII, Section 4(d) of the Florida Constitution. It is defined as the price a willing buyer would pay a willing seller in an arm's length transaction.[12] The assessed value of property is the annual determination of the value of a parcel of property for property tax purposes.[13] In newly acquired property, the assessed value is generally equal to the just value of the property. [14]

Site-Built Dwellings

Site-built dwelling means a residential structure that is constructed on its permanent location, in accordance with applicable state and local building codes. The term refers to a conventional, real-property improvement that is built in place from individual building materials and systems, rather than transported to the site as a completed or substantially completed unit. [15] The term does not include mobile homes, manufactured homes, modular homes constructed off-site and transported as units, recreational vehicles, trailers, park model homes, or any structure that is titled, registered, or otherwise regulated as a vehicle under chapter 319 or chapter 320, Florida Statutes.

Home Hardening Products

Home hardening can reduce the likelihood of storm-related damage. Retrofitting a building with impact-resistant doors, garage doors, and windows is an effective way to protect against windborne debris and high wind pressures, as these products are designed to resist breaking, bending, or other types of failure.[16] Impact-resistant doors and windows undergo third-party testing and certification by recognized organizations such as ASTM International, ANSI, the American Architectural Manufacturers Association.[17]

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[5] S. 196.031(1)(a), F.S.
[6] *Id.*
[7] *Id.*
[8] FLA. CONST. art. VII, s. 6(a) and s. 196.031, F.S.
[9] S. 196.031(1)(b), F.S.
[10] FLA. CONST. art VII, s. 6(a)(3) and s. 196.031(1)(b), F.S. In 2025, the adjusted value of this exemption is $25,722. *See* https://floridarevenue.com/property/Documents/2025_cpi_homestead_exemption.pdf (last visited Feb. 6, 2026).
[11] FLA. CONST. art. VII, s. 6(a)(1)b. and s. 196.031(1)(b), F.S.
[12] S. 193.011(1), F.S.
[13] S. 192.001(2), F.S.
[14] S. 192.001(2)(a), F.S.
[15] *See* HUD, *"Single-Family Site-Built, HUD Code Manufactured, and Factory-Built Homes,"*, https://www.huduser.gov/portal/sites/default/files/pdf/Info-Brief-SingleFamilyHomeowners.pdf (last visited Feb 6, 2026).
[16] *See* NAT'L ASS'N OF HOME BUILDERS, *Retrofit Improvements-Impact Resistant Doors*, *available at* https://www.nahb.org/-/media/NAHB/advocacy/docs/top-priorities/codes/retrofit-improvements/retrofit-improvements-impact-resistant-doors-2020.pdf (last visited Feb. 24, 2026).
[17] BUILDING A SAFER FLORIDA, INC., *Window Systems*, June 2020, *available at* https://www.buildingasaferflorida.org/assets/WindowsUpdate062520.pdf (last visited Nov 12, 2025).

Florida Building Code establishes minimum design and performance requirements for wind resistance in residential structures.[18] Florida's residential code directs that buildings must be constructed in accordance with wind provisions that use a basic wind speed based on location, height, and exposure.[19]

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2022	CS/HB 7071 - Taxation	Payne	Ch. 2022-97, L.O.F.; Created Two-Year Sales Tax Exemption on Similar Products.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	19 Y, 0 N, As CS	2/10/2026	Aldridge	Hallaian
THE CHANGES ADOPTED BY THE COMMITTEE:	• Creates a two-year sales tax refund program instead of a permanent sales tax exemption at the time of sale; • Provides guidance for the administration of the refund program; • Limits the refund to $500 of sales tax paid for improvements to site-built homestead with a just value of $700,000 or less; • Provides emergency rulemaking authority to the Department to administer the program; • Revises the effective date of the bill (upon becoming a law), but retains effective beginning date of the refund program (July 1, 2026); and • Repeals the program June 30, 2029.			
Commerce Committee			Hamon	Miralia

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

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[18] Section 1609, 2023 Florida Building Code (8th Edition) *available at* https://codes.iccsafe.org/content/FLBC2023P2/chapter-16-structural-design#FLBC2023P2_Ch16_Sec1609 (last visited February 6, 2026).
[19] Section R301.2.1, 2023 Florida Residential Building Code (8th Edition) *available at* https://codes.iccsafe.org/content/FLRC2023P1/chapter-3-building-planning#FLRC2023P1_Pt03_Ch03_SecR301.2.1 (last visited Feb. 6, 2026).

A bill to be entitled

An act relating to home hardening products; providing definitions; providing a sales tax exemption for certain home hardening products; requiring such exemption be in the form of a specified refund; providing requirements for such refund; providing requirements for the Department of Revenue in issuing such refunds; authorizing the department to adopt emergency rules; specifying the timeframe such rules are effective; providing for future repeal; providing an effective date.

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

Section 1. Subsection (21) is added to section 212.08, Florida Statutes, to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(21) HOME HARDENING PRODUCTS; SALES TAX REFUND.—

(a) As used in this subsection, the term:

1. "Eligible residential property" means a residential

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

property with a site-built dwelling for which a homestead exemption has been granted under s. 196.031 and which has a just value of $700,000 or less.

2. "Home hardening product" means an impact-resistant door, an impact-resistant garage door, or an impact-resistant window.

3. "Impact-resistant door" means an exterior door system designed to resist wind and wind-borne debris forces which is rated for impact resistance and wind pressure in accordance with any of the following most recent sets of test methods, standards, and specifications:

a. ASTM International E1886 and E1996;

b. American Architectural Manufacturers Association 506; or

c. Florida Building Code Testing Application Standard TAS 201, TAS 202, and TAS 203.

4. "Impact-resistant garage door" means a garage door system designed to resist wind and wind-borne debris forces which is rated for impact resistance and wind pressure in accordance with any of the following most recent sets of test methods, standards, and specifications:

a. ASTM International E1886 and E1996;

b. American Architectural Manufacturers Association 506;

c. Florida Building Code Testing Application Standard TAS 201, TAS 202, TAS 203; or

d. ANSI/DASMA 115.

5. "Impact-resistant window" means a window that is laminated or has been treated with a polycarbonate glazing system designed to resist wind and wind-borne debris forces which is rated for impact resistance and wind pressure in accordance with any of the following most recent sets of test methods, standards, and specifications:

a. ASTM International E1886 and E1996;

b. American Architectural Manufacturers Association 506; or

c. Florida Building Code Testing Application Standard TAS 201, TAS 202, and TAS 203.

6. "Owner" means a person who holds the legal title to an eligible residential property.

7. "Purchase period" means retail purchases made during the period of July 1, 2026, through June 30, 2028.

8. "Site-built dwelling" means a dwelling constructed at its permanent location. The term does not include mobile homes, manufactured homes, trailers, or any home or trailer that may be titled or registered in accordance with chapter 319 or chapter 320.

(b) Home hardening products used on eligible residential property are exempt from the tax imposed by this chapter upon an affirmative showing to the satisfaction of the department that the requirements of this subsection have been met, in an amount

up to $500 per eligible residential property for purchases made during the purchase period. This exemption inures to the owner through a refund of previously paid taxes. To be eligible to receive a refund, an owner must submit an application to the department on a form approved by the department which includes all of the following:

1. The name and address of the owner claiming the refund.

2. The address of the eligible residential property for which a refund of previously paid taxes is being sought.

3. A sworn statement, submitted under penalty of perjury, from the owner which specifies the actual cost of the exempt home hardening products, and the amount of sales tax paid in this state on the exempt home hardening products, and which states that the property is an eligible residential property, and that the home hardening products have been installed in the eligible residential property. Copies of receipts evidencing payment of sales tax must be attached to the form.

(c) The owner may submit an application for only one eligible residential property.

(d) The owner must submit the refund application to the department between July 1, 2026, and September 30, 2028. Within 30 business days after receipt of the refund application, the department must determine if the application meets the requirements of this section. The department must issue a refund within 30 business days after the application is formally

approved.

(e) The department is authorized, and all conditions are deemed met, to adopt emergency rules pursuant to s. 120.54(4) to implement the provisions of this subsection. Emergency rules adopted under this subsection are exempt from s. 120.54(4)(c) and shall remain in effect until the expiration or repeal of this subsection, or until repeal of the emergency rule by the Department of Revenue pursuant to s. 120.54(4)(j), whichever occurs first.

(f) This subsection is repealed June 30, 2029.

Section 2. This act shall take effect upon becoming a law.

CS/HB 221

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 221	**COMPANION BILL:** SB 1412 (Martin)
TITLE: Minimum Wage Requirements	**LINKED BILLS:** None
SPONSOR(S): Chamberlin	**RELATED BILLS:** None

Committee References

Industries & Professional Activities 11 Y, 6 N, As CS	➤	Careers & Workforce 11 Y, 5 N	➤	Commerce

SUMMARY

Effect of the Bill:
The bill allows employees to opt out of receiving the state minimum wage for work-studies, internships, preapprenticeship programs, or other similar work-based learning opportunities. The bill limits the timeframe for such work-based learning opportunities to 252 days, or two semesters, whichever is longer, and for employees under 18 years of age, the bill provides a shorter timeframe of 126 days, or one semester. The bill defines "work-based learning opportunity" to ensure that such activities provide beneficial experience and training for the employee. The bill also clarifies that the employee must be paid at or above the federal minimum wage while participating in the work-based learning opportunity.

Fiscal or Economic Impact:
The bill does not appear to have a fiscal impact on state or local government. The bill allows certain employees to opt out of receiving the state minimum wage. The fiscal impact on such employees and employers is indeterminate.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill creates the "On-the-Job Workforce Training Act." (Section 1)

The bill amends the Florida Minimum Wage Act to provide specific exemptions from state minimum wage requirements for certain employees. The bill provides that employers are not required to pay the state minimum wage to employees in a structured work-study, internship, preapprenticeship program, or other similar work-based learning opportunity, provided such employees choose to opt out of receiving the state minimum wage. (Section 2)

The bill prohibits such work-based learning opportunities from lasting longer than:

- 252 days or two semesters if the employee is earning credit at a school, college, or university, whichever is longer; or
- If the employee is under 18 years of age, 126 days, or one semester if the employee is earning credit at a school, college, or university, whichever is longer. (Section 2)

The bill defines "work-based learning opportunity" as any "interaction with industry or community professionals which occurs in a workplace setting with the sole purpose of providing the employee with an authentic structured learning experience and on-the-job training that fosters in-depth, firsthand engagement with the tasks required in a given career field in order to become qualified and proficient in such career field." (Section 2)

The bill requires work-based learning opportunities to meet all of the following criteria:

- Be developmentally appropriate.
- Identify learning objectives for the term of experience.
- Explore multiple aspects of an industry.
- Develop workplace skills and competencies.
- Assess employee performance.
- Be documented and reported in compliance with state and federal labor laws. (Section 2)

The bill requires an employee to opt out of receiving the state minimum wage by voluntarily signing a waiver. The written waiver must state that the employee acknowledges his or her right to the state minimum wage pursuant to the State Constitution and that the employee is knowingly and voluntarily choosing to receive a lesser amount for his or her work-based learning opportunity. (Section 2)

The bill prohibits an employer from coercing an employee to opt out of receiving the state minimum wage, and provides that if the employee is younger than 18 years of age, in order for the waiver to be effective, the employee's parent or guardian must have agreed and signed the waiver on behalf of and in addition to the minor employee. (Section 2)

The bill requires employees who opt-out of the state minimum wage to be paid at or above the federal minimum wage, and specifies that at the expiration of the work-based learning opportunity, the employee must be paid at or above the state minimum wage regardless of his or her position or job title with the employer. (Section 2)

The effective date of the bill is July 1, 2026. (Section 3)

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

Indeterminate. The bill allows certain employees to opt out of receiving the state minimum wage.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Fair Labor Standards Act

The federal Fair Labor Standards Act (FLSA), enacted in 1938, provides covered workers with minimum wage, overtime pay, and child labor protections.[1] In 1938, the FLSA established a minimum wage of $.25 an hour. The current federal minimum wage rate is $7.25 an hour, which went into effect July 24, 2009. The FLSA applies to employment within any state in the U.S., the District of Columbia, or any territory or possession of the U.S.[2]

The FLSA covers most private and public sector **employees**. However, certain employers and employees are exempt from coverage, including individuals with disabilities, youth workers, tipped workers, and executive, administrative, and professional workers. The FLSA covers businesses if the business has annual sales of at least $500,000.[3] It also covers certain individual employees if such employee is engaged in interstate commerce.

[1] 29 U.S.C. § 201-219 and 29 C.F.R. Ch. V.

[2] Congressional Research Service, CRS Report R42713, *The Fair Labor Standards Act (FLSA): An Overview*, https://crsreports.congress.gov/product/pdf/R/R42713, (last visited Nov. 5, 2026). (The main FLSA provisions and accompanying Department of Labor (DOL) regulations constitute what is commonly known as federal wage and hour laws and federal child labor law.).

[3] The size of an enterprise is measured by its "annual sales or business done." Annual sales or business done includes all business activities that can be measured in dollars. Thus, retailers are covered by the FLSA if their annual sales are at least $500,000. Owners of rental properties are covered if they collect at least $500,000 annually in rent. 29 C.F.R.§§779.258-779.259.

The FLSA applies to all:[4]

- **Governments**: Federal, state, or local government agencies.
- **Hospitals**: Hospitals, or institutions primarily engaged in the care of the sick, the aged, or the mentally ill or disabled who live on the premises. It does not matter if the hospital or institution is public or private or is operated for profit or not-for-profit.
- **Schools**: Pre-schools, elementary or secondary schools or institutions of higher learning (e.g., college), or a school for mentally or physically handicapped or gifted children. It does not matter if the school or institution is public or private or operated for profit or not-for-profit.

The FLSA includes several exemptions from the federal minimum wage provisions, including:[5]

- Executive, administrative, and professional employees.
- Employees in certain seasonal amusement or recreational establishments, employees in certain small newspapers, seamen employed on foreign vessels, employees engaged in fishing operations, and employees engaged in newspaper delivery.
- Farm workers employed by certain employers.
- Casual babysitters and persons employed as companions for the elderly or infirm.
- Border patrol agents.[6]
- **Tipped employees**, as long as their tips, combined with the employer's cash wage, equal at least the federal minimum wage ($7.25). The minimum cash wage for tipped employees is $2.13 per hour, with the employer able to claim a tip credit of up to $5.12 per hour.[7]
- **Learners, apprentices, and messengers employed primarily in delivering letters and messages, under special certificates issued by the Department of Labor**.[8]

The FLSA provides for the employment of certain individuals at wage rates below the minimum wage including student-learners (vocational education students), as well as full-time students employed by retail or service establishments, agriculture, or institutions of higher education. Also included are individuals whose earning or productive capacity is impaired by a physical or mental disability, including those related to age or injury, for the work to be performed. Certificates issued by the Department of Labor's Wage and Hour Division are required for this type of employment.[9]

The FLSA exempts certain people who volunteer to perform services for a state or local government agency or who volunteer for humanitarian purposes for non-profit food banks. There is also a recognized exception for individuals who volunteer their time, freely and without anticipation of compensation, for religious, charitable, civic, or humanitarian purposes to non-profit organizations. Unpaid internships for public sector and non-profit charitable organizations, where the intern volunteers without expectation of compensation, are generally permissible.[10]

The FLSA was amended in 2014, concerning border patrol agents, and again in 2018, to exempt minor league baseball players who are paid at least $290 per week during the 2018 championship season from the federal

[4] U.S. Department of Labor, FLSA Advisor, https://webapps.dol.gov/elaws/whd/flsa/scope/screen10.asp, (last visited February 23, 2026).
[5] 29 U.S.C. § 213. (It also includes separate exemptions from overtime pay.)
[6] *See* Border Patrol Agent Pay Reform Act of 2014, S.1691, 113th Cong, (2014).
[7] 29 U.S.C. § 203(m)(2)(A).
[8] 29 U.S.C. § 214.
[9] U.S. Department of Labor, Subminimum Wage, https://www.dol.gov/general/topic/wages/subminimumwage (last visited February 23, 2026).
[10] U.S. Department of Labor, Wage and Hour Division, Fact Sheet #71: Internship Programs Under the FLSA, https://www.dol.gov/agencies/whd/fact-sheets/71-flsa-internships (last visited February 23, 2026).

minimum wage rate and overtime pay. These two amendments were the only amendments made to the minimum wage exemptions provisions of the FLSA since Florida passed its minimum wage law in 2005.[11]

The FLSA provides that if states enact worker protections, including minimum wage rates, that are more protective of employees than what is provided by the FLSA, the state law applies.[12] Consequently, no state law may weaken the worker protections in the FLSA. However, state laws that impose greater worker protections will supersede those in the FLSA.[13]

Thirty states plus Washington DC, Guam, Puerto Rico, and the Virgin Islands provide a minimum wage greater than the federal minimum wage. Thirteen states provide a minimum wage that is equal to the federal minimum wage. Five states have not adopted a minimum wage and two states have a minimum wage that is below the federal minimum wage.[14] For those seven states, the federal minimum wage applies, but only to those workers covered by the FLSA.

Florida law does not indicate or allow for wage exceptions for learners, apprentices, or messengers. Thus, the FLSA provisions apply.

Minimum Wage Contained in Article X, Section 24 of the Florida Constitution

On November 2, 2004, Floridians voted to amend the Florida Constitution by adding a minimum wage provision (Art. X, Sec. 24) that established the state minimum wage.[15] Prior to this date, Florida did not have a state minimum wage so the FLSA applied for covered workers. Art. X, Sec. 24 provides the amount of the minimum wage and the procedure for calculating increases in the minimum wage.[16] The amendment also provides that "all working Floridians are entitled to be paid a minimum wage sufficient to provide a decent and healthy life, that protects their employers from unfair low wage competition, and that does not force them to rely on taxpayer-funded public services."[17]

On November 3, 2020, Florida voters again approved a constitutional amendment related to the state's minimum wage, Amendment 2, to gradually increase the state's minimum wage to $15 an hour by the year 2026.[18] Pursuant to the passage of Amendment 2, on September 30, 2021, Florida's minimum wage increased to $10 per hour. Each year thereafter, Florida's minimum wage increased by $1 and will continue to do so until the minimum wage reaches **$15 per hour on September 30, 2026.** Beginning in 2027, the minimum wage will be adjusted annually for inflation, as it had been done from 2004 to 2021.

Art. X, Sec. 24 specifies that "employers shall pay Employees Wages no less than the Minimum Wage for all hours worked in Florida."[19] Art. X, Sec. 24 authorizes persons aggrieved by violations the following remedies:[20]

- A civil action.
- Recovery of the full amount of back wages unlawfully withheld plus the same amount as liquidated damages.

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[11] s. 448.110, F.S., expressly references ss. 213 and 214 of the FLSA, which address minimum wage exemptions and employment under special certificates, respectively. However, s. 214 has not been amended since 1989. (*See* Pub. L. 101–157, § 4(d), Nov. 17, 1989, 103 Stat. 941).
[12] 29 U.S.C. §218.
[13] Congressional Research Service, CRS Report R42713, *The Fair Labor Standards Act (FLSA): An Overview, Updated March 8, 2023,* https://crsreports.congress.gov/product/pdf/R/R42713, (last visited Nov. 5, 2026).
[14] U.S. Department of Labor, Consolidated Minimum Wage Table, https://www.dol.gov/agencies/whd/mw-consolidated (last visited February 23, 2026).
[15] Art. X, s. 24, Fla. Const.
[16] Art. X, s. 24(c), Fla. Const.
[17] Art. X, s. 24(a), Fla. Const.
[18] U.S. Department of State, *Notice of Increase to State of Florida's Minimum Wage*, https://www.state.gov/wp-content/uploads/2021/01/2021-01-29-Notice-FL-Minimum-Wage-Increase.pdf (last visited February 23, 2026).
[19] Art. X, s. 24(c), Fla. Const.
[20] Art. X, s. 24(e), Fla. Const.

- Reasonable attorney's fees and costs.
- Legal or equitable relief, including, reinstatement in employment and/or injunctive relief.

Art. X, Sec. 24 provides that any employer or other person found liable for willful violations is subject to a $1,000 fine per violation, and the attorney general or other official designated by the state legislature may also bring a civil action.

Art. X, Sec. 24 provides that "implementing legislation is not required in order to enforce this amendment. The state legislature may by statute establish additional remedies or fines for violations of this amendment, raise the applicable Minimum Wage rate, reduce the tip credit, or extend coverage of the Minimum Wage to employers or employees not covered by this amendment."[21]

Employees

Art. X, Sec. 24 references the FLSA and specifically ties the meaning[22] of "employer," "employee," and "wage," to the meanings established under the FLSA and its implementing regulations.[23] It also indicates that case law, administrative interpretations, and other guiding standards developed under the federal FLSA must guide the construction of Florida's Constitution related to Art. X, Sec. 24 and any implementing statutes or regulations.[24]

The FLSA defines:[25]

- "Employer" as "any person acting directly or indirectly in the interest of an employer in relation to an employee and includes a public agency, but does not include any labor organization (other than when acting as an employer) or anyone acting in the capacity of officer or agent of such labor organization."
- "**Employee**" as "any individual employed by an employer."

The FLSA requires "for-profit" employers to pay **employees** for their work. Interns and students, however, may not be "**employees**" under the FLSA—in which case the FLSA does not require compensation for their work. Courts have used the "primary beneficiary test" to determine whether an intern or student is, in fact, an employee under the FLSA.[26] This determination is made on a case-by-case basis.

This test allows courts to examine the "economic reality" of the intern-employer relationship to determine which party is the "primary beneficiary" of the relationship. Courts[27] have identified the following seven factors as part of the test:

- The extent to which the intern and the employer clearly understand that there is no expectation of compensation. Any promise of compensation, express or implied, suggests that the intern is an employee—and vice versa.
- The extent to which the internship provides training that would be similar to that which would be given in an educational environment, including the clinical and other hands-on training provided by educational institutions.

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[21] Art. X, s. 24(f), Fla. Const.

[22] *In re Advisory Opinion to the Atty. Gen. re Fla. Minimum Wage Amend.*, 880 So. 2d 636, 641–42 (Fla. 2004). ("The proposed amendment does not state that it is adopting the FLSA's *definition* of the term "employee," but provides that it is adopting the *meaning* of the term "employee," which is a much broader concept.")

[23] Art. X, s. 24(b), Fla. Const.

[24] Art. X, s. 24(f), Fla. Const.

[25] 29 U.S.C. §203.

[26] E.g., Benjamin v. B & H Educ., Inc., --- F.3d ---, 2017 WL 6460087, at *4-5 (9th Cir. Dec. 19, 2017); Glatt v. Fox Searchlight Pictures, Inc., 811 F.3d 528, 536-37 (2d Cir. 2016); Schumann v. Collier Anesthesia, P.A., 803 F.3d 1199, 1211-12 (11th Cir. 2015); see also Walling v. Portland Terminal Co., 330 U.S. 148, 152-53 (1947); Solis v. Laurelbrook Sanitarium & Sch., Inc., 642 F.3d 518, 529 (6th Cir. 2011).

[27] Schumann v. Collier Anesthesia, PA, 803 F.3d 1199 (11th Cir. 2015) (Adopting a modified version of the "primary beneficiary" test, which examines the "economic reality" of the relationship between the intern and employer to determine who benefits most.)

- The extent to which the internship is tied to the intern's formal education program by integrated coursework or the receipt of academic credit.
- The extent to which the internship accommodates the intern's academic commitments by corresponding to the academic calendar.
- The extent to which the internship's duration is limited to the period in which the internship provides the intern with beneficial learning.
- The extent to which the intern's work complements, rather than displaces, the work of paid employees while providing significant educational benefits to the intern.
- The extent to which the intern and the employer understand that the internship is conducted without entitlement to a paid job at the conclusion of the internship.

Courts have described the "primary beneficiary test" as a flexible test, and no single factor is determinative. Accordingly, whether an intern or student is an employee under the FLSA necessarily depends on the unique circumstances of each case.

If analysis of these circumstances reveals that an intern or student is actually an **employee**, then he or she is entitled to both minimum wage and overtime pay under the FLSA. On the other hand, if the analysis confirms that the intern or student is not an employee, then he or she is not entitled to either minimum wage or overtime pay under the FLSA.

Florida Minimum Wage Act

The Florida Minimum Wage Act (Act) implements the minimum wage provisions in Art. X, Sec. 24.[28] The Act designates the Department of Commerce (Commerce) as the state agency that implements the minimum wage requirements,[29] establishes procedures with respect to civil actions alleging violations, and provides that it is the exclusive remedy under state law for violations of Art. X, Sec. 24.[30]

The Act provides that, beginning May 2, 2005, employers are required to pay employees a minimum wage at an hourly rate of $6.15 for all hours worked in Florida. Only those individuals entitled to receive the federal minimum wage under the FLSA and its implementing regulations are eligible to receive the state minimum wage pursuant to the Florida Constitution.

The Act requires Commerce to calculate an adjusted state minimum wage rate and requires the Department of Revenue (DOR) and Commerce to annually publish the amount of the adjusted state minimum wage and the effective date on their websites.[31] The Act authorizes persons to file a complaint or inform any person of his or her potential rights pursuant to Art. X, Sec. 24 regarding unpaid wages.[32] The Act also authorizes the Attorney General (AG) to bring a civil action to enforce these provisions. The AG may seek injunctive relief, and for willful violations, may seek to impose a fine of $1,000 per violation, payable to the state.[33]

As it relates to the federal minimum wage and the FLSA, the Act specifies that:[34]

- Only those individuals entitled to receive the federal minimum wage under the FSLA, and its implementing regulations, are eligible to receive the state minimum wage; and
- Provisions related to federal minimum wage exemptions in the FLSA are considered incorporated in the Act.

[28] Ch. 2005-353, Laws of Fla., codified in s. 448.110, F.S.
[29] S. 448.110(2), F.S.
[30] S. 448.110(10), F.S. HB 5 (2023) renames the Department of Economic Opportunity as the Department of Commerce; SB 82 (2024), ch. 220, F.S., makes this conforming change in the Florida Minimum Wage Act.
[31] S. 448.110(4), F.S.
[32] S. 448.110(5), F.S.
[33] S. 448.110(7), F.S.
[34] S. 448.110(3), F.S.

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2024	CS/CS/HB 433 - Employment Regulations	Esposito/ *Trumbull*	Became law on July 1, 2024.

OTHER RESOURCES:

U.S. Department of Labor: State Minimum Wage Laws

U.S. Department of Labor: Internship Programs

Florida Department of Commerce: Florida's Minimum Wage

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Industries & Professional Activities Subcommittee	11 Y, 6 N, As CS	1/28/2026	Anstead	Thompson
THE CHANGES ADOPTED BY THE COMMITTEE:	• Shortened the period of time that an employee under 18 years of age is allowed to work for less than minimum wage. • Defined "work-based learning opportunity." • Clarified that any employee that participates in the program may not be paid less than the federal minimum wage.			
Careers & Workforce Subcommittee	11 Y, 5 N		Kiner	Kiner
Commerce Committee			Hamon	Thompson

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

A bill to be entitled

An act relating to minimum wage requirements; providing a short title; amending s. 448.110, F.S.; exempting an employer from state minimum wage requirements for specified employees; prohibiting certain work-based learning opportunities from lasting longer than a specified timeframe; defining the term "work-based learning opportunity"; authorizing employees to voluntarily opt out of the state minimum wage requirements by signing a waiver; prohibiting an employer from coercing an employee into opting out of the state minimum wage; providing requirements for the waiver to be effective for a minor employee; requiring employers to pay an employee at or above the federal minimum wage; requiring an employee to be paid at or above the state minimum wage at the expiration of the work-based learning opportunity; providing an effective date.

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

Section 1. This act may be cited as the "On-the-Job Workforce Training Act."

Section 2. Subsection (3) of section 448.110, Florida Statutes, is amended to read:

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

448.110 State minimum wage; annual wage adjustment; enforcement.—

(3)(a) Employers shall pay employees a minimum wage at an hourly rate of $6.15 for all hours worked in Florida. Only those individuals entitled to receive the federal minimum wage under the federal Fair Labor Standards Act, as amended, and its implementing regulations shall be eligible to receive the state minimum wage pursuant to s. 24, Art. X of the State Constitution and this section. The provisions of ss. 213 and 214 of the federal Fair Labor Standards Act, as interpreted by applicable federal regulations and implemented by the Secretary of Labor, are incorporated herein.

(b)1. An employer is not subject to the state minimum wage requirements of this section for an employee who is in a structured work-study, internship, or preapprenticeship program, or other similar work-based learning opportunity, and such employee opts out of receiving the minimum wage.

a. Such work-based learning opportunity may not last longer than 252 days or, if the employee is earning credit at a school, Florida College System institution, or state university, two semesters, whichever is longer.

b. If the employee is under 18 years of age, such work-based learning opportunity may not last longer than 126 days or, if the employee is earning credit at a school, Florida College System institution, or state university, one semester, whichever

is longer.

2. For purposes of this paragraph, the term "work-based learning opportunity" means any interaction with industry or community professionals which occurs in a workplace setting with the sole purpose of providing the employee with an authentic structured learning experience and on-the-job training that fosters in-depth, firsthand engagement with the tasks required in a given career field in order to become qualified and proficient in such career field. A work-based learning opportunity must meet all of the following criteria:

a. Be developmentally appropriate.

b. Identify learning objectives for the term of the experience.

c. Explore multiple aspects of an industry.

d. Develop workplace skills and competencies.

e. Assess employee performance.

f. Be documented and reported in compliance with state and federal labor laws.

(c) An employee may opt out of receiving the state minimum wage by voluntarily signing a waiver of his or her right to the state minimum wage established under this subsection. The waiver must state that the employee acknowledges his or her right to the state minimum wage pursuant to s. 24, Art. X of the State Constitution and this section and that the employee is knowingly and voluntarily choosing to receive a lesser amount for his or

her work-based learning opportunity as described in paragraph (b). An employer may not coerce an employee to opt out of receiving the state minimum wage. If the employee is younger than 18 years of age, in order for the waiver to be effective, the employee's parent or guardian must have agreed and signed the waiver on behalf of, and in addition to, the minor employee.

(d) Except as provided in paragraphs (b) and (c), an employer must pay an employee a wage at or above the federal minimum wage.

(e) At the expiration of the work-based learning opportunity, the employee must be paid at or above the state minimum wage regardless of his or her position or job title with the employer.

Section 3. This act shall take effect July 1, 2026.

CS/HB 425

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 425	**COMPANION BILL:** SB 34 (Sharief)
TITLE: Historic Cemeteries Program	**LINKED BILLS:** HB 1485 Aristide
SPONSOR(S): Aristide	**RELATED BILLS:** None

Committee References

Intergovernmental Affairs
16 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:
The bill requires counties and municipalities to approve applications to change land use designations for historic African-American cemeteries if they sell excess vacant land to fund the cemetery's long-term maintenance and upkeep. The bill allows a county or municipality to use reasonable discretion to determine the new land use designation.

Fiscal or Economic Impact:
None

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill provides that if a historic African-American cemetery recorded in the Florida Master Site File sells excess vacant land to fund the cemetery's long-term maintenance and upkeep, the county or municipality where the cemetery is located must administratively approve an application to rezone or change the land use designation of the excess land. The bill allows a county or municipality to use reasonable discretion to determine the new zoning or land use designation, provided that it is compatible with the surrounding area. (Section 1)

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

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Historic Cemeteries Program

Cemeteries that have been recorded are less likely to be destroyed as a result of construction and development because their locations are known in advance. The Florida Public Archaeology Network estimates that approximately three quarters of the 5,000 to 7,000 historic cemeteries in the state have not been recorded.[1] The Historic Cemeteries Program (Program) within the Florida Department of State, created in 2023, encourages local governments and organizations to preserve, rehabilitate, and provide public education on abandoned and historic cemeteries.[2] Among other duties, the Program maintains the state database of cemeteries established at least 50 years ago, develops guidelines on identification and maintenance for historic cemeteries, and assists with research, identification, and coordination related to newly discovered cemeteries.[3]

[1] Fla. Public Archaeology Network, *Florida Historic Cemetery Inventory* (last visited Feb. 16, 2026).
[2] Ch. 2023-142, Laws of Fla., codified as s. 267.21, F.S.
[3] S. 267.21(1), F.S., *See* Fla. Dept. of State, *Historic Cemeteries Program* (last visited Feb. 16, 2026).

The Program is responsible for coordinating with the University of South Florida's Black Cemetery Network to facilitate the inclusion of abandoned African-American cemeteries in the Black Cemetery Network.[4] The Program also administers Abandoned African-American Cemeteries Grants, which provide a maximum award of $50,000 in funding per project to assist with cemetery preservation efforts.[5] To be eligible for these grants, a cemetery must not be licensed under current law, must have had a majority of interments occurring more than 50 years ago, and must have a documented association with the interments of persons of primarily African-American ancestry.[6] Grant project types include cemetery research and cemetery protection.[7] In the 2026 fiscal year, eight projects received funding from an Abandoned African-American Cemetery Grant.[8]

Florida Master Site File

The Florida Department of State's Division of Historical Resources oversees the National Register of Historic Places program for Florida and maintains the Florida Master Site File (Site File),[9] which is the official state inventory of historical cultural resources.[10] Categories of resources recorded at the Site File include archaeological sites, historical structures, historical cemeteries, historical bridges, and historic districts. The Site File is an active inventory of Florida's historical cultural resources without regard to historical significance. The Site File currently holds information on more than 200,000 cultural resources and copies of over 22,000 manuscripts. Site File staff do not evaluate the historical significance of sites or the potential impact of development projects; however, evaluations of historical significance by other State Historic Preservation Office staff and preservation consultants are included in the records.

Comprehensive Planning

The Community Planning Act[11] provides counties and municipalities with the power to plan for future development by adopting comprehensive plans.[12] Each county and municipality must maintain a comprehensive plan to guide future development and growth.[13]

All development, both public and private, and all development orders approved by local governments must be consistent with the local government's comprehensive plan.[14] 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.[15]

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.[16] A comprehensive plan is made up of 10 required elements, each laying out regulations for a different facet of development.[17] Local governments may also include optional elements in their comprehensive plan.[18] The ten required elements are:

- Capital improvements.
- Future land use plan.

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[4] Fla. Dept. of State, *Historic Cemeteries Program* (last visited Feb. 16, 2026).
[5] Fla. Dept. of State, Division of Historical Resources, *Abandoned African-American Cemeteries Grants* (last visited Feb. 16, 2026).
[6] Fla. Dept. of State, Division of Historical Resources, *Abandoned African-American Cemeteries Grant Guidelines*, p. 5 (last visited Feb. 16, 2026).
[7] *Id.* at pp. 8-9.
[8] Fla. Dept. of State, *Abandoned African-American Cemetery Grants FY2026 Final Funded List* (last visited Feb. 16, 2026).
[9] Fla. Dept. of State, Division of Historical Resources, *What We Do* (last visited Feb. 16, 2026).
[10] Fla. Dept. of State, Division of Historical Resources, *Master Site File* (last visited Feb. 16, 2026).
[11] Ch. 163, Part II, F.S.
[12] S. 163.3167(1), F.S.
[13] S. 163.3167(1)(a), (2), F.S.
[14] S. 163.3194(1)(a), F.S.
[15] *See, e.g.*, *Sarasota County, Fla. Comprehensive Plan, Future Land Use Element, FLU Policy 1.1.1* (last visited Feb. 16, 2026).
[16] S. 163.3177(1), F.S.
[17] S. 163.3177(6), F.S.
[18] S. 163.3177(1)(a), F.S.

- Transportation.
- General sanitary sewer, solid waste, drainage, potable water and natural groundwater aquifer recharge.
- Conservation.
- Recreation and open space.
- Housing.
- Coastal management.
- Intergovernmental coordination.
- Property rights.[19]

Future Land Use Element

Comprehensive plans must include an element regarding future land use that designates the proposed future general distribution, location, and extent of the uses of land for a number of uses and categories of public and private uses of land.[20] Each future land use category must be defined in terms of uses included, and must include standards to be followed in the control and distribution of population densities and building and structure intensities.[21] The proposed distribution, location, and extent of the various categories of land use must be shown on a land use map or map series. Future land use plans and plan amendments are based on surveys, studies, and data regarding the area.[22]

A comprehensive plan's future land use element establishes a range of allowable uses and densities and intensities over large areas, and the specific use and intensities for specific parcels within that range are decided by a more detailed, implementing zoning map.[23]

Land Development Regulations

Comprehensive plans are implemented via land development regulations. Land development regulations are ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, sign regulations, or any other regulations controlling the development of land.[24]

Each county and municipality must adopt and enforce land development regulations that are consistent with and that implement its adopted comprehensive plan.[25] Local governments are encouraged to use innovative land development regulations[26] and may adopt measures for the purpose of increasing affordable housing using land use mechanisms.[27]

Zoning

A comprehensive plan's future land use element establishes a range of allowable uses and densities[28] and intensities[29] over large areas, while the specific use and intensities for specific parcels within that range are decided by a more detailed, implementing zoning map.[30]

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[19] S. 163.3177(3), (6)(a)-(i), F.S.
[20] S. 163.3177(6)(a), F.S. Applicable uses and categories of public and private uses of land include, but are not limited to, residential, commercial, industrial, agricultural, recreational, conservation, educational, and public facilities.
[21] S. 163.3177(6)(a)1., F.S.
[22] S. 163.3177(6)(a)2., F.S.
[23] 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)).
[24] S. 163.3164(26), F.S.
[25] S. 163.3202(1), F.S.
[26] S. 163.3202(3), F.S.
[27] S. 125.01055 and 166.04151, F.S.
[28] "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. S. 163.3164(12), F.S.
[29] "Intensity" means an objective measurement of the extent to which land may be developed or used, including the consumption or use of the space above, on, or below ground; the measurement of the use of or demand on natural resources; and the measurement of the use of or demand on facilities and services. S. 163.3164(22), F.S.

Zoning maps and zoning districts are adopted by a local government for developments within each land use category or sub-category. While land uses are general in nature, one or more zoning districts may apply within each land use designation.[31] Common regulations within the zoning map districts include density, height and bulk of buildings, setbacks, and parking requirements. Regulations for a zoning category in a downtown area may allow for more density and height than allowed in a suburb, for instance.

If a developer or landowner believes that a proposed development may have merit but it does not meet the requirements of a zoning map in a jurisdiction, the developer or landowner can seek a rezoning through a rezoning application.[32] Rezoning applications are initially reviewed by local government staff, then by an appointed body that makes recommendations to the governing body of the local government, which makes the final determination.[33] If a property has unique circumstances or small nonconformities but otherwise meets zoning regulations, local governments may ease restrictions on certain regulations such as building size or setback through an application for a variance.[34] However, any action to rezone or grant a variance must be consistent with the local government's comprehensive plan.

Ordinances or resolutions that change the actual list of permitted, conditional, or prohibited uses within a zoning category or ordinances or resolutions initiated by the local government that change the actual zoning map designation of a parcel or parcels of land must follow additional enhanced notice requirements:

- If the area affected is less than 10 acres, the local government must notify by mail each property owner and hold a public meeting to discuss the ordinance or resolution before passage.
- If the area affected is 10 acres or greater, the local government must hold two separate meetings to discuss the changes, and notice the public through either mail to each property owner or to the public generally by newspaper.[35]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Intergovernmental Affairs Subcommittee	16 Y, 0 N, As CS	2/18/2026	Darden	Hilliard
THE CHANGES ADOPTED BY THE COMMITTEE:	• Clarified which cemeteries are eligible for the provisions of the bill. • Allowed a county or municipality to determine the new zoning or land use designation of the parcel.			
Commerce Committee			Hamon	Fletcher

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

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[30] Grosso, *supra* note 23.
[31] *See, e.g.,* Indian River County, *Planning and Development Services FAQ* (last visited Feb. 16, 2026).
[32] *See, e.g.,* City of Tallahassee, *Application for Rezoning Review* (last visited Feb. 16, 2026).
[33] *See id.* and City of Redington Shores, *Planning and Zoning Board* (last visited Feb. 16, 2026).
[34] *See, e.g.*, City of Tallahassee, *Variance and Appeals* and Seminole County, *Variance Process Requirements* (last visited Feb. 16, 2026).
[35] *See* ss. 125.66(5) and 166.041(3), F.S.

A bill to be entitled

An act relating to the Historic Cemeteries Program; amending s. 267.21, F.S.; requiring local governments to approve applications from historic African-American cemeteries to change the land use category and zoning district of excess vacant land under certain conditions; providing an effective date.

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

Section 1. Subsection (3) of section 267.21, Florida Statutes, is renumbered as subsection (4), and a new subsection (3) is added to that section, to read:

267.21 Historic Cemeteries Program.—

(3) Notwithstanding any other provision of law, if a historic African-American cemetery recorded in the Florida Master Site File pursuant to this section with excess vacant land sells or enters into a contract to sell such land for the express purpose of funding the cemetery's long-term maintenance and upkeep, the county or municipality where such cemetery is located must administratively approve an application to rezone or change the land use designation of such land. A county or municipality may use reasonable discretion in determining the new zoning or land use designation, provided that the zoning or land use designation is compatible with the surrounding area.

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

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

COMMERCE COMMITTEE

CS/HB 425 by Rep. Aristide
Historic Cemeteries Program

AMENDMENT SUMMARY
February 26, 2026

Amendment #619057 by Rep. Aristide (Lines 22-25):

- Provides that the requirement for local governments to administratively approve an application from a historic African-American cemetery to rezone or change the land use designation of certain excess vacant land is for the purpose of allowing development consistent and compatible with adjacent land uses.

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 Aristide offered the following:

Amendment (with title amendment)

Remove lines 22-25 and insert:

or change the land use designation of such land to allow development consistent and compatible with adjacent land uses. A county or municipality may use reasonable discretion in determining the new zoning or land use designation, provided that the zoning or land use designation is consistent and compatible with the surrounding area.

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

Remove line 7 and insert:

conditions to allow development consistent and compatible with adjacent land uses; 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 527	**COMPANION BILL:** SB 202 (Bradley)
TITLE: Mandatory Human Reviews of Insurance Claim Denials	**LINKED BILLS:** None
SPONSOR(S): Cassel	**RELATED BILLS:** None

Committee References

Insurance & Banking
18 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:
The bill establishes a statutory framework governing the use of artificial intelligence (AI) in claims handling. Specifically, the bill prohibits workers' compensation carriers, insurers, and health maintenance organizations from reducing a claim payment, denying a claim, or denying a portion of a claim based solely on the output of an AI system, algorithm, or machine learning system. Instead, the bill requires a qualified human professional to make all denial and claim payment reduction decisions after analyzing the claim independently of any AI system, machine learning system, or algorithm. The bill also mandates detailed recordkeeping, certain disclosures in denial letters, and updates to claims-handling manuals for workers' compensation carriers, insurers, and health maintenance organizations who use AI as part of their claims-handling process.

Fiscal or Economic Impact:
There is an indeterminate fiscal impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill regulates the use of artificial intelligence systems[1], machine learning systems[2], and algorithms[3] by workers' compensation carriers, insurers[4], and health maintenance organizations (HMOs) in their claims handling process. It allows the use of these systems to assist in processing claims, but the bill prohibits the use of these systems as the sole basis to reduce a claim payment, deny a claim, or deny a portion of a claim. (Sections 1, 2, and 3).

The bill requires that an individual with authority under the Florida Insurance Code to adjust or deny a claim must be the person who makes decisions regarding the reduction of a claim payment or denial of a claim or a portion of a claim. The bill requires this individual, called a "qualified human professional," to:

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[1] The bill defines "artificial intelligence system" as a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.
[2] The bill defines "machine learning system" as an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.
[3] The bill defines "algorithm" as a clearly specified mathematical process for computation which uses rules designed to give prescribed results.
[4] Section 2 of the bill applies to most authorized insurers except: reinsurance; policies or contracts not issued for delivery in this state nor delivered in this state; wet marine and transportation insurance; title insurance; and credit life or credit disability insurance.

- analyze the claim independently of any AI system, machine learning system, or algorithm;
- review the accuracy of any output produced by an AI system, machine learning system, or algorithm; and
- determine that the claim or portion of the claim is not payable under the terms of the policy or contract and should be denied, or that the claim payment should be reduced. (Sections 1, 2, and 3).

The bill also requires workers' compensation carriers, insurers, and HMOs to maintain detailed records of claim denials, including:

- the name, title, business address, and the unique identifier of the qualified human professional responsible for the decision;
- the date and time of the decision; and
- documentation of the basis for reduction of the claim payment or claim denial, including any information provided by any AI system, machine learning system, or algorithm. (Sections 1, 2, and 3).

Additionally, the bill requires workers' compensation carriers, insurers, and HMOs to include the following in their denial letters to policyholders:

- an email address, telephone number, business address, and unique identifier, in lieu of the name of the qualified human professional who made the decision; and
- an affirmation that an AI system, machine learning system, or algorithm was not the sole basis for the denial. (Sections 1, 2, and 3).

Workers' compensation carriers, insurers, and HMOs who use AI systems, machine learning systems, or algorithms as part of their claims handling process must update their claims handling manuals with details about how these systems are used by the insurer and how those processes comply with the bill's requirements. (Sections 1, 2, and 3).

The bill grants the Department of Financial Services (DFS) the authority to carry out market conduct examinations and investigations of workers' compensation carriers to verify compliance with the bill. (Section 1).

The bill imposes penalties for workers' compensation carriers who violate the bill. (Section 1). These penalties include administrative fines of up to $2,500 for each nonwillful violation not to exceed $10,000 for all nonwillful violations arising out of the same action[5] and DFS may impose administrative fines of up to $20,000, not to exceed $100,000 for all willful violations arising out of the same action.[6]

The bill grants the Office of Insurance Regulation (OIR) the authority to carry out market conduct examinations and investigations of the insurers and HMOs to verify compliance with the bill. (Sections 2 and 3).

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

RULEMAKING:

The bill grants rulemaking authority to DFS and the Financial Services Commission to implement the statutory framework regulating the use of artificial intelligence in claims handling by workers' compensation carriers, insurers, and HMOs created by this bill.

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

[5] *See* s. 440.525, F.S.
[6] *Id*.

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

Indeterminate fiscal impact. Insurance companies, workers' compensation carriers, and HMOs that use AI systems, machine learning systems, or algorithms may incur fiscal costs in order to comply with the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Use of Artificial Intelligence Systems, Machine Learning Systems, and Algorithms by Insurers

Artificial intelligence is the development of computer systems to perform tasks that normally require human intelligence, such as learning and decision-making.[7] It enables computer systems to receive information that is either provided to them by others or gathered by them, which they can then process and respond to in some meaningful way. To a certain extent, AI systems can adjust their behavior by analyzing the results of prior actions and operating without direct human control.[8]

The use of AI is becoming more prevalent across all industries, and major companies like IBM, Apple, Google, and Amazon are using this technology internally and in their customer-facing products and services.[9] AI technologies are increasingly being used in certain insurance operations, such as underwriting, customer service, marketing, fraud detection, and claims handling.[10] A survey conducted by the National Association of Insurance Commissioners (NAIC) found that out of 193 auto insurers surveyed, 88% reported either using or having plans to use AI or machine learning systems.[11] Similarly, out of 194 home insurers who responded to the NAIC survey, 70% of insurers either use or plan to use these systems.[12] The property and casualty insurers who were surveyed reported using AI in claims handling to analyze accident images, to estimate claim settlement values, and to detect fraud.[13]

Workers' compensation

Workers' compensation is a no-fault system that provides disability and medical benefits and compensation for lost wages when an employee is injured in the course of employment.[14] Employers must secure coverage, and may do so by purchasing insurance from an authorized carrier, qualifying as a self-insurer, or purchasing coverage from the Florida Workers' Compensation Joint Underwriting Association, which is the state-sponsored insurer of last resort.[15]

Health Maintenance Organizations

Health maintenance organizations (HMOs) provide emergency care, inpatient hospital services, physician care, ambulatory diagnostic treatment, and preventive health care services.[16] HMOs provide these services to subscribers who pay for these services on a prepaid per capita or prepaid aggregate fixed-sum basis.[17] HMOs are

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[7] National Conference of State Legislatures (NCSL), *Artificial Intelligence 2025 Legislation*, July 10, 2025, https://www.ncsl.org/technology-and-communication/artificial-intelligence-2025-legislation (last visited Jan. 29, 2026).
[8] European Parliament, *What is artificial intelligence and how is it used?*, E.U. News, Jun. 20, 2023, https://www.europarl.europa.eu/topics/en/article/20200827STO85804/what-is-artificial-intelligence-and-how-is-it-used (last visited Jan. 29, 2026).
[9] National Association of Insurance Commissioners (NAIC), *Artificial Intelligence*, Jan. 17, 2025, http://content.naic.org/insurance-topics/artificial-intelligence (last visited Jan. 29, 2026).
[10] *Id*.
[11] *Id*.
[12] *Id*.
[13] *Id*.
[14] S. 440.015, F.S.
[15] Ss. 440.38 and 627.311(5), F.S.
[16] S. 641.19, F.S.
[17] *Id*.

required to obtain a certificate of authority from the Office of Insurance Regulation (OIR) to be able to operate in Florida.[18]

Florida Insurance Code

The Florida Insurance Code[19] provides the regulatory framework for admitted insurers in the state. Currently, the Florida Insurance Code does not regulate the use of artificial intelligence by insurers. However, insurers are bound by certain requirements relating to claims handling. For example, property insurers are required to develop a claims-handling manual that provides guidelines for processing claims that comply with all the requirements of the Florida Insurance Code, and it grants OIR the authority to request a copy of this manual.[20]

The Florida Insurance Code provides penalties for violations of the code, including cease and desist authority by OIR and the Department of Financial Services (DFS), administrative fines, restitution, and suspension or revocation of the insurer's certificate of authority.[21]

Department of Financial Services

The Chief Financial Officer is a constitutional officer who is the head of DFS. DFS enforces certain provisions of the Florida Insurance Code, including those related to insurance agents, insurance agencies, managing general agents, insurance adjusters, reinsurance intermediaries, viatical settlement brokers, customer representatives, service representatives, and agencies.[22] DFS oversees workers' compensation carriers, including carrier responsibilities, coverage requirements, claim procedures, timelines, and penalties.[23]

Office of Insurance Regulation

The 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.[24] The OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each authorized insurer in the state.[25] As part of that process, insurers must make available all records relating to the subject of the examination.[26] The OIR is also authorized to carry out market conduct examinations to determine compliance with the Florida Insurance Code.[27]

Financial Services Commission

The Financial Services Commission is composed of the Governor, the Chief Financial Officer, the Attorney General, and the Commissioner of Agriculture and it serves as agency head of the OIR for purposes of rulemaking.[28] The Financial Services Commission encompasses two offices: the OIR (responsible for insurers and risk bearing entities) and the Office of Financial Regulation (responsible for the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry).[29]

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[18] S. 641.22, F.S.
[19] *See* s. 624.01, F.S.
[20] S. 627.4108, F.S.
[21] *See* ss. 624.310, 624.418, and 624.4211, F.S.
[22] S. 626.016, F.S.
[23] Chapter 440, F.S.
[24] S. 20.121(3)(a), F.S.
[25] S. 624.316(1)(a), F.S.
[26] S. 624.318(2), F.S.
[27] S. 624.3161, F.S.
[28] S. 20.121(3), F.S.
[29] *Id*.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	18 Y, 0 N, As CS	12/9/2025	Brackett	Miguez
THE CHANGES ADOPTED BY THE COMMITTEE:	• Expanded the scope of the bill to include workers' compensation and health maintenance organizations (HMOs). • Explicitly allowed insurers, workers' compensation carriers, and HMOs to use algorithms, artificial intelligence systems, or machine learning systems to assist in claims handling, including the generation of recommendations to approve or deny a claim. • Clarified that the qualified human professional is only required to review denials, partial denials, and claims where the payment is reduced. • Created penalties for workers' compensation carriers who violate the bill's requirements. • Provided that insurers, workers' compensation carriers, and HMOs must provide the unique identifier of the qualified human professional to the policyholder instead of the professional's name.			
Commerce Committee			Hamon	Miguez

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

A bill to be entitled

An act relating to mandatory human reviews of insurance claim denials; creating s. 440.131, F.S.; defining terms; authorizing workers' compensation carriers to use algorithms, artificial intelligence systems, and machine learning systems to assist in processing claims; prohibiting the use of algorithms, artificial intelligence, or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that carriers' decisions to deny a claim or portion of a claim or reduce a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring a carrier to maintain certain records; requiring carriers to include certain information in denial communications to claimants; requiring that certain carriers detail certain information in their claims-handling manual; authorizing the Department of Financial Services to conduct examinations and investigations under certain circumstances and to adopt rules; providing penalties; creating s. 627.4263, F.S.; defining terms; authorizing insurers to use algorithms, artificial intelligence systems, and machine learning systems to assist in processing claims; prohibiting the use of

algorithms, artificial intelligence, or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that insurers' decisions to deny a claim or portion of a claim or reduce a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring an insurer to maintain certain records; requiring insurers to include certain information in denial communications to claimants; requiring that certain insurers detail certain information in their claims-handling manual; authorizing the Office of Insurance Regulation to conduct market conduct examinations and investigations under certain circumstances; authorizing the Financial Services Commission to adopt rules; creating s. 641.31091, F.S.; defining terms; authorizing health maintenance organizations to use algorithms, artificial intelligence systems, and machine learning systems to assist in processing claims; prohibiting the use of algorithms, artificial intelligence, or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that health maintenance organizations' decisions to deny a claim

or reduce a claim or portion of a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring a health maintenance organization to maintain certain records; requiring health maintenance organizations to include certain information in denial communications to claimants; requiring that certain health maintenance organizations detail certain information in their claims-handling manual; authorizing the office to conduct market conduct examinations and investigations under certain circumstances; authorizing the commission to adopt rules; providing an effective date.

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

Section 1. Section 440.131, Florida Statutes, is created to read:

440.131 Mandatory human reviews of claim denials.—

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

(a) "Algorithm" means a clearly specified mathematical process for computation which uses rules designed to give prescribed results.

(b) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can,

for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(c) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(d) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) A carrier may use an algorithm, an artificial intelligence system, or a machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an algorithm, an artificial intelligence system, or a machine learning system. A carrier's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a qualified human professional.

(4) If an algorithm, an artificial intelligence system, or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of

the claim:

(a) Analyze the facts of the claim and the terms of the insurance policy independently of any artificial intelligence system, machine learning system, or algorithm.

(b) Review the accuracy of any output generated by such a system or algorithm.

(c) Determine that the claim or portion of the claim is not payable under the terms of the insurance policy and should be denied or that the claim payment should be reduced.

(5) A carrier shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim, including any information provided by an algorithm, an artificial intelligence system, or a machine learning system.

(6) In all written denial communications to an injured employee, a carrier shall include:

(a) An e-mail address, a telephone number, a business

address, and a unique identifier, in lieu of the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an algorithm, an artificial intelligence system, or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) A carrier that uses an algorithm, an artificial intelligence system, or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such algorithms or systems are to be used and the manner in which the carrier complies with this section.

(8) The department may conduct examinations and investigations it deems necessary to verify compliance with this section.

(9) The department may adopt rules to implement this section.

(10) Failure to comply with this section shall be considered a violation of this chapter and is subject to penalties as provided for in s. 440.525.

Section 2. Section 627.4263, Florida Statutes, is created to read:

627.4263 Mandatory human reviews of claim denials.—

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

(a) "Algorithm" means a clearly specified mathematical process for computation which uses rules designed to give prescribed results.

(b) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(c) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(d) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) An insurer may use an algorithm, artificial intelligence system, or machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an algorithm, an artificial intelligence system, or a machine learning system. An insurer's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a

qualified human professional.

(4) If an algorithm, an artificial intelligence system, or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of the claim:

(a) Analyze the facts of the claim and the terms of the insurance policy independently of any artificial intelligence system, machine learning system, or algorithm.

(b) Review the accuracy of any output generated by such a system or algorithm.

(c) Determine that the claim or portion of the claim is not payable under the terms of the insurance policy and should be denied or that the claim payment should be reduced.

(5) An insurer shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim,

including any information provided by an algorithm, an artificial intelligence system, or a machine learning system.

(6) In all written denial communications to an insured, an insurer shall include:

(a) An e-mail address, a telephone number, a business address, and a unique identifier, in lieu of the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an algorithm, an artificial intelligence system, or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) An insurer that uses an algorithm, an artificial intelligence system, or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such algorithms or systems are to be used and the manner in which the insurer complies with this section.

(8) The office may conduct market conduct examinations and investigations it deems necessary to verify compliance with this section.

(9) The commission may adopt rules to implement this section.

Section 3. Section 641.31091, Florida Statutes, is created to read:

641.31091 Mandatory human reviews of claim denials.—

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

(a) "Algorithm" means a clearly specified mathematical process for computation which uses rules designed to give prescribed results.

(b) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(c) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(d) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) A health maintenance organization may use an algorithm, an artificial intelligence system, or a machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an algorithm, artificial intelligence system, or machine

learning system. A health maintenance organization's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a qualified human professional.

(4) If an algorithm, an artificial intelligence system, or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of the claim:

(a) Analyze the facts of the claim and the terms of the health maintenance contract independently of any artificial intelligence system, machine learning system, or algorithm.

(b) Review the accuracy of any output generated by such a system or algorithm.

(c) Determine that the claim or portion of the claim is not payable under the terms of the health maintenance contract and should be denied or that the claim payment should be reduced.

(5) A health maintenance organization shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim, including any information provided by an algorithm, an artificial intelligence system, or a machine learning system.

(6) In all written denial communications to a subscriber, a health maintenance organization shall include:

(a) An e-mail address, a telephone number, a business address, and a unique identifier, in lieu of the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an algorithm, an artificial intelligence system, or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) A health maintenance organization that uses an algorithm, an artificial intelligence system, or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such algorithms or systems are to be used and the manner in which the health maintenance organization complies with this section.

(8) The office may conduct market conduct examinations and investigations or use any method it deems necessary to verify compliance with this section.

(9) The commission may adopt rules to implement this section.

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

COMMERCE COMMITTEE

CS/HB 527 by Rep. Cassel
Mandatory Human Reviews of Insurance Claim Denials

AMENDMENT SUMMARY
February 26, 2026

Amendment #724241 by Rep. Cassel (strike-all):

- Removes the definition of, and references to, “algorithm.”

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 Cassel offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Section 440.131, Florida Statutes, is created to read:

440.131 Mandatory human reviews of claim denials.—

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

(a) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(b) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(c) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) A carrier may use an artificial intelligence system or a machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an artificial intelligence system or a machine learning system. A carrier's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a qualified human professional.

(4) If an artificial intelligence system or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of the claim:

(a) Analyze the facts of the claim and the terms of the insurance policy independently of any artificial intelligence system or machine learning system.

(b) Review the accuracy of any output generated by such a system.

(c) Determine that the claim or portion of the claim is not payable under the terms of the insurance policy and should be denied or that the claim payment should be reduced.

(5) A carrier shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim, including any information provided by an artificial intelligence system or a machine learning system.

(6) In all written denial communications to an injured employee, a carrier shall include:

(a) An e-mail address, a telephone number, a business address, and a unique identifier, in lieu of the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an artificial intelligence system or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) A carrier that uses an artificial intelligence system or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such systems are to be used and the manner in which the carrier complies with this section.

(8) The department may conduct examinations and investigations it deems necessary to verify compliance with this section.

(9) The department may adopt rules to implement this section.

(10) Failure to comply with this section shall be considered a violation of this chapter and is subject to penalties as provided for in s. 440.525.

Section 2. Section 627.4263, Florida Statutes, is created to read:

627.4263 Mandatory human reviews of claim denials.—

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

(a) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as

predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(b) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(c) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) An insurer may use an artificial intelligence system or machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an artificial intelligence system or a machine learning system. An insurer's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a qualified human professional.

(4) If an artificial intelligence system or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of the claim:

(a) Analyze the facts of the claim and the terms of the insurance policy independently of any artificial intelligence system or machine learning system.

(b) Review the accuracy of any output generated by such a system.

(c) Determine that the claim or portion of the claim is not payable under the terms of the insurance policy and should be denied or that the claim payment should be reduced.

(5) An insurer shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim, including any information provided by an artificial intelligence system or a machine learning system.

(6) In all written denial communications to an insured, an insurer shall include:

(a) An e-mail address, a telephone number, a business address, and a unique identifier, in lieu of the name of the

qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an artificial intelligence system or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) An insurer that uses an artificial intelligence system or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such systems are to be used and the manner in which the insurer complies with this section.

(8) The office may conduct market conduct examinations and investigations it deems necessary to verify compliance with this section.

(9) The commission may adopt rules to implement this section.

Section 3. Section 641.31091, Florida Statutes, is created to read:

641.31091 Mandatory human reviews of claim denials.—

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

(a) "Artificial intelligence system" means a machine-based system that may have varying levels of autonomy and that can, for a given set of objectives, generate outputs, such as predictions, recommendations, or content, influencing decisions made in real or virtual environments.

(b) "Machine learning system" means an artificial intelligence system that has the ability to learn from provided data without being explicitly programmed.

(c) "Qualified human professional" means an individual who, under the Florida Insurance Code, has the authority to adjust or deny a claim or a portion of a claim and may exercise such authority over a particular claim.

(2) A health maintenance organization may use an artificial intelligence system or a machine learning system to assist in processing claims, including generating recommendations to approve or deny a claim or a portion of a claim, in accordance with this section.

(3) A decision to reduce a claim payment or deny a claim or a portion of a claim may not be made solely on the basis of an artificial intelligence system or machine learning system. A health maintenance organization's decision to reduce a claim payment or deny a claim or a portion of a claim must be made by a qualified human professional.

(4) If an artificial intelligence system or a machine learning system assists in processing a claim, the qualified human professional must do all of the following before reducing a claim payment or denying the claim or a portion of the claim:

(a) Analyze the facts of the claim and the terms of the health maintenance contract independently of any artificial intelligence system or machine learning system.

(b) Review the accuracy of any output generated by such a system.

(c) Determine that the claim or portion of the claim is not payable under the terms of the health maintenance contract and should be denied or that the claim payment should be reduced.

(5) A health maintenance organization shall maintain detailed records of the actions of qualified human professionals who are required to perform the actions under subsection (4), including:

(a) The name, the title, the business address, and the unique identifier associated with the name of the qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim.

(b) The date and time of the qualified human professional's decision.

(c) Documentation of the basis for the reduction of the claim payment or denial of the claim or a portion of the claim, including any information provided by an artificial intelligence system or a machine learning system.

(6) In all written denial communications to a subscriber, a health maintenance organization shall include:

(a) An e-mail address, a telephone number, a business address, and a unique identifier, in lieu of the name of the

qualified human professional who made the decision to reduce the claim payment or deny the claim or a portion of the claim; and

(b) A written statement affirming that an artificial intelligence system or a machine learning system did not serve as the sole basis for determining whether to reduce the claim payment or deny the claim or a portion of the claim.

(7) A health maintenance organization that uses an artificial intelligence system or a machine learning system as part of its claims-handling process shall detail in its claims-handling manual the manner in which such systems are to be used and the manner in which the health maintenance organization complies with this section.

(8) The office may conduct market conduct examinations and investigations or use any method it deems necessary to verify compliance with this section.

(9) The commission may adopt rules to implement this section.

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 mandatory human reviews of insurance claim denials; creating s. 440.131, F.S.; defining terms; authorizing workers' compensation

carriers to use artificial intelligence systems and machine learning systems to assist in processing claims; prohibiting the use of artificial intelligence or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that carriers' decisions to deny a claim or portion of a claim or reduce a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring a carrier to maintain certain records; requiring carriers to include certain information in denial communications to claimants; requiring that certain carriers detail certain information in their claims-handling manual; authorizing the Department of Financial Services to conduct examinations and investigations under certain circumstances and to adopt rules; providing penalties; creating s. 627.4263, F.S.; defining terms; authorizing insurers to use artificial intelligence systems and machine learning systems to assist in processing claims; prohibiting the use of artificial intelligence or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that insurers' decisions to deny a claim or

portion of a claim or reduce a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring an insurer to maintain certain records; requiring insurers to include certain information in denial communications to claimants; requiring that certain insurers detail certain information in their claims-handling manual; authorizing the Office of Insurance Regulation to conduct market conduct examinations and investigations under certain circumstances; authorizing the Financial Services Commission to adopt rules; creating s. 641.31091, F.S.; defining terms; authorizing health maintenance organizations to use artificial intelligence systems and machine learning systems to assist in processing claims; prohibiting the use of artificial intelligence or machine learning systems as the sole basis for determining whether to reduce a claim payment or deny a claim or portion of a claim; requiring that health maintenance organizations' decisions to deny a claim or reduce a claim or portion of a claim be made by qualified human professionals; specifying the duties of qualified human professionals; requiring a health maintenance organization to maintain certain records; requiring health maintenance organizations to include certain

information in denial communications to claimants; requiring that certain health maintenance organizations detail certain information in their claims-handling manual; authorizing the office to conduct market conduct examinations and investigations under certain circumstances; authorizing the commission to adopt 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/HB 637	**COMPANION BILL:** SB 386 (Trumbull)
TITLE: Farm Equipment	**LINKED BILLS:** None
SPONSOR(S): Griffitts	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism	➤	Civil Justice & Claims	➤	Commerce
15 Y, 0 N, As CS		14 Y, 0 N		

SUMMARY

Effect of the Bill:
The bill requires a manufacturer of farm equipment to make repairs to conform the equipment to applicable express warranty standards, or replace or refund such equipment if the manufacturer or its authorized dealer fails to conform the farm equipment after a reasonable number of attempts, if a consumer reports the defective or non-conforming farm equipment to the manufacturer within one year of the original delivery date or within the warranty period.

The bill provides affirmative defenses and allows consumers to bring civil actions for enforcement.

Fiscal or Economic Impact:
The bill may have a positive fiscal impact on owners of nonconforming farm equipment who may be able to get the equipment fixed or replaced. The bill may have a negative fiscal impact on farm equipment manufacturers that may need to fix or replace more farm equipment.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill amends s. 604.04, F.S., farm equipment, to create Florida's farm equipment lemon law. (Section 1)

The bill provides that if farm equipment is defective and does not conform to all applicable express written warranties, the consumer may report the defect to the manufacturer or its authorized service agent during the manufacturer's warranty period or during the 1-year period following the original delivery date of the farm equipment to the consumer to allow the manufacturer or its authorized agent the opportunity to conform the farm equipment to the warranty. Upon receipt of such report, the manufacturer or its authorized agent must make such repairs as are necessary to conform the equipment to the warranty. Such repairs must be at no cost to the consumer. (Section 1)

The bill requires the manufacturer or its authorized agent to replace the farm equipment with comparable farm equipment, or accept the return of the defective farm equipment from the consumer and refund the consumer the cash purchase price, including sales tax, license fees, registration fees, and any similar governmental charges if the manufacturer or its authorized dealer is not able to or otherwise fails to conform the farm equipment to any applicable express written warranty after a reasonable number of attempts. (Section 1)

The bill provides a presumption that the manufacturer has made a reasonable number of attempts to conform the farm equipment to the applicable express warranties if the same nonconformity has been the subject of repair three or more times by the manufacturer or its authorized agent but the nonconformity continues to exist. This presumption applies to a manufacturer only if the manufacturer or its authorized agent has received prior direct

written notification from or on behalf of the consumer and been offered an opportunity to cure the alleged defect. (Section 1)

The bill requires all reasonable attempts to conform the farm equipment to the warranty by the manufacturer to be made within 18 months after the consumer reports the defect to the manufacturer. (Section 1)

The bill provides an affirmative defense for the manufacturer for any claim brought under the bill if:

- An alleged nonconformity does not substantially impair the farm equipment's use and market value; or
- A nonconformity is the result of abuse or neglect, or of modifications or alterations of the farm equipment not authorized by the manufacturer.

The bill provides that the bill may not be construed to limit or impair the rights or remedies which are otherwise available to a consumer under Ch. 681, F.S. (Section 1)

The bill allows any consumer who suffers a loss by reason of a violation of the bill, to bring a civil action to enforce such provision. (Section 1)

The bill defines "farm equipment" as all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products. (Section 1)

The bill makes conforming changes. (Section 1)

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

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have a positive fiscal impact on owners of nonconforming farm equipment who may be able to get the equipment fixed or replaced. The bill may have a negative fiscal impact on farm equipment manufacturers that may need to fix or replace more farm equipment.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

General Agricultural Laws

Chapter 604, F.S., addresses general agricultural laws, including surveys,[1] limited agriculture associations,[2] and dealers in agricultural products.[3]

Farm Equipment

Section 604.40, F.S., provides that, notwithstanding any other law, ordinance, rule, or policy to the contrary, all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products may

[1] This is a program undertaken by state and local officials to survey and map the soils of Florida. S. 604.01, F.S.
[2] Any three or more persons engaged in agricultural pursuits may form a limited agricultural association to encourage efficient and progressive agriculture and to enable the farmers of Florida to enjoy the manifold benefits of joint and collective effort without personal liability and the expense and technical involvements of corporate structure. Ss. 604.09 and 604.10, F.S.
[3] A "dealer in agricultural products" is any person, partnership, corporation, or other business entity in the business of purchasing, receiving, or soliciting agricultural products from the producer or the producer's agent or representative for resale or processing for sale; acting as an agent for such producer in the sale of agricultural products for the account of the producer on a net return basis; or acting as a negotiating broker between the producer or the producer's agent or representative and the buyer. S. 604.15, F.S.

be stored, maintained, or repaired by the owner within the boundaries of the owner's farm and at least 50 feet away from any public road without limitation. However, this provision does not apply to farm equipment that is used in urban agriculture, which is any new or existing noncommercial agricultural uses on land that is:[4]

- Within a dense urban land area,
- Not classified as agricultural,
- Not zoned as agricultural as its principal use, and
- Designated by a municipality for inclusion in an approved urban agricultural pilot project.

Farm Equipment Lemon Laws

Farm equipment is not generally covered under federal consumer warranty law, the Magnuson-Moss Warranty Act,[5] which only covers warranties for products normally used for personal, family, or household purposes.[6]

Due to consumer complaints, some states have passed specific "lemon laws" for farm equipment. Under these laws, an owner of farm equipment has a legal remedy when the farm equipment has a nonconformity from the warranty which has not been repaired within a reasonable number of attempts. The basic structure of a farm equipment lemon law is similar to a motor vehicle lemon law, which mandates re-purchase or replacement of the product if it has a nonconformity that has not been repaired within a reasonable number of attempts. Some states provide a presumption of the reasonable number of attempts to repair, or they limit the repair attempts to a specific number of days out of service. Additionally, some farm equipment lemon laws require a consumer to give the manufacturer notice to make a final repair attempt before the consumer may seek legal relief.[7]

Motor Vehicle Warranty Enforcement Act

Chapter 681, F.S., the Motor Vehicle Warranty Enforcement Act,[8] or "lemon law," provides remedies for consumers who purchase or lease new motor vehicles with a defect or condition not conforming to the express warranty[9] that substantially impairs the use, value, or safety of a motor vehicle [10] that has not been corrected within a reasonable number of attempts[11] by the manufacturer.[12]

A manufacturer of a motor vehicle notified of a defect in the vehicle by the consumer within 24 months[13] of the delivery of the vehicle to the consumer must make repairs to the vehicle so that it conforms to the warranty on the vehicle.[14] After three attempts to repair the vehicle, the consumer must provide written notice to the manufacturer by certified or express mail allowing the manufacturer one final chance to repair the vehicle.[15]

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[4] The term does not include vegetable gardens for personal consumption on residential properties. S. 604.73, F.S.
[5] 15 U.S.C. §2301.
[6] Richard Stuhlbarg and Adele Karoum, *Is That Tractor Really a Lemon? A Look at State Legislation*, Ag Innovator, 2019, https://www.farmequip.org/agi/2019-summer/is-that-tractor-really-a-lemon/ (last visited Feb. 9, 2026).
[7] *Id*.
[8] S. 681.10, F.S.
[9] *See* s. 681.104, F.S.
[10] This does not include a defect or condition that results from an accident, abuse, neglect, modification, or alteration of the motor vehicle by persons other than the manufacturer or its authorized service agent. S. 681.102, F.S.
[11] *See id.* Section 681.104, F.S., provides that a "reasonable" number of attempts is three or more unsuccessful attempts for the same nonconformity, as well as allowing the manufacturer one final attempt after receiving written notification from the consumer by registered or express mail.
[12] Section 681.102(13), F.S., defines "manufacturer" as any person, whether a resident or nonresident of Florida, who manufactures or assembles motor vehicles, or who manufactures or assembles chassis for recreational vehicles, or who manufactures or installs on previously assembled truck or recreational vehicle chassis special bodies or equipment which, when installed, forms an integral part of the motor vehicle, or a "distributor" or an "importer" as those terms are defined in s. 320.60, F.S. A "dealer" as defined in s. 320.60, F.S. may not be deemed to be a manufacturer, a distributor, or an importer.
[13] This is called the "lemon law rights period." *See* s. 681.102(9), F.S.
[14] S. 681.103(1), F.S.
[15] S. 681.104(1), F.S.

If the manufacturer cannot repair the vehicle to conform to the warranty after this final attempt, the manufacturer, within 40 days, must either repurchase the vehicle and refund the full purchase price to the consumer, less a reasonable offset for use,[16] or if the consumer pays a reasonable offset for use, replace the vehicle with a vehicle acceptable to the consumer.[17]

A violation by a manufacturer of the "lemon law" is considered an unfair or deceptive trade practice.[18] Additionally, a consumer may file an action to recover damages caused by a violation of the "lemon law," and the court must award a consumer who prevails in such action the amount of any pecuniary loss, litigation costs, reasonable attorney's fees, and appropriate equitable relief.[19]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	15 Y, 0 N, As CS	1/21/2026	Curtin	Wright
THE CHANGES ADOPTED BY THE COMMITTEE:	• Required all reasonable attempts to conform the farm equipment to the warranty by the manufacturer must be made within 18 months after the consumer reports the defect to the manufacturer. • Made a technical change.			
Civil Justice & Claims Subcommittee	14 Y, 0 N	2/18/2026	Jones	Fronczak
Commerce Committee			Hamon	Wright

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

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[16] "Reasonable offset for use" means the number of miles attributable to a consumer up to the date of a settlement agreement or arbitration hearing, whichever occurs first, multiplied by the base selling or sale price of the vehicle as reflected on the purchase invoice, exclusive of taxes, government fees, and dealer fees, or in the case of a lease, the agreed upon value as reflected in the lease agreement and divided by 120,000, except in the case of a recreational vehicle, in which event it shall be divided by 60,000. S. 681.102(19), F.S.

[17] If a manufacturer establishes a procedure that the Department of Legal Affairs (DLA) certifies as complying with the informal dispute settlement procedures in the Code of Federal Regulations and informs the consumer about how to file a claim, the consumer must follow that procedure before he or she may either receive a refund or a replacement vehicle. Ss. 681.104(2)(a) and 681.108(1), F.S. *See* 16 C.F.R. part 703.

[18] S. 681.111, F.S.

[19] S. 681.112(1), F.S. An action must be commenced within 1 year after the expiration of the lemon law rights period.

A bill to be entitled

An act relating to farm equipment; amending s. 604.40, F.S.; defining the term "farm equipment"; conforming provisions to changes made by the act; authorizing a consumer to report farm equipment that is defective and does not conform to specified warranties to the manufacturer or its authorized service agent during a specified timeframe to allow the manufacturer or its authorized agent to conform such farm equipment to such warranty; requiring the manufacturer or its authorized agent to make such repairs to conform the farm equipment to the warranty upon receipt of such report; requiring that such repairs be at no cost to the consumer; requiring the manufacturer or its authorized agent to replace or accept the return of the defective farm equipment under certain circumstances; providing a presumption; providing for the nonapplicability of the presumption; providing affirmative defenses; providing civil remedies; providing an effective date.

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

Section 1. Section 604.40, Florida Statutes, is amended to read:

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

604.40 Farm equipment; protection against defective farm equipment.—

(1) As used in this section, the term "farm equipment" means all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products.

(2) Notwithstanding any other law, ordinance, rule, or policy to the contrary, farm equipment ~~all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products~~ may be stored, maintained, or repaired by the owner within the boundaries of the owner's farm and at least 50 feet away from any public road without limitation.

~~(2)~~ This subsection ~~section~~ does not apply to farm equipment ~~that is~~ used in urban agriculture, as defined in s. 604.73(3).

(3)(a) If farm equipment is defective and does not conform to all applicable express written warranties, the consumer may report the defect to the manufacturer or its authorized service agent during the manufacturer's warranty period or during the 1-year period following the original delivery date of the farm equipment to the consumer to allow the manufacturer or its authorized agent the opportunity to conform the farm equipment to the warranty. Upon receipt of such report, the manufacturer or its authorized agent shall make such repairs as are necessary to conform the equipment to the warranty. Such repairs shall be at no cost to the consumer.

(b) The manufacturer or its authorized agent shall replace the farm equipment with comparable farm equipment, or accept the return of the defective farm equipment from the consumer and refund the consumer the cash purchase price, including sales tax, license fees, registration fees, and any similar governmental charges if the manufacturer or its authorized dealer is not able to or otherwise fails to conform the farm equipment to any applicable express written warranty after a reasonable number of attempts.

(c) It is presumed that the manufacturer has made a reasonable number of attempts to conform the farm equipment to the applicable express warranties if the same nonconformity has been the subject of repair three or more times by the manufacturer or its authorized agent but the nonconformity continues to exist. All reasonable attempts to conform the farm equipment to the manufacturer's warranty must be made within 18 months after the consumer reports the defect to the manufacturer in accordance with paragraph (a).

(d) In no event shall the presumption provided in paragraph (c) apply to a manufacturer unless the manufacturer or its authorized agent has received prior direct written notification from or on behalf of the consumer and been offered an opportunity to cure the alleged defect.

(e) It is an affirmative defense to any claim under this subsection that:

1. An alleged nonconformity does not substantially impair the farm equipment's use and market value; or

2. A nonconformity is the result of abuse or neglect, or of modifications to or alterations of the farm equipment not authorized by the manufacturer.

(f) This subsection may not be construed to limit or impair the rights or remedies which are otherwise available to a consumer under chapter 681.

(g) Any consumer who suffers a loss by reason of a violation of this subsection may bring a civil action to enforce such provision.

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

COMMERCE COMMITTEE

CS/HB 637 by Rep. Griffitts
Farm Equipment

AMENDMENT SUMMARY
February 26, 2026

Amendment #603659 by Rep. Griffitts (Strike-all):

- Defines “consumer” to mean a purchaser or lessee of farm equipment, other than for purposes of resale, or a person entitled to enforce the obligations of the warranty during the duration of the farm equipment warranty period.
- Provides that lienholders and holders of a security interest in farm equipment, if any, are entitled to a refund if the manufacturer or its authorized representative is unable to or otherwise fails to conform the equipment to the applicable express written warranty, and that the manufacturer or its authorized agent is entitled to a reasonable offset for prior use and depreciation of the farm equipment when providing a refund.
- Provides that the allowable repair period shall be extended by any period of time during which services are not available to the consumer due to war, invasion, strike, fire, flood, or natural disaster.
- Clarifies that the provisions of the bill apply to farm equipment sold on or after July 1, 2026.

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. Section 604.40, Florida Statutes, is amended to read:

604.40 Farm equipment; protection against defective farm equipment.—

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

(a) "Farm equipment" means all power-drawn, power-driven, or self-propelled equipment primarily designed for use on a farm or primarily designed to transport farm products.

(b) "Consumer" means a purchaser or lessee of farm equipment, other than for purposes of resale, or a person

entitled to enforce the obligations of the warranty during the duration of the farm equipment warranty period.

(2) Notwithstanding any other law, ordinance, rule, or policy to the contrary, farm equipment ~~all power-drawn, power-driven, or self-propelled equipment used on a farm or used to transport farm products~~ may be stored, maintained, or repaired by the owner within the boundaries of the owner's farm and at least 50 feet away from any public road without limitation.

~~(2)~~ This subsection ~~section~~ does not apply to farm equipment ~~that is~~ used in urban agriculture, as defined in s. 604.73(3).

(3)(a) If farm equipment is defective and does not conform to all applicable express written warranties, the consumer may report the defect in writing to the manufacturer or its authorized service agent during the manufacturer's warranty period or during the 1-year period following the original delivery date of the farm equipment to the consumer to allow the manufacturer or is authorized agent the opportunity to conform the farm equipment to the warranty. Upon receipt of such report, the manufacturer or its authorized agent shall make such repairs as are necessary to conform the equipment to the warranty. Such repairs shall be at no cost to the consumer.

(b) The manufacturer or its authorized agent shall replace the farm equipment with comparable farm equipment, or accept the return of the defective farm equipment from the consumer and

refund the consumer and the lienholder or holder of a security interest, if any, the cash purchase price, including sales tax, license fees, registration fees, and any similar governmental charges less a reasonable offset for prior use and depreciation of the farm equipment, if the manufacturer or its authorized dealer is not able to or otherwise fails to conform the farm equipment to any applicable express written warranty after a reasonable number of attempts.

(c) It is presumed that the manufacturer has made a reasonable number of attempts to conform the farm equipment to the applicable express warranties if the same nonconformity has been the subject of repair three or more times by the manufacturer or its authorized agent but the nonconformity continues to exist. All reasonable attempts to conform the farm equipment to the manufacturer's warranty must be made within 18 months after the consumer reports the defect to the manufacturer in accordance with paragraph (a).

(d) In no event shall the presumption provided in paragraph (c) apply to a manufacturer unless the manufacturer or its authorized agent has received prior direct written notification from or on behalf of the consumer and been offered an opportunity to cure the alleged defect.

(e) The allowable repair period shall be extended by any period of time during which repair services are not available to

the consumer because of war, invasion, strike, fire, flood, or natural disaster.

(f) It is an affirmative defense to any claim under this subsection that:

1. An alleged nonconformity does not substantially impair the farm equipment's use and market value; or

2. A nonconformity is the result of abuse or neglect, or of modifications to or alterations of the farm equipment not authorized by the manufacturer.

(g) Any consumer who suffers a loss by reason of a violation of this subsection may bring a civil action to enforce such provision.

(h) This section applies to farm equipment sold on or after July 1, 2026.

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 everything before the enacting clause and insert:
An act relating to farm equipment; amending s. 604.40, F.S.; defining the term "farm equipment"; conforming provisions to changes made by the act; authorizing a consumer to report farm equipment that is defective and does not conform to specified warranties to the manufacturer or its authorized service agent during a

specified timeframe to allow the manufacturer or its authorized agent to conform such farm equipment to such warranty; requiring the manufacturer or its authorized agent to make such repairs to conform the farm equipment to the warranty upon receipt of such report; requiring that such repairs be at no cost to the consumer; requiring the manufacturer or its authorized agent to replace or accept the return of the defective farm equipment under certain circumstances; providing a presumption; providing affirmative defenses; providing civil remedies; providing applicability; 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/CS/HB 657	**COMPANION BILL:** CS/SB 1498 (Bradley)
TITLE: Community Associations	**LINKED BILLS:** None
SPONSOR(S): Porras	**RELATED BILLS:** None

Committee References

Housing, Agriculture & Tourism	➤	Civil Justice & Claims	➤	Budget	➤	Commerce
16 Y, 0 N, As CS		14 Y, 1 N, As CS		24 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill:

- Requires new homeowners' associations (HOAs) and condominium associations (COAs) to include "Kaufman" language in their governing documents, which language effectively subjects an HOA or COA, as applicable, to Florida's current community association laws and any future enactments.
- Requires existing HOAs and COAs to vote on whether or not to amend their governing documents to include "Kaufman" language.
- Allows HOAs to be terminated pursuant to a plan of termination that meets certain requirements and specifies that the governing documents of a dissolved HOA are deemed terminated and unenforceable.
- Specifies that HOA directors, officers, and committee members have a duty of loyalty to the HOA and its members and defines what constitutes a conflict of interest for such persons.
- Eliminates presuit mediation requirements for community associations.
- Authorizes each circuit court to create a community association court program with jurisdiction over disputes arising under the Condominium Act, Cooperative Act, or Homeowners' Association Act, which programs are to be funded by an appropriation to the Department of Business and Professional Regulation.
- Defines the term "financial statements" within the HOA Act.

Fiscal or Economic Impact:
The House of Representatives' proposed General Appropriations Act authorizes twelve full-time equivalent positions and provides $1,000,000 from the General Revenue Fund and $1,210,396 from the State Courts Revenue Trust Fund to implement the provisions of the bill, contingent upon its passage.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Presuit Mediation Requirements for Community Associations
The bill eliminates presuit mediation requirements for community associations. (Sections 3, 5, and 8.)

Community Association Court Program
The bill allows a circuit court to create and administer a community association court program. Under the bill, a chief judge of a judicial circuit that creates a community association court program must designate at least one judge to preside over the program. The bill authorizes the chief judge to issue administrative orders concerning the community association court program. (Sections 3 and 10.)

The bill specifies that a community association court program has jurisdiction over disputes, including any related termination or enforcement proceedings, arising under Florida's Condominium Act, Cooperative Act, or Homeowners' Association Act. The bill authorizes a community association court program to do all of the following:

- Enforce all statutory rights of unit owners and parcel owners.
- Verify and compel compliance with all statutory requirements by community associations, boards of administration, and officers or directors of such boards.
- Order the Department of State to dissolve a community association.
- Appoint a termination trustee to manage the distribution of association assets and resolution of liabilities.
- Impose civil penalties for violations of statutory rights.
- Issue injunctive relief as appropriate.
- Award reasonable attorney fees and costs as appropriate. (Section 10.)

The bill requires the chief judge in each judicial circuit in which a community association court program is created to submit a report that summarizes the caseload of each community association court program and the outcomes of such caseload to the President of the Senate and the Speaker of the House of Representatives by January 1 of each year. (Section 10.)

The bill requires the Office of the State Courts Administrator to establish procedure, staffing, and reporting requirements for the operation of a community association court program. (Section 10.)

The bill specifies that the costs associated with the creation, operation, and compliance and enforcement duties of a community association court program will be funded as authorized by and consistent with the General Appropriations Act. Any funds specifically appropriated or transferred from the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund within the Department of Business and Professional Regulation to implement such programs are to be reverted annually by June 30 if unencumbered, and by September 30 if undisbursed. (Section 10.)

The bill creates two additional judgeships in the Eleventh Judicial Circuit, and one judgeship each in the Thirteenth and Seventeenth Judicial Circuits. The bill specifies that the additional judgeships are authorized for the purpose of implementing the community court association program. (Sections 11 and 12.)

Dissolution of Homeowners' Associations

The bill creates the Homeowners' Association Dissolution and Accountability Act under which an HOA may be terminated by a plan of termination that meets certain requirements specified by the bill. (Section 9.)

To initiate the process for terminating an HOA under the bill, a parcel owner must provide a petition for a plan of termination that has been signed by at least 50 percent of the voting interests of the HOA to the board of administration. Within 60 days of receiving such a petition, the bill requires the board to hold a meeting of the members, the notice for which must be made in accordance with s. 720.303(2), F.S.,[1] and include the following information:

- A copy of the proposed plan of termination;
- An explanation of how the common areas and the assets of the HOA will be managed or transferred; and
- The manner in which voting will take place. (Section 9.)

[1] Section 720.303(2)(c), F.S., specifies notice requirements for board meetings of an HOA, unless different requirements are specified in an HOA's bylaws.

Voting Requirements

The bill requires a plan of termination to be approved by at least two-thirds of the total voting interests of an HOA, subject to the following conditions:

- The total voting interests must include all voting interests of the HOA for purposes of voting on a plan of termination.
- A voting interest may not be suspended for any reason when voting on a plan of termination.
- If the members of an HOA reject a plan of termination, a subsequent plan of termination may not be considered for at least 18 months after the date of the rejection. (Section 9.)

The bill specifies that a parcel owner desiring to reject a plan of termination must do so by voting to reject the plan in person or by proxy, or by delivering a written objection to the HOA before or at the meeting called for the purpose of voting on the plan. The bill prohibits a voting interest from being suspended for any reason for purposes of signing a petition for a plan of termination or determining whether the 50 percent threshold for such petition has been met. (Section 9.)

Approval by a Community Association Court Program

If a plan of termination is approved by an HOA, the bill requires the HOA's board to submit the approved plan to the community association court program in the judicial circuit where the HOA is located, or, if none, to another court of competent jurisdiction. Within 45 days of receiving a plan of termination, the court must examine the plan and notify the HOA by mail of any procedural deficiencies or that the plan is accepted. If a plan is accepted, the termination may proceed as authorized. The bill specifies that a plan of termination is deemed to be accepted if a court fails to provide the required notice within the 45-day time period. (Section 9.)

The bill requires the board to record an approved plan of termination[2] that has been accepted by a court in the public records of each county in which any portion of the HOA is located. The bill specifies that a plan of termination becomes effective upon recordation,[3] at which point title to the HOA's property vests in a termination trustee. (Section 9.)

Termination Trustee

The bill specifies that the board serves as an HOA's termination trustee unless a different person is appointed in a plan of termination, in which case the board must transfer any HOA property to that trustee. A termination trustee is vested with the powers given by an HOA's declaration and bylaws, in addition to certain other powers specified by the bill. The bill provides that the approval of a plan of termination does not terminate an HOA's board, which must continue in existence following approval of the plan with all powers and duties the board had before approval of the plan. (Section 9.)

The bill authorizes and requires an HOA's board to take the following actions after the approval of a plan of termination, notwithstanding any provision to the contrary in the HOA's declaration or bylaws:

- Employ directors, agents, attorneys, and other professionals to liquidate or conclude the affairs of the board.
- Conduct the affairs of the HOA as necessary for the liquidation or termination of the HOA.
- Carry out contracts and collect, pay, and settle debts and claims for and against the HOA.
- Defend suits brought against the HOA.
- Sue in the name of the HOA for all sums due or owed to the HOA or to recover any HOA property.
- Perform any act necessary to maintain, repair, or demolish unsafe or uninhabitable improvements or other HOA property in compliance with applicable codes.
- Sell at public or private sale or exchange, convey, or otherwise dispose of assets of the HOA for an amount deemed to be in the best interests of the HOA, and execute bills of sale and deeds of conveyance in the name of the HOA.

[2] And the consents or joinders of parcel owners thereto. (Section 7.)
[3] Unless a later date is specified in the plan of termination. (Section 7.)

- Collect and receive rents, profits, accounts receivable, income, maintenance fees, special assessments, or insurance proceeds for the HOA.
- Contract and do anything in the name of the HOA which is proper or convenient to terminate the affairs of the HOA. (Section 9.)

The bill requires all HOA assets remaining after the payment of any debts to be distributed equally among members or as otherwise provided in a plan of termination. The bill prevents a member from being subject to personal liability for unpaid obligations of the HOA beyond the member's regular assessments or special assessments, as such assessments existed before the vote approving the termination. (Section 9.)

Ability to Petition a Court to Compel Compliance

The bill authorizes a member of an HOA to petition the community association court program in the judicial circuit in which the HOA is located, or, if none exists, another court of competent jurisdiction, for an order compelling compliance with the bill's provisions if any of the following occurs:

- The board fails to call a meeting to vote on a plan of termination within the 60-day time period required by the bill.
- The board is unable, unwilling, or fails to act as termination trustee.
- The board refuses or fails to record the plan of termination or otherwise obstructs the termination process. (Section 9.)

The bill authorizes a court to verify compliance with the procedural requirements of a plan of termination under the bill, including all voting requirements; order the Department of State to dissolve the HOA; and appoint a termination trustee to manage the distribution of assets and resolution of liabilities of a dissolved HOA. (Section 9.)

The bill specifies the following actions by an HOA or an HOA's officers or directors are unlawful:

- Failing to call or notice a meeting after receipt of a valid petition for a plan of termination.
- Spending HOA funds to campaign for or against a plan of termination.
- Concealing any financial or property records relevant to a plan of termination. (Section 9.)

The bill provides that an officer or director who violates the above provisions is subject to:

- A civil penalty of up to $5,000 per violation.
- Removal from office by court order.
- Personal liability for legal fees incurred by the petitioners. (Section 9.)

Governing Documents and Easements of a Dissolved HOA

The bill specifies that, upon the dissolution of an HOA, its governing documents which were recorded in the official records of a county are deemed terminated and unenforceable. The bill prohibits the recorded governing documents of a dissolved HOA from being construed to create any rights for the general public or any successor entity unless expressly provided by law. The bill requires the clerk of the circuit court to, upon receipt of a certified copy of an HOA's articles of dissolution, mark or otherwise indicate in the county's official records that the HOA's governing documents are terminated and inactive. (Section 1.)

The bill requires an exclusive easement created for the benefit of an HOA or its members to revert to the servient estate[4] upon dissolution of the HOA if the owner of the servient estate has continuously paid his or her ad valorem taxes on the land encumbered by the easement. Upon reversion, the bill provides that the exclusive easement is extinguished and that the owner of the servient estate regains full rights of ownership, possession, and control of the land encumbered by such easement. (Section 1.)

[4] "Servient estate" means the real property burdened by an easement. (Section 1)

The bill prohibits an easement formerly held by an HOA from becoming a public right-of-way, trail, or access route unless a separate, valid written notice in accordance with s. 712.06, F.S., has been recorded to preserve the easement for the benefit of the public. (Section 1.)

These provisions in the bill do not impair or extinguish easements, covenants, or restrictions benefiting individual property owners which were separately recorded or preserved under ch. 712, F.S., the Marketable Record Title Act. (Section 1.)

These provisions apply prospectively and retroactively to HOAs dissolved before, on, or after July 1, 2026. (Section 1.)

"Kaufman" Language

The bill requires each condominium association (COA) and homeowners' association (HOA) formed on or after July 1, 2026, to include certain language in its governing documents that effectively subjects the COA or HOA, as applicable, and its governing documents to the current laws governing such associations and any future amendments to those laws. This is known as "Kaufman" language. (Sections 2 and 6.)

The bill requires COAs and HOAs in existence before July 1, 2026 to hold a meeting of their members by January 1, 2027, to vote whether to amend their governing documents to include Kaufman language. The bill specifies that the decision to include Kaufman language in a COA's or HOA's governing documents requires, at a meeting of the members at which a quorum has been attained:

- The affirmative approval of a majority of the voting interests of an HOA.
- The affirmative approval of the owners of two-thirds of the units of a COA. (Sections 2 and 6.)

Conflict of Interest

The bill creates a duty of loyalty for HOA directors, officers, and committee members to the association and its members. The bill specifies that:

- A conflict of interest exists when a director, officer, or committee member of an HOA has a direct or indirect financial interest in a transaction, contract, or decision under consideration by the HOA.
- Compensating or contracting with a director, officer, or committee member, or an immediate family thereof, creates a rebuttable presumption of a conflict of interest. (Section 6.)

The bill requires an HOA director, officer, or committee member with a conflict of interest to disclose the nature and extent of the interest in writing to the board of the HOA before any discussion or vote on the matter. The bill prohibits the interested director, officer, or committee member from participating in any discussion or vote on the matter. (Section 6.)

The bill provides that a transaction involving a conflict of interest is voidable by an HOA unless the transaction was approved by a majority of the voting interests of the HOA after full disclosure by the interested director, officer, or committee member. (Section 6.)

The bill's provisions relating to conflicts of interest may not be waived or limited in an HOA's governing documents. (Section 6.)

Official Records

The bill amends the HOA Act to define the term "financial statements," which statements the HOA must, under current law, retain as part of its official records. Specifically, under the bill, the term "financial statements" means a comprehensive report prepared in accordance with generally accepted accounting principles which accurately reflects the financial condition and operation of an HOA for a specified reporting period. This report must include, at a minimum, a balance sheet; an income and expense statement; a budget comparison; and a complete set of bank statements, including copies of check images for all disbursements the HOA made during the reporting period, for each bank account belonging to the HOA. (Section 4.)

Miscellaneous Provisions
The bill conforms cross-references due to changes made by the act. (Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23.)

The bill has an effective date of July 1, 2026. (Section 24.)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The proposed House of Representatives' General Appropriations Act authorizes twelve full-time equivalent positions, with associated salary rate of $1,257,504, and provides $1,000,000 in recurring funds from the General Revenue Fund, as well as $1,170,196 in recurring funds and $40,200 in nonrecurring funds from the State Courts Revenue Trust Fund to implement the community association court program, contingent upon passage of the bill. The funds are provided for two additional judgeships in the Eleventh Judicial Circuit, and one judgeship each in the Thirteenth and Seventeenth Judicial Circuits, as well as associated staff. If future needs associated with implementing community association court programs exceed available resources, the State Court System may request additional funding through the traditional Legislative Budget Request process outlined in s. 216.023, F.S.

PRIVATE SECTOR:

The bill may have an indeterminate positive impact on community associations and their members to the extent that the community association court program results in more resolved disputes. The bill may also have an indeterminate impact on homeowners' associations that wish to dissolve and terminate. A request for a formal analysis was submitted to the Department of Business and Professional Regulation on December 17, 2025.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Community Associations
A community association is a residential association in which membership is a condition of ownership of a unit in a planned unit development, or of a lot for a home or a mobile home, or of a townhouse, villa, condominium, cooperative, or other residential unit which is part of a residential development scheme and which is authorized to impose a fee which may become a lien on the parcel.[5]

The table below summarizes the three major types of community associations recognized in Florida,[6] the Florida laws that govern them, and the type of ownership specific to each association:

Community Association	Ownership Structure	Governed By
Condominium Association	"Condominium" means that form of ownership of real property created pursuant to ch. 718, F.S., which is comprised entirely of units that may be owned by one or more persons, and in which there is, appurtenant to each unit, an undivided share in common elements.[7]	Ch. 718, F.S.
Cooperative Association	"Cooperative" means that form of ownership of real property wherein legal title is vested in a corporation or other entity and the beneficial use is evidenced by an ownership interest in the cooperative association and a lease or other	Ch. 719, F.S.

[5] S. 468.431(1), F.S.
[6] Other community associations recognized in Florida include vacation and timeshare plans. *See* ch. 721, F.S.
[7] S. 718.103(12), F.S.

	evidence of title or possession granted by the cooperative association as the owner of all the cooperative property.[8]	
Homeowners' Association	"Homeowners' association" means a Florida corporation responsible for the operation of a community or a mobile home subdivision in which the voting membership is made up of parcel owners or their agents, or a combination thereof, and in which membership is a mandatory condition of parcel ownership, and which is authorized to impose assessments that, if unpaid, may become a lien on the parcel.[9]	Ch. 720, F.S.

Presuit Mediation Requirements for Community Associations

Under Florida law, certain disputes between a homeowners' association (HOA) and a parcel owner are subject to presuit mediation before the dispute is filed in court.[10] The disputes subject to presuit mediation include disputes regarding:

- The use of or changes to a parcel or the common areas and other covenant enforcement disputes.
- Amendments to an association's documents.
- Meetings of the board and committees appointed by the board.
- Member meetings *not* including election or recall disputes.
- Access to the official records of the association.[11]

Presuit mediation proceedings for community associations must be conducted in accordance with the applicable Florida Rules of Civil Procedure, and such proceedings are privileged and confidential to the same extent as court-ordered mediation.[12]

The failure of a party to respond to a demand or response for presuit mediation, agree upon a mediator, make payment of fees and costs within the time established by the mediator, or appear for a scheduled mediation session without the approval of the mediator entitles the other party to proceed in court and seek an award of the costs and fees associated with the mediation.[13] A party's failure or refusal to participate in the mediation process bars the recovery of any fees and costs by such party in subsequent litigation relating to the dispute.[14]

Conflict of Interest for HOA Directors and Officers

The Florida Homeowners' Association Act[15] requires directors and officers of an HOA to disclose to the HOA any activity that may be reasonably construed to be a conflict of interest at least 14 days before voting on an issue or entering into a contract that is the subject of the conflict.[16] A rebuttable presumption of a conflict of interest exists if any of the following acts occur without prior disclosure to the HOA:

- A director or an officer, or a relative of a director or an officer, enters into a contract for goods or services with the HOA.

[8] S. 719.103(12), F.S.
[9] S. 720.301(9), F.S. The term "homeowners' association" does not include a community development district or other similar special taxing district created pursuant to statute.
[10] *See* s. 720.311, F.S.
[11] S. 720.311(2)(a), F.S.
[12] *Id.*
[13] S. 720.311(2)(b), F.S.
[14] *Id.*
[15] Ch. 720, F.S.
[16] S. 720.3033(6)(b), F.S.

- A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability company, partnership, limited liability partnership, or other business entity that conducts business with the HOA or proposes to enter into a contract or other transaction with the HOA.[17]

Official Records

The HOA Act requires an HOA to maintain specified documents, which constitute the HOA's official records, for at least 7 years, unless the HOA's governing documents require retention for a longer period of time. Such documents include copies of the HOA's governing documents and:

- The minutes of all board and member meetings.
- A current roster of all members and their designated mailing addresses and parcel identification numbers.
- All of the HOA's insurance policies or copies thereof.
- A current copy of all contracts to which the HOA is a party.
- All tax returns, financial statements,[18] and financial reports of the HOA.
- A copy of the disclosure summary.[19]
- Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by parcel owners, which must be maintained for at least one year after the date of the election, vote, or meeting.
- All other written records of the HOA not specifically named which are related to the operation of the HOA.[20]

Further, an HOA with 100 or more parcels must post specified documents on its website or make such documents available through an application that may be downloaded on a mobile device.[21]

The official records must generally be maintained within this state and made available to a parcel owner for inspection or photocopying within 45 miles of the community or within the county in which the HOA is located within 10 business days after receipt by the board or its designee of a written request from the parcel owner; such a requirement may be met by having a copy of the official records available for inspection or copying in the community, by making the records available to a parcel owner electronically via the Internet, or by allowing the records to be viewed in electronic format on a computer screen and printed upon request.[22] If the HOA has a photocopy machine available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages, and an HOA must allow a member to use a portable device to make an electronic copy of the official records without charging a fee to a member for the use of such a portable device.[23]

Where an HOA fails to provide access to the records within 10 business days after receipt of a written request to inspect the records from a parcel owner, there is a rebuttable presumption that the HOA willfully failed to comply with the HOA Act's records access requirements.[24] A member denied access to official records is entitled to recover from the HOA her or his actual damages or minimum damages for such a willful failure, with the minimum

[17] S. 720.3033(6)(b)1.–2., F.S.
[18] The term "financial statements" is presently undefined within the HOA Act.
[19] Under the HOA Act, a prospective parcel owner in a community must be presented a disclosure summary before executing a contract for sale. The disclosure summary must be in a form substantially similar to certain language specified in s. 720.401(1)(a), F.S. The disclosure summary essentially puts a prospective parcel owner on notice that, as a purchaser of property in a community, the purchaser will be obligated to be a member of an HOA; that there have been or will be recorded restrictive covenants governing the use and occupancy of properties in the community; and that the purchaser will be obligated to pay assessments to an HOA, which may be subject to change. *See* s. 720.401, F.S.
[20] S. 720.303, F.S.
[21] *Id.*
[22] *Id.*
[23] *Id.*
[24] *Id.*

damages set at $50 per calendar day, up to 10 days.[25] Criminal penalties may also apply to certain willful and knowing misconduct pertaining to an HOA's official records.[26]

Optional Termination for Condominium Associations

Under the Florida Condominium Act,[27] the condominium form of ownership may be terminated for all or a portion of the condominium's property pursuant to a plan of termination that meets certain requirements and is approved by the Division of Florida Condominiums, Timeshares, and Mobile Homes (Division) within the Department of Business and Professional Regulation (DBPR).[28]

Florida law requires a plan of termination for a condominium association to be approved by at least 80 percent of the total voting interests of the condominium.[29] If five percent or more of the total voting interests of the condominium association rejects a plan of termination by negative vote or by providing written objections, however, the plan of termination may not proceed.[30]

The termination of a condominium association is subject to the following conditions:

- The total voting interests of the condominium must include all voting interests for the purpose of considering a plan of termination.
- A voting interest of the condominium may not be suspended for any reason when voting on termination.
- If five percent or more of the total voting interests of the condominium reject a plan of termination, a subsequent plan of termination may not be considered for 24 months after the date of the rejection.[31]

Once a plan of termination is approved by a condominium association, the plan must be submitted to the Division. The Division must examine the plan of termination to determine its procedural sufficiency and, within 45 days of receiving the plan, the Division must notify the condominium association by mail of any procedural deficiencies or that the plan is accepted.[32] If the Division does not provide notice within the 45-day time period, the plan of termination is presumed to be accepted.[33] If the Division determines that the requisite conditions have been met and that the plan complies with procedural requirements, the Division must approve the termination, at which point the termination may proceed as authorized.[34]

The approval of a plan of termination does not terminate a condominium association, which shall continue to exist with all of the powers and duties it had before the plan was approved. Notwithstanding any provision to the contrary in a condominium association's declaration or bylaws, after approval of a plan of termination, the condominium association's board must:

- Employ directors, agents, attorneys, and other professionals to liquidate or conclude its affairs.
- Conduct the affairs of the association as necessary for the liquidation or termination.
- Carry out contracts and collect, pay, and settle debts and claims for and against the association.
- Defend suits brought against the association.
- Sue in the name of the association for all sums due or owed to the association or to recover any of its property.
- Perform any act necessary to maintain, repair, or demolish unsafe or uninhabitable improvements or other condominium property in compliance with applicable codes.

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[25] *Id.*
[26] *Id.*
[27] Ch. 718, F.S.
[28] S. 718.117(3), F.S.
[29] *Id.*
[30] *Id.*
[31] S. 718.117(3)(a), F.S.
[32] S. 718.117(3)(e), F.S.
[33] *Id.*
[34] *Id.*

- Sell at public or private sale or exchange, convey, or otherwise dispose of assets of the association for an amount deemed to be in the best interests of the association, and execute bills of sale and deeds of conveyance in the name of the association.
- Collect and receive rents, profits, accounts receivable, income, maintenance fees, special assessments, or insurance proceeds for the association.
- Contract and do anything in the name of the association which is proper or convenient to terminate the affairs of the association.[35]

Impairment of Contracts and Community Association Law

The U.S. Constitution and the Florida Constitution prohibit states from passing any law "impairing the obligation of contracts."[36] The Florida Supreme Court has interpreted the language under the Florida Constitution to mean, as a general rule, the Legislature is prohibited from enacting any law that impairs vested rights under a contract between private parties.[37]

The governing documents of a community association are essentially contracts between a community association and its members. The governing documents of an association include:

- The recorded declaration of covenants for the community and all duly adopted amendments, supplements, and exhibits thereto; and
- The articles of incorporation and bylaws of the association and all duly adopted amendments thereto.[38]

For community associations, the general rule against the impairment of contracts means that a new or amended statute may not be applied to an association's governing documents if the new or amended statute impairs a vested right guaranteed by the governing documents.[39] A statute impairs the governing documents if it creates a new obligation, imposes a new penalty, or diminishes a vested right.[40] A vested right is a right derived from an association's governing documents, whereas a statutory right is derived from state statute.[41]

"Kaufman" Language

Notwithstanding the general rule against the impairment of contracts, an exception exists if an association's governing documents incorporate future legislative enactments. To accomplish this, the governing documents must contain language in substantially the following form: "This association and the association's governing documents are governed by the Florida Homeowners' Association Act [or the Condominium Act, as applicable], ***as amended from time to time***." The phrase "as amended from time to time" effectively incorporates future legislative enactments and is known as Kaufman language.[42]

If the governing documents of an association have Kaufman language, a new or amended statute under Florida's community association laws does not impair the governing documents and may apply to the association, as the governing documents have already incorporated any future changes to those laws.

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[35] S. 718.117(6), F.S.
[36] U.S. CONST. art. I, § 10, cl. 1; FLA. CONST. art. I, § 10.
[37] *See Dewberry v. Auto-Owners Ins. Co.*, 363 So. 2d 1077, 1080 (Fla. 1978). *See also* Eric Glazer and Louis Goetz, *Florida Community Association Law: Contracts Clause Application in an Ever-Changing Legislative Landscape* (Sep./Oct. 2015), Fla. Bar Journal, Vol. 89 No. 8, https://www.floridabar.org/the-florida-bar-journal/florida-community-association-law-contracts-clause-application-in-an-ever-changing-legislative-landscape/ (last visited Feb. 6, 2026).
[38] S. 720.301(8), F.S.
[39] *See Cohn v. The Grand Condominium Ass'n, Inc.*, 62 So. 3d 1120 (Fla. 2011); *see also Pomponio v. Claridge of Pompano Condo, Inc.*, 378 So. 2d 774, 776 (Fla. 1979).
[40] *See R.A.M. of South Fla., Inc., v. WCI Communities, Inc.*, 869 So. 2d 1210 (Fla. 2d DCA 2004) (quoting *Div. of Workers' Comp. v. Brevada*, 420 So. 2d 887, 891 (Fla. 1st DCA 1982).
[41] *See R.A.M. of South Fla.*, 869 So. 2d at 1210. *See also* Eric Glazer, *Florida Community Association Law*, Fla. Bar Journal (Sep./Oct. 2015), Vol. 89 No. 8.
[42] *See Kaufman v. Shere*, 347 So. 2d 627 (Fla. 3d DCA 1977), cert. den., 355 So 2d 517 (Fla. 1978).

Marketable Record Title Act

Before the passage of the Marketable Record Title Act's (MRTA) in 1963, a title examination involved reviewing all documents relating to a parcel of property recorded in the public records of a county from the oldest public records – which could in some cases date back to a land grant from the king of Spain[43] – to the most recent.[44] This usually required the purchase of a title abstract and a review and analysis of every document and title transaction[45] listed in the abstract.[46]

MRTA simplified the title examination process by confirming a piece of real property's marketability based on a 30-year marketable record period and a consideration of certain statutory exceptions, rather than on a perfect record from the oldest public records. MRTA provides that any person with legal capacity to own land who has been vested with any estate in land of record for 30 years or more has marketable record title to such land free and clear of all claims other than those specified in statute or otherwise preserved.[47]

After 30 years, MRTA automatically extinguishes all estates, interests, claims, or charges existing due to any act, title transaction, event, or omission occurring before the effective date of the root of title[48] and not statutorily excepted from extinguishment.[49] Subject to certain exceptions,[50] all extinguished estates, interests, claims, or charges become null and void.[51]

Preserving Interests Under MRTA

MRTA provides a mechanism for an interested party to preserve from extinguishment a right or interest the party holds. Additionally, a community association may preserve and protect a community covenant or restriction[52] by filing:

- A written notice in the form required by MRTA;[53]
- A summary notice complying with certain statutory specifications relating to notice of association information;[54] or
- An amendment to a community covenant or restriction indexed under the association's legal name and referencing the information to be preserved.[55]

Such an action creates a new marketable record period, preventing extinguishment of the interests and rights contained in the notice or community covenant or restriction amendment for 30 years from the date of filing.[56]

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[43] *See* The Florida Bar, *Florida Real Property Title Examination and Insurance* ch. 2, (8th ed. 2016).
[44] Gregory M. Cook, *The Marketable Record Title Act Made Easy*, 66 Fl. Bar J. 55 (Oct. 1992), https://www.floridabar.org/the-florida-bar-journal/the-marketable-record-title-act-made-easy/ (last visited Feb. 3, 2026).
[45] "Title transaction" means any recorded instrument or court proceeding affecting title to any estate or interest in land and describing the land sufficiently to identify its location and boundaries. S. 712.01(7), F.S.
[46] Cook, *supra* note 43.
[47] *Id.*; *See also* S. 712.03, F.S.
[48] "Root of title" means any title transaction purporting to create or transfer the estate claimed by any person which is the last title transaction to have been recorded at least 30 years before the time when marketability is being determined. The effective date of the root of title is the date it was recorded. S. 712.01(6), F.S.
[49] S. 712.04, F.S.
[50] *See* s. 712.03, F.S.
[51] S. 712.04, F.S.
[52] "Community covenant or restriction" means any agreement or limitation contained in a document recorded in the public records of the county where the property lies which subjects the parcel to any use restriction enforceable by a community association or authorizes a community association to impose a charge or assessment against the parcel or parcel owner. S. 712.01, F.S.
[53] S. 712.05(2)(a), F.S.
[54] S. 712.05(2)(b), F.S.
[55] *Id.*
[56] S. 712.05(3), F.S.

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	CS/CS/HB 983	Porras/ *Arrington*	Amended provisions in the Homeowners' Association Act. Died in the House.
2024	CS/CS/CS/HB 1021	Lopez, V./ *Bradley*	Amended provisions in the Condominium Act, Cooperative Act, and Homeowners' Association Act. Approved by the Governor.
2023	CS/CS/HB 919	Porras, Fernandez-Barquin/ *Rodriguez*	Amended provisions in the Condominium Act, Cooperative Act, and Homeowners' Association Act. Approved by the Governor.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Housing, Agriculture & Tourism Subcommittee	16 Y, 0 N, As CS	1/21/2026	Curtin	Fletcher
THE CHANGES ADOPTED BY THE COMMITTEE:	• Provided that the governing documents of an HOA are terminated and unenforceable upon dissolution. • Applies the bill's requirements for HOAs to include or vote to include "Kaufman language" in their governing documents to condominium associations. • Created a duty of loyalty for directors, officers, and committee members to an HOA and its members, and created conflict of interest disclosure requirements for such directors, officers, and committee members. • Prohibited an owner's voting interest from being suspended for any reason for purposes of signing a petition for a plan of termination. • Made certain other clarifying, technical changes.			
Civil Justice & Claims Subcommittee	14 Y, 1 N, As CS	2/3/2026	Jones	Mawn
THE CHANGES ADOPTED BY THE COMMITTEE:	• Defined the term "financial statements" within the HOA Act. • Increased the percentage of owners who must sign a petition for a plan of termination of an HOA. • Increased the percentage of voting interests necessary to approve an amendment adding "Kaufman Language" to the governing documents of a COA or an HOA. • Made technical, conforming changes.			
Budget Committee	24 Y, 0 N, As CS	2/16/2026	Pridgeon	Saag
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed a provision requiring community association court programs to be funded through a specific appropriation, and provided that such programs will be funded as authorized by the General Appropriations Act. • Required that any funds appropriated or transferred from a specified trust fund to implement court programs under the bill must revert by specified dates. • Increased the number of judges in the Eleventh, Thirteenth, and Seventeenth Judicial Circuits in order to implement court programs authorized by the bill.			
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 community associations; creating s. 712.13, F.S.; providing legislative findings and intent; providing definitions; providing that the recorded governing documents of a dissolved homeowners' association are deemed terminated and unenforceable; requiring the clerk of the circuit court to indicate in the county records that a dissolved association's governing documents are terminated and inactive; requiring certain exclusive easements to revert to the servient estate upon dissolution of a homeowners' association under certain circumstances; providing for the extinguishment of such easement; prohibiting an easement held by a dissolved association from becoming a public right-of-way, trail, or access route unless the easement is separately recorded for public use; providing construction; providing retroactive applicability; amending s. 718.104, F.S.; requiring condominium associations to include a specified statement in the governing documents or to hold a meeting by a date certain to vote to amend the governing documents to include such statement; requiring a vote held at such meeting to be approved by a certain amount of the voting interests; amending s. 718.1255, F.S.; removing

presuit mediation requirements; amending s. 720.301, F.S.; defining the term "financial statements"; amending s. 720.302, F.S.; conforming a provision to changes made by the act; amending s. 720.303, F.S.; requiring homeowners' associations to include a specified statement in the governing documents or to hold a meeting by a date certain to vote to amend the governing documents to include such statement; requiring a vote held at such meeting to be approved by a certain amount of the voting interests; providing that directors, officers, and committee members of a homeowners' association owe a duty of loyalty to such association and its members; requiring a director, an officer, or a committee member who has a conflict of interest to disclose to the board such conflict in writing; prohibiting such director, officer, or member from participating in any discussion or vote on such matter; authorizing an association to void a transaction involving a conflict of interest; providing an exception; providing a rebuttable presumption; providing construction; amending s. 720.306, F.S.; conforming a cross-reference; amending s. 720.311, F.S.; removing presuit mediation requirements; requiring that specified arbitrators conduct arbitration proceedings; creating s. 720.319,

F.S.; providing a short title; providing legislative findings; authorizing a homeowners' association to be terminated; providing requirements for the termination of a homeowners' association; providing conditions for a plan of termination; requiring an approved plan of termination be submitted to a community association court program and recorded in the public records of each county in which the association is located; providing duties and responsibilities of a termination trustee; authorizing a member to file a petition with a community association court program under certain circumstances; authorizing a community association court program to take certain actions; providing responsibilities of the board after approval of a plan of termination; providing for the distribution of assets and paying of lawful debts after an association is terminated; specifying unlawful actions by an association or its officers or directors; providing penalties; creating s. 720.32, F.S.; providing legislative intent; authorizing circuit courts to create and administer a community association court program; providing duties of the chief judge; providing the jurisdiction of the community association court program; authorizing the community association court program to take certain actions;

requiring the chief judge of certain judicial circuits to submit to the Legislature a specified report annually by a specified date; providing duties of the Office of the State Courts Administrator; providing that certain costs associated with the community association court program be funded through specific appropriations in the General Appropriations Act; requiring certain funds that remain unencumbered or undisbursed by specified dates to revert to the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund; amending s. 26.031, F.S.; increasing the number of circuit judges in certain judicial circuits; specifying that the additional circuit court judges are for the community association court program; amending s. 34.01, F.S.; conforming a provision to changes made by the act; amending ss. 336.125, 558.002, 617.0601, 617.0701, 617.0721, 617.0725, 617.0808, 617.1606, 718.116, and 720.3085, F.S.; conforming cross-references; providing an effective date.

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

Section 1. Section 712.13, Florida Statutes, is created to read:

712.13 Governing documents associated with dissolved homeowners' associations.—

(1) The Legislature finds that when a homeowners' association has been dissolved, voluntarily or involuntarily, the recorded governing documents created solely for the association's benefit may remain in the county records indefinitely, imposing an undue burden on private property owners. It is the intent of the Legislature to restore and protect private property rights by ensuring that such encumbrances are properly extinguished or removed from the official records of the county when the association ceases to exist.

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

(a) "Dissolved association" means a homeowners' association that has filed articles of dissolution with the Department of State under chapter 617 or has otherwise ceased its legal operation and existence.

(b) "Exclusive easement" means an easement recorded for the sole benefit or use of a homeowners' association or its members.

(c) "Governing documents" has the same meaning as in s. 720.301.

(d) "Servient estate" means the real property burdened by an easement.

(3)(a) Upon the dissolution of a homeowners' association,

the governing documents of the association, which were recorded in the official records of a county and created solely for the operation or benefit of the dissolved association or its members, are deemed terminated and are unenforceable.

(b) The recorded governing documents may not be construed to create any rights for the general public or for any successor entity unless expressly provided by law.

(c) The clerk of the circuit court shall, upon receipt of a certified copy of the association's articles of dissolution, mark or otherwise indicate in the county's official records that the governing documents for the dissolved association are terminated and inactive.

(4)(a) An exclusive easement created for the benefit of a homeowners' association or its members must revert to the servient estate upon dissolution of the association if the owner of the servient estate has continuously paid his or her ad valorem taxes on the land encumbered by the easement.

(b) Upon reversion, the exclusive easement is extinguished and the owner of the servient estate regains full rights of ownership, possession, and control of the land encumbered by the easement.

(c) An easement formerly held by a homeowners' association may not become a public right-of-way, trail, or access route unless a separate, valid written notice in accordance with s. 712.06 has been recorded to preserve the easement for the

benefit of the public.

(5) This section does not impair or extinguish easements, covenants, or restrictions benefiting individual property owners which were separately recorded or preserved under this chapter.

(6) This section applies both prospectively and retroactively to homeowners' associations dissolved before, on, or after July 1, 2026.

Section 2. Subsection (8) is added to section 718.104, Florida Statutes, to read:

718.104 Creation of condominiums; contents of declaration.—Every condominium created in this state shall be created pursuant to this chapter.

(8)(a) Each association formed on or after July 1, 2026, must include the following statement in the governing documents:

This association and the association's governing documents are governed by the Florida Condominium Act, as amended from time to time.

(b) By January 1, 2027, each association in existence before July 1, 2026, must hold a meeting of the members in accordance with s. 718.112 to vote whether to amend the governing documents of the association to include the statement in paragraph (a). The association must obtain the affirmative approval of two-thirds of the units at a meeting of the

membership at which a quorum has been attained in order to amend the governing documents under this paragraph.

Section 3. Subsections (6) and (7) of section 718.1255, Florida Statutes, are renumbered as subsections (5) and (6), respectively, and paragraphs (a), (h), (k), and (m) of subsection (4) and present subsection (5) of that section are amended, to read:

718.1255 Alternative dispute resolution; mediation; nonbinding arbitration; applicability.—

(4) NONBINDING ARBITRATION AND MEDIATION OF DISPUTES.—The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation may employ full-time attorneys to act as arbitrators to conduct the arbitration hearings provided by this chapter. The division may also certify attorneys who are not employed by the division to act as arbitrators to conduct the arbitration hearings provided by this chapter. A person may not be employed by the department as a full-time arbitrator unless he or she is a member in good standing of The Florida Bar. A person may only be certified by the division to act as an arbitrator if he or she has been a member in good standing of The Florida Bar for at least 5 years and has mediated or arbitrated at least 10 disputes involving condominiums in this state during the 3 years immediately preceding the date of application, mediated or arbitrated at least 30 disputes in any subject area in this state during the 3

years immediately preceding the date of application, or attained board certification in real estate law or condominium and planned development law from The Florida Bar. Arbitrator certification is valid for 1 year. An arbitrator who does not maintain the minimum qualifications for initial certification may not have his or her certification renewed. The department may not enter into a legal services contract for an arbitration hearing under this chapter with an attorney who is not a certified arbitrator unless a certified arbitrator is not available within 50 miles of the dispute. The department shall adopt rules of procedure to govern such arbitration hearings including mediation incident thereto. The decision of an arbitrator is final; however, a decision is not deemed final agency action. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo unless the parties have agreed that the arbitration is binding. If judicial proceedings are initiated, the final decision of the arbitrator is admissible in evidence in the trial de novo.

(a) Before the institution of court litigation, a party to a dispute, other than an election or recall dispute, must ~~shall either~~ petition the division for nonbinding arbitration or request that the case be referred to mediation ~~initiate presuit mediation as provided in subsection (5)~~. Arbitration is binding on the parties if all parties in arbitration agree to be bound in a writing filed in arbitration. The petition must be

accompanied by a filing fee in the amount of $50. Filing fees collected under this section must be used to defray the expenses of the alternative dispute resolution program.

(h) Mediation proceedings must generally be conducted in accordance with the Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Persons who are not parties to the dispute are not allowed to attend the mediation conference without the consent of all parties, with the exception of counsel for the parties and corporate representatives designated to appear for a party. If the mediator declares an impasse after a mediation conference has been held, the arbitration proceeding terminates, unless all parties agree in writing to continue the arbitration proceeding, in which case the arbitrator's decision shall be binding or nonbinding, as agreed upon by the parties; in the arbitration proceeding, the arbitrator shall not consider any evidence relating to the unsuccessful mediation except in a proceeding to impose sanctions for failure to appear at the mediation conference. If the parties do not agree to continue arbitration, the arbitrator shall enter an order of dismissal, and either party may institute a suit in a community association court program under s. 720.32 or a court of competent jurisdiction. The parties may seek to recover any costs and attorney fees incurred in connection with arbitration and mediation proceedings under this section as part of the costs

and fees that may be recovered by the prevailing party in any subsequent litigation.

(k) The arbitration decision shall be rendered within 30 days after the hearing and presented to the parties in writing. An arbitration decision is final in those disputes in which the parties have agreed to be bound. An arbitration decision is also final if a complaint for a trial de novo is not filed in a community association court program under s. 720.32 or a court of competent jurisdiction in which the condominium is located within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party in an arbitration proceeding shall be awarded the costs of the arbitration and reasonable attorney fees in an amount determined by the arbitrator. Such an award shall include the costs and reasonable attorney fees incurred in the arbitration proceeding as well as the costs and reasonable attorney fees incurred in preparing for and attending any scheduled mediation. An arbitrator's failure to render a written decision within 30 days after the hearing may result in the cancellation of his or her arbitration certification.

(m) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a community association court program under s. 720.32 or a court of competent jurisdiction in which the condominium is located. A

petition may not be granted unless the time for appeal by the filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition for enforcement is granted, the petitioner shall recover reasonable attorney fees and costs incurred in enforcing the arbitration award. A mediation settlement may also be enforced through the county or circuit court or a community association court program, as applicable, and any costs and fees incurred in the enforcement of a settlement agreement reached at mediation must be awarded to the prevailing party in any enforcement action.

~~(5) PRESUIT MEDIATION.—In lieu of the initiation of nonbinding arbitration as provided in subsections (1)-(4), a party may submit a dispute to presuit mediation in accordance with s. 720.311; however, election and recall disputes are not eligible for mediation and such disputes must be arbitrated by the division or filed in a court of competent jurisdiction.~~

Section 4. Subsections (8) through (13) of section 720.301, Florida Statutes, are renumbered as subsections (9) through (14), respectively, and a new subsection (8) is added to that section, to read:

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

(8) "Financial statements" means a comprehensive report prepared in accordance with generally accepted accounting

principles which accurately reflects the financial condition and operation of a homeowners' association for a specified reporting period. This report must include, at a minimum, a balance sheet; an income and expense statement; a budget comparison; and a complete set of bank statements, including copies of check images for all disbursements the association made during the reporting period, for each bank account belonging to the association.

Section 5. Subsection (2) of section 720.302, Florida Statutes, is amended to read:

720.302 Purposes, scope, and application.—

(2) The Legislature recognizes that it is not in the best interest of homeowners' associations or the individual association members thereof to create or impose a bureau or other agency of state government to regulate the affairs of homeowners' associations. However, in accordance with s. 720.311, the Legislature finds that homeowners' associations and their individual members will benefit from an expedited alternative process for resolution of election and recall disputes ~~and presuit mediation of other disputes involving covenant enforcement~~ and authorizes the department to hear, administer, and determine these disputes as more fully set forth in this chapter. Further, the Legislature recognizes that certain contract rights have been created for the benefit of homeowners' associations and members thereof before the

effective date of this act and that ss. 720.301-720.407 are not intended to impair such contract rights, including, but not limited to, the rights of the developer to complete the community as initially contemplated.

Section 6. Subsections (11) through (15) of section 720.303, Florida Statutes, are renumbered as subsections (12) through (16), respectively, subsection (1) is amended, and a new subsection (11) is added to that section, to read:

720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—

(1) POWERS AND DUTIES.—

(a) An association that operates a community as defined in s. 720.301 must be operated by an association that is a Florida corporation. After October 1, 1995, the association must be incorporated and the initial governing documents must be recorded in the official records of the county in which the community is located. An association may operate more than one community.

(b) The officers and directors of an association are subject to s. 617.0830 and have a fiduciary relationship to the members who are served by the association.

(c) The powers and duties of an association include those set forth in this chapter and, except as expressly limited or restricted in this chapter, those set forth in the governing

documents.

1. Each association formed on or after July 1, 2026, must include the following statement in the governing documents:

This association and the association's governing documents are governed by the Florida Homeowners' Association Act, as amended from time to time.

2. By January 1, 2027, each association in existence before July 1, 2026, must hold a meeting of the members in accordance with s. 720.306 to vote whether to amend the governing documents of the association to include the statement in subparagraph 1. The association must obtain the affirmative approval of two-thirds of the voting interests of the association at a meeting of the membership at which a quorum has been attained in order to amend the governing documents under this subparagraph.

(d) After control of the association is obtained by members other than the developer, the association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all members concerning matters of common interest to the members, including, but not limited to, the common areas; roof or structural components of a building, or other improvements for which the association is responsible; mechanical, electrical, or plumbing elements serving an

improvement or building for which the association is responsible; representations of the developer pertaining to any existing or proposed commonly used facility; and protest of ad valorem taxes on commonly used facilities. The association may defend actions in eminent domain or bring inverse condemnation actions. Before commencing litigation against any party in the name of the association involving amounts in controversy in excess of $100,000, the association must obtain the affirmative approval of a majority of the voting interests at a meeting of the membership at which a quorum has been attained. This paragraph ~~subsection~~ does not limit any statutory or common-law right of any individual member or class of members to bring any action without participation by the association.

(e) A member does not have authority to act for the association by virtue of being a member. An association may have more than one class of members and may issue membership certificates.

(f) An association of 15 or fewer parcel owners may enforce only the requirements of those deed restrictions established prior to the purchase of each parcel upon an affected parcel owner or owners.

(11) CONFLICTS OF INTEREST.—

(a) A director, an officer, or a committee member of an association owes a duty of loyalty to the association and its members.

(b) A conflict of interest exists when a director, an officer, or a committee member has a direct or an indirect financial interest in a transaction, contract, or decision under consideration by the association.

(c) The director, officer, or committee member with a conflict of interest must disclose the nature and extent of the conflict in writing to the board before any discussion or vote occurs on the matter.

(d) After disclosure of the conflict of interest, the conflicted director, officer, or committee member may not participate in any discussion or vote on the matter.

(e) A transaction involving a conflict of interest is voidable by the association unless the transaction was approved by a majority of the voting interests of the association after full disclosure by the conflicted director, officer, or committee member has occurred.

(f) Compensating or contracting with a director, an officer, or a committee member of the association, or an immediate family member thereof, creates a rebuttable presumption that a conflict of interest exists.

(g) This subsection may not be waived or limited by the governing documents of the association.

Section 7. Paragraph (h) of subsection (1) of section 720.306, Florida Statutes, is amended to read:

720.306 Meetings of members; voting and election

procedures; amendments.—

(1) QUORUM; AMENDMENTS.—

(h)1. Except as otherwise provided in this paragraph, any governing document, or amendment to a governing document, that is enacted after July 1, 2021, and that prohibits or regulates rental agreements applies only to a parcel owner who acquires title to the parcel after the effective date of the governing document or amendment, or to a parcel owner who consents, individually or through a representative, to the governing document or amendment.

2. Notwithstanding subparagraph 1., an association may amend its governing documents to prohibit or regulate rental agreements for a term of less than 6 months and may prohibit the rental of a parcel for more than three times in a calendar year, and such amendments shall apply to all parcel owners.

3. This paragraph does not affect the amendment restrictions for associations of 15 or fewer parcel owners under s. 720.303(1)(f) ~~s. 720.303(1)~~.

4. For purposes of this paragraph, a change of ownership does not occur when a parcel owner conveys the parcel to an affiliated entity, when beneficial ownership of the parcel does not change, or when an heir becomes the parcel owner. For purposes of this subparagraph, the term "affiliated entity" means an entity that controls, is controlled by, or is under common control with the parcel owner or that becomes a parent or

successor entity by reason of transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of membership partnership interests. For a conveyance to be recognized as one made to an affiliated entity, the entity must furnish to the association a document certifying that this subparagraph applies and provide any organizational documents for the parcel owner and the affiliated entity which support the representations in the certificate, as requested by the association.

5. For purposes of this paragraph, a change of ownership does occur when, with respect to a parcel owner that is a business entity, every person that owned an interest in the real property at the time of the enactment of the amendment or rule conveys their interest in the real property to an unaffiliated entity.

Section 8. Section 720.311, Florida Statutes, is amended to read:

720.311 Dispute resolution.—

(1) The Legislature finds that alternative dispute resolution has made progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to litigation. The filing of any petition for arbitration tolls ~~or the serving of a demand for presuit mediation as provided for in this section shall toll~~ the applicable statute of limitations. Any recall dispute filed with the department under

s. 720.303(10) must ~~shall~~ be conducted by the department in accordance with ~~the provisions of~~ ss. 718.112(2)(l) and 718.1255 and the rules adopted by the division. In addition, the department shall conduct binding arbitration of election disputes between a member and an association in accordance with s. 718.1255 and rules adopted by the division. Election disputes and recall disputes ~~are not eligible for presuit mediation; these disputes~~ must be arbitrated by the department or filed in a court of competent jurisdiction. The arbitration proceeding must be conducted by a department arbitrator or by a private arbitrator certified by the department. At the conclusion of an arbitration proceeding, the department shall charge the parties a fee in an amount adequate to cover all costs and expenses incurred by the department in conducting the proceeding. Initially, the petitioner shall remit a filing fee of at least $200 to the department. The fees paid to the department shall become a recoverable cost in the arbitration proceeding, and the prevailing party in an arbitration proceeding shall recover its reasonable costs and attorney fees in an amount found reasonable by the arbitrator. The department shall adopt rules to effectuate the purposes of this section.

~~(2)(a) Disputes between an association and a parcel owner regarding use of or changes to the parcel or the common areas and other covenant enforcement disputes, disputes regarding amendments to the association documents, disputes regarding~~

~~meetings of the board and committees appointed by the board, membership meetings not including election meetings, and access to the official records of the association shall be the subject of a demand for presuit mediation served by an aggrieved party before the dispute is filed in court. Presuit mediation proceedings must be conducted in accordance with the applicable Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Disputes subject to presuit mediation under this section shall not include the collection of any assessment, fine, or other financial obligation, including attorney's fees and costs, claimed to be due or any action to enforce a prior mediation settlement agreement between the parties. Also, in any dispute subject to presuit mediation under this section where emergency relief is required, a motion for temporary injunctive relief may be filed with the court without first complying with the presuit mediation requirements of this section. After any issues regarding emergency or temporary relief are resolved, the court may either refer the parties to a mediation program administered by the courts or require mediation under this section. An arbitrator or judge may not consider any information or evidence arising from the presuit mediation proceeding except in a proceeding to impose sanctions for failure to attend a presuit mediation session or to enforce a mediated settlement agreement. Persons who are not parties to the dispute may not~~

~~attend the presuit mediation conference without the consent of all parties, except for counsel for the parties and a corporate representative designated by the association. When mediation is attended by a quorum of the board, such mediation is not a board meeting for purposes of notice and participation set forth in s. 720.303. An aggrieved party shall serve on the responding party a written demand to participate in presuit mediation in substantially the following form:~~

~~STATUTORY OFFER TO PARTICIPATE~~

~~IN PRESUIT MEDIATION~~

~~The alleged aggrieved party, ..., hereby demands that ....., as the responding party, engage in mandatory presuit mediation in connection with the following disputes, which by statute are of a type that are subject to presuit mediation:~~

~~(List specific nature of the dispute or disputes to be mediated and the authority supporting a finding of a violation as to each dispute.)~~

~~Pursuant to section 720.311, Florida Statutes, this demand to resolve the dispute through presuit mediation is required before a lawsuit can be filed concerning the dispute. Pursuant to the statute, the parties are required to engage in presuit mediation with a neutral third-party mediator in order to~~

~~attempt to resolve this dispute without court action, and the aggrieved party demands that you likewise agree to this process. If you fail to participate in the mediation process, suit may be brought against you without further warning.~~

~~The process of mediation involves a supervised negotiation process in which a trained, neutral third-party mediator meets with both parties and assists them in exploring possible opportunities for resolving part or all of the dispute. By agreeing to participate in presuit mediation, you are not bound in any way to change your position. Furthermore, the mediator has no authority to make any decisions in this matter or to determine who is right or wrong and merely acts as a facilitator to ensure that each party understands the position of the other party and that all options for reasonable settlement are fully explored.~~

~~If an agreement is reached, it shall be reduced to writing and becomes a binding and enforceable commitment of the parties. A resolution of one or more disputes in this fashion avoids the need to litigate these issues in court. The failure to reach an agreement, or the failure of a party to participate in the process, results in the mediator declaring an impasse in the mediation, after which the aggrieved~~

~~party may proceed to court on all outstanding, unsettled disputes. If you have failed or refused to participate in the entire mediation process, you will not be entitled to recover attorney's fees, even if you prevail.~~

~~The aggrieved party has selected and hereby lists five certified mediators who we believe to be neutral and qualified to mediate the dispute. You have the right to select any one of these mediators. The fact that one party may be familiar with one or more of the listed mediators does not mean that the mediator cannot act as a neutral and impartial facilitator. Any mediator who cannot act in this capacity is required ethically to decline to accept engagement. The mediators that we suggest, and their current hourly rates, are as follows:~~

~~(List the names, addresses, telephone numbers, and hourly rates of the mediators. Other pertinent information about the background of the mediators may be included as an attachment.)~~

~~You may contact the offices of these mediators to confirm that the listed mediators will be neutral and will not show any favoritism toward either party. The Florida Supreme Court can provide you a list of certified mediators.~~

~~Unless otherwise agreed by the parties, section 720.311(2)(b), Florida Statutes, requires that the parties share the costs of presuit mediation equally, including the fee charged by the mediator. An average mediation may require three to four hours of the mediator's time, including some preparation time, and the parties would need to share equally the mediator's fees as well as their own attorney's fees if they choose to employ an attorney in connection with the mediation. However, use of an attorney is not required and is at the option of each party. The mediators may require the advance payment of some or all of the anticipated fees. The aggrieved party hereby agrees to pay or prepay one-half of the mediator's estimated fees and to forward this amount or such other reasonable advance deposits as the mediator requires for this purpose. Any funds deposited will be returned to you if these are in excess of your share of the fees incurred.~~

~~To begin your participation in presuit mediation to try to resolve the dispute and avoid further legal action, please sign below and clearly indicate which mediator is acceptable to you. We will then ask the mediator to schedule a mutually convenient time and place for the mediation conference to be held. The~~

~~mediation conference must be held within ninety (90) days of this date, unless extended by mutual written agreement. In the event that you fail to respond within 20 days from the date of this letter, or if you fail to agree to at least one of the mediators that we have suggested or to pay or prepay to the mediator one-half of the costs involved, the aggrieved party will be authorized to proceed with the filing of a lawsuit against you without further notice and may seek an award of attorney's fees or costs incurred in attempting to obtain mediation.~~

~~Therefore, please give this matter your immediate attention. By law, your response must be mailed by certified mail, return receipt requested, and by first-class mail to the address shown on this demand.~~

~~.....~~

~~.....~~

~~RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR AGREEMENT TO THAT CHOICE.~~

~~AGREEMENT TO MEDIATE~~

~~The undersigned hereby agrees to participate in presuit mediation and agrees to attend a mediation conducted by the following mediator or mediators who are listed above as someone who would be acceptable to mediate this dispute:~~

~~(List acceptable mediator or mediators.)~~

~~I/we further agree to pay or prepay one-half of the mediator's fees and to forward such advance deposits as the mediator may require for this purpose.~~

~~.....~~

~~Signature of responding party #1~~

~~.....~~

~~Telephone contact information~~

~~.....~~

~~Signature and telephone contact information of responding party #2 (if applicable)(if property is owned by more than one person, all owners must sign)~~

~~(b) Service of the statutory demand to participate in presuit mediation shall be effected by sending a letter in substantial conformity with the above form by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address of the responding party as it last appears on the books and records of the association. The responding party has 20 days from the date of the mailing of the statutory demand to serve a response to the aggrieved party in writing. The response shall be served by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address shown on the statutory demand. Notwithstanding the foregoing, once the parties have agreed on a mediator, the mediator may reschedule the mediation~~

~~for a date and time mutually convenient to the parties. The parties shall share the costs of presuit mediation equally, including the fee charged by the mediator, if any, unless the parties agree otherwise, and the mediator may require advance payment of its reasonable fees and costs. The failure of any party to respond to a demand or response, to agree upon a mediator, to make payment of fees and costs within the time established by the mediator, or to appear for a scheduled mediation session without the approval of the mediator, shall constitute the failure or refusal to participate in the mediation process and shall operate as an impasse in the presuit mediation by such party, entitling the other party to proceed in court and to seek an award of the costs and fees associated with the mediation. Additionally, notwithstanding the provisions of any other law or document, persons who fail or refuse to participate in the entire mediation process may not recover attorney's fees and costs in subsequent litigation relating to the dispute. If any presuit mediation session cannot be scheduled and conducted within 90 days after the offer to participate in mediation was filed, an impasse shall be deemed to have occurred unless both parties agree to extend this deadline.~~

(2)~~(c)~~ In ~~If presuit mediation as described in paragraph (a) is not successful in resolving~~ all issues between the parties, the parties may file the ~~unresolved~~ dispute in a court

of competent jurisdiction or elect to enter into binding or nonbinding arbitration pursuant to the procedures set forth in s. 718.1255 and rules adopted by the division, with the arbitration proceeding to be conducted by a department arbitrator or by a private arbitrator certified by the department. If all parties do not agree to arbitration ~~proceedings following an unsuccessful presuit mediation~~, any party may file the dispute in court. A final order resulting from nonbinding arbitration is final and enforceable in the courts if a complaint for trial de novo is not filed in a court of competent jurisdiction within 30 days after entry of the order. As to any issue or dispute that is not resolved at arbitration ~~presuit mediation~~, and as to any issue that is settled at arbitration ~~presuit mediation~~ but is thereafter subject to an action seeking enforcement of the ~~mediation~~ settlement, the prevailing party in any subsequent arbitration or litigation proceeding may ~~shall be entitled to~~ seek recovery of all costs and attorney ~~attorney's~~ fees incurred in the arbitration ~~presuit mediation~~ process.

(3)~~(d)~~ An ~~A mediator or~~ arbitrator is ~~shall be~~ authorized to conduct ~~mediation or~~ arbitration under this section only if he or she has been certified as a circuit court civil ~~mediator or~~ arbitrator~~, respectively,~~ pursuant to the requirements established by the Florida Supreme Court. ~~Settlement agreements resulting from mediation shall not have precedential value in~~

~~proceedings involving parties other than those participating in the mediation to support either a claim or defense in other disputes.~~

~~(c) The presuit mediation procedures provided by this subsection may be used by a Florida corporation responsible for the operation of a community in which the voting members are parcel owners or their representatives, in which membership in the corporation is not a mandatory condition of parcel ownership, or which is not authorized to impose an assessment that may become a lien on the parcel.~~

Section 9. Section 720.319, Florida Statutes, is created to read:

720.319 Dissolution of homeowners' association.—

(1) This section may be cited as the "Homeowners' Association Dissolution and Accountability Act."

(2) The Legislature finds that:

(a) Homeowners' associations are created as authorized by general law and are subject to covenants that encumber the land and restrict the use of real property.

(b) In some circumstances, the continued enforcement of those covenants may no longer serve the homeowners' or community's interest and it is the public policy of this state to provide by general law a method to preserve the value of the property interests and the rights of alienation thereof that homeowners have in their parcels before and after termination.

(c) It is contrary to the public policy of this state to require the continued operation of a homeowners' association when such continuation is made impossible by law or regulation.

(d) It is in the best interest of this state to provide for termination of the declaration of covenants in certain circumstances in order to:

1. Prevent covenants from impairing the continued productive use of the property.

2. Provide fair treatment and just compensation for parcel owners and preserve property values and the local property tax base.

3. Preserve the state's long history of protecting homestead property rights by ensuring that such protection is extended to parcel owners whose parcel is their homestead in the context of a termination of a declaration of covenants for an association.

(3) A homeowners' association may be terminated by a plan of termination that meets the requirements of this section and is approved by a community association court program under s. 720.32.

(4) A plan of termination is subject to the following conditions:

(a) The total voting interests of the association must include all voting interests for the purpose of considering a plan of termination. A voting interest of the association may

not be suspended for any reason when voting on termination under this section.

(b) If the members reject a plan of termination, a subsequent plan of termination under this section may not be considered for at least 18 months after the date of the rejection.

(c) A plan of termination must be approved by at least two-thirds of the total voting interests of the association.

(d) A parcel owner desiring to reject a plan of termination must do so by either voting in person or by proxy to reject the plan or by delivering a written objection to the association before or at the meeting called under subsection (5).

(5)(a) A parcel owner who wishes to terminate a homeowners' association in which he or she is a member must provide to the board of administration a petition for a plan of termination that is signed by at least 50 percent of the voting members of the association. The board must hold a meeting of the members within 60 days after receipt of the signed petition. A voting interest of the association may not be suspended for any reason for purposes of signing the petition or determining whether the 50 percent threshold for such petition has been met under this paragraph.

(b) Notice of such meeting must be made in accordance with s. 720.303(2) and include the following information:

1. A copy of the proposed plan of dissolution.

2. An explanation of how the common areas and the assets of the association will be managed or transferred.

3. The manner in which voting will take place.

(c) If the board fails to call a meeting within the 60-day time period, any member may petition a community association court program under s. 720.32 or, if a community association court program does not exist in the judicial circuit in which the association is located, another court of competent jurisdiction for an order compelling compliance with this section.

(6) If a plan of termination is approved, the board must submit such plan to the community association court program in the judicial circuit in which the association is located or, if a community association court program does not exist, another court of competent jurisdiction. The court shall examine the plan of termination and determine its procedural sufficiency and, within 45 days after receipt of the plan, notify the association by mail of any procedural deficiencies or that the plan is accepted. If notice is not provided within the 45-day time period, the plan of termination is deemed accepted. If the court determines that the conditions required by this section have been met and that the plan of termination complies with the procedural requirements of this section, the court must authorize the termination and the termination may proceed as

authorized in this section.

(7)(a) A plan of termination and the consents or joinders of parcel owners must be recorded in the public records of each county in which any portion of the association is located. The plan is effective only upon recordation or at a later date specified in the plan.

(b) Upon recordation or at a later date specified in the plan of termination, title to the association property vests in a termination trustee. The board serves as such trustee unless another person is appointed in the plan of termination. If the board is not the termination trustee, the board must transfer any association property to such trustee. The termination trustee is vested with the powers given by the declaration and bylaws of the association and subsection (9). If the board is unable, unwilling, or fails to act as termination trustee, a parcel owner may petition the community association court program to appoint a termination trustee.

(8) If the board fails to hold the meeting under subsection (5), obstructs the termination process, or refuses to record the decision of the members to terminate, a member may file a petition with the community association court program in the judicial circuit in which the association is located or, if a community association court program does not exist, another court of competent jurisdiction. A community association court program may do all of the following:

(a) Verify compliance with the procedural requirements of this section and all statutory voting requirements.

(b) Order the Department of State to dissolve the homeowners' association.

(c) Appoint a termination trustee to manage the distribution of assets and resolution of liabilities.

(9) The approval of the plan of termination does not terminate the board of administration, which shall continue in existence following approval of the plan of termination with all powers and duties such board had before approval of the plan. Notwithstanding any provision to the contrary in the declaration or bylaws, after approval of the plan of termination the board must:

(a) Employ directors, agents, attorneys, and other professionals to liquidate or conclude the board's affairs.

(b) Conduct the affairs of the association as necessary for the liquidation or termination.

(c) Carry out contracts and collect, pay, and settle debts and claims for and against the association.

(d) Defend suits brought against the association.

(e) Sue in the name of the association for all sums due or owed to the association or to recover any association property.

(f) Perform any act necessary to maintain, repair, or demolish unsafe or uninhabitable improvements or other association property in compliance with applicable codes.

(g) Sell at public or private sale or exchange, convey, or otherwise dispose of assets of the association for an amount deemed to be in the best interests of the association, and execute bills of sale and deeds of conveyance in the name of the association.

(h) Collect and receive rents, profits, accounts receivable, income, maintenance fees, special assessments, or insurance proceeds for the association.

(i) Contract and do anything in the name of the association which is proper or convenient to terminate the affairs of the association.

(10)(a) All remaining association assets after the payment of any lawful debts must be distributed equally among members or as otherwise provided in the plan of termination.

(b) A member may not be subject to personal liability for unpaid obligations beyond the member's regular assessments or special assessments that existed before the vote for termination.

(11)(a) The following actions by an association or the officers or directors thereof are unlawful:

1. Failing to call or notice a meeting after receipt of a valid petition for a plan of termination.

2. Spending association funds to campaign for or against the plan of termination.

3. Concealing any financial or property records relevant

to the plan of termination.

(b) An officer or a director who violates paragraph (a) is subject to any of the following:

1. A civil penalty of up to $5,000 per violation.

2. Removal from office by court order.

3. Personal liability for legal fees incurred by the petitioners.

Section 10. Section 720.32, Florida Statutes, is created to read:

720.32 Community association court program.—

(1) It is the intent of the Legislature to encourage and support the judicial circuits of the state to create and maintain a community association court program in each judicial circuit. The purpose of a community association court program is to address disputes that arise between community associations and the members thereof or between members within a community association. It is the intent of the Legislature that this section provides a detailed statewide standard for the creation, operation, and procedures for community association court programs.

(2) A circuit court may create and administer a community association court program. The chief judge shall designate at least one judge to preside over the community association court program. The chief judge may issue administrative orders concerning the community association court program.

(3) The community association court program has jurisdiction over disputes, including any related termination or enforcement proceedings, arising under any of the following:

(a) Chapter 718, the Condominium Act.

(b) Chapter 719, the Cooperative Act.

(c) Chapter 720, the Homeowners' Association Act.

(4) The community association court program may do all of the following:

(a) Enforce all statutory rights of unit owners and parcel owners.

(b) Verify and compel compliance with all statutory requirements by community associations, boards of administration, and officers or directors of such boards.

(c) Order the Department of State to dissolve a community association.

(d) Appoint a termination trustee to manage the distribution of association assets and resolution of liabilities.

(e) Impose civil penalties for violations of statutory rights.

(f) Issue injunctive relief as appropriate.

(g) Award reasonable attorney fees and costs as appropriate.

(5) By January 1 of each year, the chief judge in each judicial circuit in which a community association court program

is created shall submit to the President of the Senate and the Speaker of the House of Representatives a report that summarizes the caseload of each community association court program and the outcomes of such caseload.

(6) The Office of the State Courts Administrator shall establish procedure, staffing, and reporting requirements for the operation of the community association court program.

(7) The costs associated with the creation, operation, and compliance and enforcement duties of the community association court program shall be funded as authorized by and consistent with funding appropriated in the General Appropriations Act.

(8) Funds specifically appropriated by an operating appropriation or a nonoperating transfer from the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund to the state court system to support judicial functions relating to community associations which remain unencumbered as of June 30 or undisbursed as of September 30 each year shall revert to the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund.

Section 11. Subsections (11), (13), and (17) of section 26.031, Florida Statutes, are amended to read:

26.031 Judicial circuits; number of judges.—The number of circuit judges in each circuit shall be as follows:

JUDICIAL CIRCUIT	TOTAL
(11) Eleventh.....	85~~83~~

(13) Thirteenth.....46~~45~~

(17) Seventeenth.....59~~58~~

Section 12. The amendments made by this act to s. 26.031, Florida Statutes, are for the purpose of authorizing additional judgeships specifically for the community association court program created in s. 720.32, Florida Statutes, by this act.

Section 13. Paragraph (d) of subsection (1) of section 34.01, Florida Statutes, is amended to read:

34.01 Jurisdiction of county court.—

(1) County courts shall have original jurisdiction:

(d) Of disputes occurring in ~~the~~ homeowners' associations ~~as described in s. 720.311(2)(a)~~, which shall be concurrent with jurisdiction of the circuit courts.

Section 14. Paragraph (a) of subsection (1) of section 336.125, Florida Statutes, is amended to read:

336.125 Closing and abandonment of roads; optional conveyance to homeowners' association; traffic control jurisdiction.—

(1)(a) In addition to the authority provided in s. 336.12, the governing body of the county may abandon the roads and rights-of-way dedicated in a recorded residential subdivision plat and simultaneously convey the county's interest in such roads, rights-of-way, and appurtenant drainage facilities to a homeowners' association for the subdivision, if the following conditions have been met:

1. The homeowners' association has requested the abandonment and conveyance in writing for the purpose of converting the subdivision to a gated neighborhood with restricted public access.

2. No fewer than four-fifths of the owners of record of property located in the subdivision have consented in writing to the abandonment and simultaneous conveyance to the homeowners' association.

3. The homeowners' association is both a corporation not for profit organized and in good standing under chapter 617, and a "homeowners' association" as defined in s. 720.301 ~~s. 720.301(9)~~ with the power to levy and collect assessments for routine and periodic major maintenance and operation of street lighting, drainage, sidewalks, and pavement in the subdivision.

4. The homeowners' association has entered into and executed such agreements, covenants, warranties, and other instruments; has provided, or has provided assurance of, such funds, reserve funds, and funding sources; and has satisfied such other requirements and conditions as may be established or imposed by the county with respect to the ongoing operation, maintenance, and repair and the periodic reconstruction or replacement of the roads, drainage, street lighting, and sidewalks in the subdivision after the abandonment by the county.

Section 15. Subsection (2) of section 558.002, Florida

Statutes, is amended to read:

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

(2) "Association" has the same meaning as in s. 718.103, s. 719.103(2), s. 720.301(10) ~~s. 720.301(9)~~, or s. 723.075.

Section 16. Subsection (6) of section 617.0601, Florida Statutes, is amended to read:

617.0601 Members, generally.—

(6) Subsections (1), (2), (3), and (4) do not apply to a corporation that is an association as defined in s. 720.301(10) ~~s. 720.301~~.

Section 17. Subsection (6) of section 617.0701, Florida Statutes, is amended to read:

617.0701 Meetings of members, generally; failure to hold annual meeting; special meeting; consent to corporate actions without meetings; waiver of notice of meetings.—

(6) Subsections (1) and (3) do not apply to any corporation that is an association as defined in s. 720.301(10) ~~s. 720.301~~; a corporation regulated by chapter 718, chapter 719, chapter 720, chapter 721, or chapter 723; or a corporation where membership in such corporation is required pursuant to a document recorded in the county property records.

Section 18. Subsection (7) of section 617.0721, Florida Statutes, is amended to read:

617.0721 Voting by members.—

(7) Subsections (1), (5), and (6) do not apply to a

corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated by chapter 718 or chapter 719.

Section 19.7. Section 617.0725, Florida Statutes, is amended to read:

617.0725 Quorum.—An amendment to the articles of incorporation or the bylaws which adds, changes, or deletes a greater or lesser quorum or voting requirement must meet the same quorum or voting requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater. This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301(9)~~, or any corporation regulated under chapter 718 or chapter 719.

Section 20. Subsection (3) of section 617.0808, Florida Statutes, is amended to read:

617.0808 Removal of directors.—

(3) This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

Section 21. Section 617.1606, Florida Statutes, is amended to read:

617.1606 Access to records.—Sections 617.1601-617.1605 do not apply to a corporation that is an association, as defined in

s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

Section 22. Paragraph (b) of subsection (1) of section 718.116, Florida Statutes, is amended to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)

(b)1. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

2. An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for

assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the unit. This subparagraph is intended to clarify existing law.

Section 23. Paragraph (d) of subsection (2) of section 720.3085, Florida Statutes, is amended to read:

720.3085 Payment for assessments; lien claims.—

(2)

(d) An association, or its successor or assignee, that acquires title to a parcel through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the parcel. This paragraph is intended to clarify existing law.

Section 24. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/CS/CS/HB 657 by Rep. Porras
Community Associations

AMENDMENT SUMMARY
February 26, 2026

Amendment #141027 by Rep. Porras (Strike-All):

- Clarifies that the requirement for condominium associations (COAs) to record and maintain as an official record the recordings of meetings conducted by video conference applies only to those meetings that are open to unit owners.
- Requires COAs and homeowners' associations (HOAs) to provide copies of certain records to law enforcement agencies or prosecuting agencies within 5 days of receiving a subpoena or written request, and makes it a second-degree misdemeanor for a director, board member, or community association manager (CAM) or CAM firm of a COA or HOA to willfully and knowingly fail to provide such records.
- Expands the types of buildings for which a developer must have a turnover inspection performed to ***all*** buildings on condominium property or cooperative property, as applicable, rather than only those buildings that are three stories or higher in height.
- Limits the types of buildings for which a COA or cooperative association must have a structural integrity reserve study completed by December 1, 2025, to only those buildings on condominium or cooperative property, as applicable, that are three ***habitable*** stories or higher in height.
- Defines "habitable" for purposes of the COA Act and Cooperative Association Act, and makes certain clarifying changes related thereto.
- Allows a COA to designate an independent website, application, or Internet web portal for unit owners to electronically submit election ballots, in addition – or as an alternative – to designating an email address.
- Clarifies that the purpose of the community association court program is to provide an optional, voluntary process for community associations and the members thereof to address disputes, as an alternative to entering into mediation or arbitration.
- Specifies that the community association court program does not apply to certain timeshare condominium associations or certain timeshare cooperative associations.

Amendment #719639 by Rep. Sirois (Lines 888-955): The amendment prohibits HOAs from adopting or enforcing any covenant or rule that requires a specific type of material to be used on the building or rebuilding of a roof, subject to certain exceptions and requirements.

COMMITTEE/SUBCOMMITTEE ACTION

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

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

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Section 712.13, Florida Statutes, is created to read:

712.13 Governing documents associated with dissolved homeowners' associations.—

(1) The Legislature finds that when a homeowners' association has been dissolved, voluntarily or involuntarily, the recorded governing documents created solely for the association's benefit may remain in the county records indefinitely, imposing an undue burden on private property owners. It is the intent of the Legislature to restore and protect private property rights by ensuring that such

encumbrances are properly extinguished or removed from the official records of the county when the association ceases to exist.

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

(a) "Dissolved association" means a homeowners' association that has filed articles of dissolution with the Department of State under chapter 617 or has otherwise ceased its legal operation and existence.

(b) "Exclusive easement" means an easement recorded for the sole benefit or use of a homeowners' association or its members.

(c) "Governing documents" has the same meaning as in s. 720.301.

(d) "Servient estate" means the real property burdened by an easement.

(3)(a) Upon the dissolution of a homeowners' association, the governing documents of the association, which were recorded in the official records of a county and created solely for the operation or benefit of the dissolved association or its members, are deemed terminated and are unenforceable.

(b) The recorded governing documents may not be construed to create any rights for the general public or for any successor entity unless expressly provided by law.

(c) The clerk of the circuit court shall, upon receipt of a certified copy of the association's articles of dissolution,

mark or otherwise indicate in the county's official records that the governing documents for the dissolved association are terminated and inactive.

(4)(a) An exclusive easement created for the benefit of a homeowners' association or its members must revert to the servient estate upon dissolution of the association if the owner of the servient estate has continuously paid his or her ad valorem taxes on the land encumbered by the easement.

(b) Upon reversion, the exclusive easement is extinguished and the owner of the servient estate regains full rights of ownership, possession, and control of the land encumbered by the easement.

(c) An easement formerly held by a homeowners' association may not become a public right-of-way, trail, or access route unless a separate, valid written notice in accordance with s. 712.06 has been recorded to preserve the easement for the benefit of the public.

(5) This section does not impair or extinguish easements, covenants, or restrictions benefiting individual property owners which were separately recorded or preserved under this chapter.

(6) This section applies both prospectively and retroactively to homeowners' associations dissolved before, on, or after July 1, 2026.

Section 2. Subsections (19) through (35) of section 718.103, Florida Statutes, are renumbered as subsections (20)

through (36), respectively, and a new subsection (19) is added to that section, and present subsection (33) of that section is amended to read:

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

(19) "Habitable" means a space in a building for living, sleeping, eating, or cooking. Garages, carports, and storage or utility spaces are not considered habitable.

(34)~~(33)~~ "Video conference" means a real-time audio- and video-based meeting between two or more people in different locations using video-enabled and audio-enabled devices. The notice for any meeting that is open to the unit owners and will be conducted by video conference must have a hyperlink and call-in conference telephone number for unit owners to attend the meeting and must have a physical location where unit owners can also attend the meeting in person. All meetings conducted by video conference which are open to the unit owners must be recorded, and such recording must be maintained as an official record of the association.

Section 3. Subsection (8) is added to section 718.104, Florida Statutes, to read:

718.104 Creation of condominiums; contents of declaration.—Every condominium created in this state shall be created pursuant to this chapter.

(8)(a) Each association formed on or after July 1, 2026, must include the following statement in the governing documents:

This association and the association's governing documents are governed by the Florida Condominium Act, as amended from time to time.

(b) By January 1, 2027, each association in existence before July 1, 2026, must hold a meeting of the members in accordance with s. 718.112 to vote whether to amend the governing documents of the association to include the statement in paragraph (a). The association must obtain the affirmative approval of two-thirds of the units at a meeting of the membership at which a quorum has been attained in order to amend the governing documents under this paragraph.

Section 4. Paragraph (c) of subsection (12) of section 718.111, Florida Statutes, is amended to read:

718.111 The association.—

(12) OFFICIAL RECORDS.—

(c)1.a. The official records of the association are open to inspection by any association member and any person authorized by an association member as a representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the member and of the person authorized by the association member as a representative of such member. A renter of a unit has a right to inspect and copy only the

declaration of condominium, the association's bylaws and rules, and the inspection reports described in ss. 553.899 and 718.301(4)(p). The association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying but may not require a member to demonstrate any purpose or state any reason for the inspection. The failure of an association to provide the records within 10 working days after receipt of a written request creates a rebuttable presumption that the association willfully failed to comply with this paragraph. A unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the association's willful failure to comply. Minimum damages are $50 per calendar day for up to 10 days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable attorney fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records. If the requested records are posted on an association's website, or are available for download through an application on a mobile device, the association may fulfill its obligations under this paragraph by directing to the website or the application all persons authorized to request access.

b. In response to a written request to inspect records, the association must simultaneously provide to the requestor a

checklist of all records made available for inspection and copying. The checklist must also identify any of the association's official records that were not made available to the requestor. An association must maintain a checklist provided under this sub-subparagraph for 7 years. An association delivering a checklist pursuant to this sub-subparagraph creates a rebuttable presumption that the association has complied with this paragraph.

2. A director or member of the board or association or a community association manager who willfully and knowingly or intentionally violates subparagraph 1. commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083, and must be removed from office and a vacancy declared.

3. A person who willfully and knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who willfully and knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the association or one or more of its members, commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083; is personally subject to a civil penalty pursuant to s. 718.501(1)(e); and must be removed from office and a vacancy declared.

4. A person who willfully and knowingly or intentionally refuses to release or otherwise produce association records with the intent to avoid or escape detection, arrest, trial, or punishment for the commission of a crime, or to assist another person with such avoidance or escape, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, and must be removed from office and a vacancy declared.

5. The association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in s. 718.504 and the most recent annual financial statement and annual budget required under this section, on the condominium property to ensure their availability to unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. An association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the association's providing the member or his or her authorized representative with a copy of such records. The association may not charge a member or his or her authorized representative for the use of a portable device.

Notwithstanding this paragraph, the following records are not accessible to unit owners:

a. Any record protected by the lawyer-client privilege as described in s. 90.502 and any record protected by the work-product privilege, including a record prepared by an association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

b. Information obtained by an association in connection with the approval of the lease, sale, or other transfer of a unit.

c. Personnel records of association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this sub-subparagraph, the term "personnel records" does not include written employment agreements with an association employee or management company, or budgetary or financial records that indicate the compensation paid to an association employee.

d. Medical records of unit owners.

e. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile

numbers, emergency contact information, addresses of a unit owner other than as provided to fulfill the association's notice requirements, and other personal identifying information of any person, excluding the person's name, unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the association to fulfill the association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an association may print and distribute to unit owners a directory containing the name, unit address, and all telephone numbers of each unit owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the association. An owner may consent in writing to the disclosure of other contact information described in this sub-subparagraph. The association is not liable for the inadvertent disclosure of information that is protected under this sub-subparagraph if the information is included in an official record of the association and is voluntarily provided by an owner and not requested by the association.

f. Electronic security measures that are used by the association to safeguard data, including passwords.

g. The software and operating system used by the association which allow the manipulation of data, even if the owner owns a copy of the same software used by the association. The data is part of the official records of the association.

h. All affirmative acknowledgments made pursuant to s. 718.121(4)(c).

6.a. If an association receives a subpoena or written request for records from a law enforcement agency or prosecuting agency as defined in 112.531, the association must provide a copy of such records or otherwise make the records available for inspection and copying to the law enforcement agency or prosecuting agency within 5 business days after receipt of the subpoena or written request, unless otherwise specified by the law enforcement agency, prosecuting agency, or subpoena or written request. An association must assist a law enforcement agency and a prosecting agency in an investigation to the extent permissible by law.

b. A director or member of the board or association or a community association manager who willfully and knowingly fails to provide a copy of records, or otherwise fails to make the records available for inspection and copying, to a law enforcement agency or prosecuting agency as required by sub-subparagraph a. commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

Section 5. Paragraph (g) of subsection (2) of section 718.112, Florida Statutes, is amended to read:

718.112 Bylaws.—

(2) REQUIRED PROVISIONS.—The bylaws shall provide for the following and, if they do not do so, shall be deemed to include the following:

(g) Structural integrity reserve study.—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three habitable stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

a. Roof.

b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.

c. Fireproofing and fire protection systems.

d. Plumbing.

e. Electrical systems.

f. Waterproofing and exterior painting.

g. Windows and exterior doors.

h. Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph (f)6., whichever is greater, and the failure to replace or maintain such item negatively affects the items listed in sub-

subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the condominium property.

3.a. A structural integrity reserve study, including the visual inspection portion of the structural integrity reserve study, must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

b. Any design professional as defined in s. 558.002 or any contractor licensed under chapter 489 who bids to perform a structural integrity reserve study must disclose in writing to the association his or her intent to bid on any services related to any maintenance, repair, or replacement that may be recommended by the structural integrity reserve study. Any design professional as defined in s. 558.002 or contractor licensed under chapter 489 who submits a bid to the association for performing any services recommended by the structural integrity reserve study may not have an interest, directly or indirectly, in the firm or entity providing the association's structural integrity reserve study or be a relative of any person having a direct or indirect interest in such firm, unless such relationship is disclosed to the association in writing. As

used in this section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage. A contract for services is voidable and terminates upon the association filing a written notice terminating the contract if the design professional or licensed contractor failed to provide the written disclosure of the interests or relationships required under this paragraph. A design professional or licensed contractor may be subject to discipline under the applicable practice act for his or her profession for failure to provide the written disclosure of the interests or relationships required under this paragraph.

4.a. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding plan or schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. At a minimum, the structural integrity reserve study must include a recommendation for a reserve funding schedule based on a baseline funding plan that provides a reserve funding goal in which the reserve funding for each budget year is sufficient to maintain the

reserve cash balance above zero. The study may recommend other types of reserve funding schedules, provided that each recommended schedule is sufficient to meet the association's maintenance obligation.

b. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item. If the structural integrity reserve study recommends reserves for any item for which reserves are not required under this paragraph, the amount of the recommended reserves for such item must be separately identified in the structural integrity reserve study as an item for which reserves are not required under this paragraph.

c. The structural integrity reserve study must take into consideration the funding method or methods used by the association to fund its maintenance and reserve funding obligations through regular assessments, special assessments, lines of credit, or loans. If the structural integrity reserve study is performed before the association has approved a special

assessment or secured a line of credit or a loan, the structural integrity reserve study must be updated to reflect the funding method selected by the association and its effect on the reserve funding schedule, including any anticipated change in the amount of regular assessments. The structural integrity reserve study may be updated to reflect any changes to the useful life of the reserve items after such items are repaired or replaced and the effect such repair or replacement will have on the reserve funding schedule. The association must obtain an updated structural integrity reserve study before adopting any budget in which the reserve funding from regular assessments, special assessments, lines of credit, or loans does not align with the funding plan from the most recent version of the structural integrity reserve study.

5. This paragraph does not apply to buildings less than three habitable stories in height; single-family, two-family, three-family, or four-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

6. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 718.301(4)(p)

and (q) for each building on the condominium property ~~that is three stories or higher in height~~.

7. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2025, for each building on the condominium property that is three habitable stories or higher in height. An association that is required to complete a milestone inspection in accordance with s. 553.899 on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity reserve study be completed after December 31, 2026.

8. If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

9. If the association completes a milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, the association may delay performance of a required structural integrity reserve study for no more than the 2 consecutive budget years immediately following the milestone inspection in order to allow the association to focus its

financial resources on completing the repair and maintenance recommendations of the milestone inspection.

10. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's or a director's fiduciary relationship to the unit owners under s. 718.111(1). An officer or a director of an association must sign an affidavit acknowledging receipt of the completed structural integrity reserve study.

11. Within 45 days after receiving the structural integrity reserve study, the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery to the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

12. Within 45 days after receiving the structural integrity reserve study, the association must provide the division with a statement indicating that the study was

completed and that the association provided or made available such study to each unit owner in accordance with this section. The statement must be provided to the division in the manner established by the division using a form posted on the division's website.

13. The division shall adopt by rule the form for the structural integrity reserve study in coordination with the Florida Building Commission.

Section 6. Subsections (6) and (7) of section 718.1255, Florida Statutes, are renumbered as subsections (5) and (6), respectively, and paragraphs (a), (h), (k), and (m) of subsection (4) and present subsection (5) of that section are amended, to read:

718.1255 Alternative dispute resolution; mediation; nonbinding arbitration; applicability.—

(4) NONBINDING ARBITRATION AND MEDIATION OF DISPUTES.—The Division of Florida Condominiums, Timeshares, and Mobile Homes of the Department of Business and Professional Regulation may employ full-time attorneys to act as arbitrators to conduct the arbitration hearings provided by this chapter. The division may also certify attorneys who are not employed by the division to act as arbitrators to conduct the arbitration hearings provided by this chapter. A person may not be employed by the department as a full-time arbitrator unless he or she is a member in good standing of The Florida Bar. A person may only be certified by

the division to act as an arbitrator if he or she has been a member in good standing of The Florida Bar for at least 5 years and has mediated or arbitrated at least 10 disputes involving condominiums in this state during the 3 years immediately preceding the date of application, mediated or arbitrated at least 30 disputes in any subject area in this state during the 3 years immediately preceding the date of application, or attained board certification in real estate law or condominium and planned development law from The Florida Bar. Arbitrator certification is valid for 1 year. An arbitrator who does not maintain the minimum qualifications for initial certification may not have his or her certification renewed. The department may not enter into a legal services contract for an arbitration hearing under this chapter with an attorney who is not a certified arbitrator unless a certified arbitrator is not available within 50 miles of the dispute. The department shall adopt rules of procedure to govern such arbitration hearings including mediation incident thereto. The decision of an arbitrator is final; however, a decision is not deemed final agency action. Nothing in this provision shall be construed to foreclose parties from proceeding in a trial de novo unless the parties have agreed that the arbitration is binding. If judicial proceedings are initiated, the final decision of the arbitrator is admissible in evidence in the trial de novo.

(a) Before the institution of court litigation, a party to a dispute, other than an election or recall dispute, must ~~shall either~~ petition the division for nonbinding arbitration or request that the case be referred to mediation ~~initiate presuit mediation as provided in subsection (5)~~. Arbitration is binding on the parties if all parties in arbitration agree to be bound in a writing filed in arbitration. The petition must be accompanied by a filing fee in the amount of $50. Filing fees collected under this section must be used to defray the expenses of the alternative dispute resolution program.

(h) Mediation proceedings must generally be conducted in accordance with the Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Persons who are not parties to the dispute are not allowed to attend the mediation conference without the consent of all parties, with the exception of counsel for the parties and corporate representatives designated to appear for a party. If the mediator declares an impasse after a mediation conference has been held, the arbitration proceeding terminates, unless all parties agree in writing to continue the arbitration proceeding, in which case the arbitrator's decision shall be binding or nonbinding, as agreed upon by the parties; in the arbitration proceeding, the arbitrator shall not consider any evidence relating to the unsuccessful mediation except in a proceeding to impose sanctions for failure to appear at the

mediation conference. If the parties do not agree to continue arbitration, the arbitrator shall enter an order of dismissal, and either party may institute a suit in a community association court program under s. 720.32 or a court of competent jurisdiction. The parties may seek to recover any costs and attorney fees incurred in connection with arbitration and mediation proceedings under this section as part of the costs and fees that may be recovered by the prevailing party in any subsequent litigation.

(k) The arbitration decision shall be rendered within 30 days after the hearing and presented to the parties in writing. An arbitration decision is final in those disputes in which the parties have agreed to be bound. An arbitration decision is also final if a complaint for a trial de novo is not filed in a community association court program under s. 720.32 or a court of competent jurisdiction in which the condominium is located within 30 days. The right to file for a trial de novo entitles the parties to file a complaint in the appropriate trial court for a judicial resolution of the dispute. The prevailing party in an arbitration proceeding shall be awarded the costs of the arbitration and reasonable attorney fees in an amount determined by the arbitrator. Such an award shall include the costs and reasonable attorney fees incurred in the arbitration proceeding as well as the costs and reasonable attorney fees incurred in preparing for and attending any scheduled mediation. An

arbitrator's failure to render a written decision within 30 days after the hearing may result in the cancellation of his or her arbitration certification.

(m) Any party to an arbitration proceeding may enforce an arbitration award by filing a petition in a community association court program under s. 720.32 or a court of competent jurisdiction in which the condominium is located. A petition may not be granted unless the time for appeal by the filing of a complaint for trial de novo has expired. If a complaint for a trial de novo has been filed, a petition may not be granted with respect to an arbitration award that has been stayed. If the petition for enforcement is granted, the petitioner shall recover reasonable attorney fees and costs incurred in enforcing the arbitration award. A mediation settlement may also be enforced through the county or circuit court or a community association court program, as applicable, and any costs and fees incurred in the enforcement of a settlement agreement reached at mediation must be awarded to the prevailing party in any enforcement action.

~~(5) PRESUIT MEDIATION.—In lieu of the initiation of nonbinding arbitration as provided in subsections (1)-(4), a party may submit a dispute to presuit mediation in accordance with s. 720.311; however, election and recall disputes are not eligible for mediation and such disputes must be arbitrated by the division or filed in a court of competent jurisdiction.~~

Section 7. Subsection (7) of section 718.128, Florida Statutes, is amended to read:

718.128 Electronic voting.—The association may conduct elections and other unit owner votes through an Internet-based online voting system if a unit owner consents, electronically or in writing, to online voting and if the following requirements are met:

(7)(a) Unless the association has adopted electronic voting in accordance with subsections (1)-(6), the association must designate an e-mail address, independent website, application, or Internet web portal for receipt of electronically transmitted ballots. Electronically transmitted ballots must meet all the requirements of this subsection.

(b) A unit owner may electronically transmit a ballot to the e-mail address, independent website, application, or Internet web portal designated by the association without complying with s. 718.112(2)(d)3. ~~s. 718.112(2)(d)4.~~ or the rules providing for the secrecy of ballots adopted by the division. The association must count completed ballots that are electronically transmitted to the designated e-mail address, independent website, application, or Internet web portal, provided the completed ballots comply with the requirements of this subsection.

(c) A ballot that is electronically transmitted to the association must include all of the following:

1. A space for the unit owner to type in his or her unit number.

2. A space for the unit owner to type in his or her first and last name, which also functions as the signature of the unit owner for purposes of signing the ballot.

3. The following statement in capitalized letters and in a font size larger than any other font size used in the electronic transmission ~~e-mail~~ from the association to the unit owner:

WAIVING THE SECRECY OF YOUR BALLOT IS YOUR CHOICE. YOU DO NOT HAVE TO WAIVE THE SECRECY OF YOUR BALLOT IN ORDER TO VOTE. BY TRANSMITTING YOUR COMPLETED BALLOT THROUGH ELECTRONIC MEANS ~~E-MAIL~~ TO THE ASSOCIATION, YOU WAIVE THE SECRECY OF YOUR COMPLETED BALLOT. IF YOU DO NOT WISH TO WAIVE YOUR SECRECY BUT WISH TO PARTICIPATE IN THE VOTE THAT IS THE SUBJECT OF THIS BALLOT, PLEASE ATTEND THE IN-PERSON MEETING DURING WHICH THE MATTER WILL BE VOTED ON.

(d) A unit owner must transmit his or her completed ballot to the e-mail address, independent website, application, or Internet web portal designated by the association no later than the scheduled date and time of the meeting during which the matter is being voted on.

(e) There is a rebuttable presumption that an association has reviewed all folders associated with the e-mail address, independent website, application, or Internet web portal designated by the association to receive ballots if a board member, an officer, or an agent of the association, or a manager licensed under part VIII of chapter 468, provides a sworn affidavit attesting to such review.

Section 8. Subsections (19) through (29) of section 719.103, Florida Statutes, are renumbered as subsections (20) through (30), respectively, and a new subsection (19) is added to that section, to read:

719.103 Definitions.—As used in this chapter:

(19) "Habitable" means a space in a building for living, sleeping, eating, or cooking. Garages, carports, and storage or utility spaces are not considered habitable.

Section 9. Paragraph (k) of subsection (1) of section 719.106, Florida Statutes, is amended to read:

719.106 Bylaws; cooperative ownership.—

(1) MANDATORY PROVISIONS.—The bylaws or other cooperative documents shall provide for the following, and if they do not, they shall be deemed to include the following:

(k) Structural integrity reserve study.—

1. A residential cooperative association must have a structural integrity reserve study completed at least every 10 years for each building on the cooperative property that is

three habitable stories or higher in height, as determined by the Florida Building Code, that includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

a. Roof.

b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.

c. Fireproofing and fire protection systems.

d. Plumbing.

e. Electrical systems.

f. Waterproofing and exterior painting.

g. Windows and exterior doors.

h. Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph (j)6., whichever is greater, and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the cooperative property.

3.a. A structural integrity reserve study, including the visual inspection portion of the structural integrity reserve study, must be performed or verified by an engineer licensed

under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

b. Any design professional as defined in s. 558.002(7) or contractor licensed under chapter 489 who bids to perform a structural integrity reserve study must disclose in writing to the association his or her intent to bid on any services related to any maintenance, repair, or replacement that may be recommended by the structural integrity reserve study. Any design professional as defined in s. 558.002 or contractor licensed under chapter 489 who submits a bid to the association for performing any services recommended by the structural integrity reserve study may not have an interest, directly or indirectly, in the firm or entity providing the association's structural integrity reserve study or be a relative of any person having a direct or indirect interest in such firm, unless such relationship is disclosed to the association in writing. As used in this section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage. A contract for services is voidable and terminates upon the association filing a written notice terminating the contract if the design professional or licensed contractor failed to provide the written disclosure of the relationship required under this paragraph. A design professional or licensed contractor may be

subject to discipline under the applicable practice act for his or her profession for failure to provide the written disclosure of the relationship required under this subparagraph.

4.a. At a minimum, a structural integrity reserve study must identify each item of the cooperative property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the cooperative property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of cooperative property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. At a minimum, the structural integrity reserve study must include a recommendation for a reserve funding schedule based on a baseline funding plan that provides a reserve funding goal in which the reserve funding for each budget year is sufficient to maintain the reserve cash balance above zero. The study may recommend other types of reserve funding schedules, provided that each recommended schedule is sufficient to meet the association's maintenance obligation.

b. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item. If the structural integrity reserve study recommends reserves for any item for which reserves are not required under this paragraph, the amount of the recommended reserves for such item must be separately identified in the structural integrity reserve study as an item for which reserves are not required under this paragraph.

c. The structural integrity reserve study must take into consideration the funding method or methods used by the association to fund its maintenance and reserve funding obligations through regular assessments, special assessments, lines of credit, or loans. If the structural integrity reserve study is performed before the association has approved a special assessment or secured a line of credit or a loan, the structural integrity reserve study must be updated to reflect the funding method selected by the association and its effect on the reserve funding schedule, including any anticipated change in the amount of regular assessments. The structural integrity reserve study may be updated to reflect any changes to the useful life of the reserve items after such items are repaired or replaced, and the effect such repair or replacement will have on the reserve funding schedule. The association must obtain an updated

structural integrity reserve study before adopting any budget in which the reserve funding from regular assessments, special assessments, lines of credit, or loans does not align with the funding plan from the most recent version of the structural integrity reserve study.

5. This paragraph does not apply to buildings less than three habitable stories in height; single-family, two-family, three-family, or four-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the cooperative form of ownership; or any portion or component of a building that is maintained by a party other than the association.

6. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 719.301(4)(p) and (q) for each building on the cooperative property ~~that is three stories or higher in height~~.

7. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the cooperative property that is three habitable stories or higher in height. An association that is required to complete a milestone inspection on or before December 31, 2026, in accordance with s. 553.899 may complete the structural integrity reserve study simultaneously with the

761 milestone inspection. In no event may the structural integrity
762 reserve study be completed after December 31, 2026.
763 8. If the milestone inspection required by s. 553.899, or
764 an inspection completed for a similar local requirement, was
765 performed within the past 5 years and meets the requirements of
766 this paragraph, such inspection may be used in place of the
767 visual inspection portion of the structural integrity reserve
768 study.
769 9. If the association completes a milestone inspection
770 required by s. 553.899, or an inspection completed for a similar
771 local requirement, the association may delay performance of a
772 required structural integrity reserve study for no more than the
773 2 consecutive budget years immediately following the milestone
774 inspection in order to allow the association to focus its
775 financial resources on completing the repair and maintenance
776 recommendations of the milestone inspection.
777 10. If the officers or directors of an association
778 willfully and knowingly fail to complete a structural integrity
779 reserve study pursuant to this paragraph, such failure is a
780 breach of an officer's and director's fiduciary relationship to
781 the unit owners under s. 719.104(9). An officer or a director of
782 the association must sign an affidavit acknowledging receipt of
783 the completed structural integrity reserve study.
784 11. Within 45 days after receiving the structural
785 integrity reserve study, the association must distribute a copy

of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery at the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

12. Within 45 days after receiving the structural integrity reserve study, the association must provide the division with a statement indicating that the study was completed and that the association provided or made available such study to each unit owner in accordance with this section. Such statement must be provided to the division in the manner established by the division using a form posted on the division's website.

13. The division shall adopt by rule the form for the structural integrity reserve study in coordination with the Florida Building Commission.

Section 10. Subsections (8) through (13) of section 720.301, Florida Statutes, are renumbered as subsections (9)

through (14), respectively, and a new subsection (8) is added to that section, to read:

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

(8) "Financial statements" means a comprehensive report prepared in accordance with generally accepted accounting principles which accurately reflects the financial condition and operation of a homeowners' association for a specified reporting period. This report must include, at a minimum, a balance sheet; an income and expense statement; a budget comparison; and a complete set of bank statements, including copies of check images for all disbursements the association made during the reporting period, for each bank account belonging to the association.

Section 11. Subsection (2) of section 720.302, Florida Statutes, is amended to read:

720.302 Purposes, scope, and application.—

(2) The Legislature recognizes that it is not in the best interest of homeowners' associations or the individual association members thereof to create or impose a bureau or other agency of state government to regulate the affairs of homeowners' associations. However, in accordance with s. 720.311, the Legislature finds that homeowners' associations and their individual members will benefit from an expedited alternative process for resolution of election and recall disputes ~~and presuit mediation of other disputes involving~~

~~covenant enforcement~~ and authorizes the department to hear, administer, and determine these disputes as more fully set forth in this chapter. Further, the Legislature recognizes that certain contract rights have been created for the benefit of homeowners' associations and members thereof before the effective date of this act and that ss. 720.301-720.407 are not intended to impair such contract rights, including, but not limited to, the rights of the developer to complete the community as initially contemplated.

Section 12. Subsections (11) through (15) of section 720.303, Florida Statutes, are renumbered as subsections (12) through (16), respectively, subsection (1) is amended, paragraph (i) of subsection (5) is amended, and a new subsection (11) is added to that section, to read:

720.303 Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.—

(1) POWERS AND DUTIES.—

(a) An association that operates a community as defined in s. 720.301 must be operated by an association that is a Florida corporation. After October 1, 1995, the association must be incorporated and the initial governing documents must be recorded in the official records of the county in which the community is located. An association may operate more than one community.

(b) The officers and directors of an association are subject to s. 617.0830 and have a fiduciary relationship to the members who are served by the association.

(c) The powers and duties of an association include those set forth in this chapter and, except as expressly limited or restricted in this chapter, those set forth in the governing documents.

1. Each association formed on or after July 1, 2026, must include the following statement in the governing documents:

This association and the association's governing documents are governed by the Florida Homeowners' Association Act, as amended from time to time.

2. By January 1, 2027, each association in existence before July 1, 2026, must hold a meeting of the members in accordance with s. 720.306 to vote whether to amend the governing documents of the association to include the statement in subparagraph 1. The association must obtain the affirmative approval of two-thirds of the voting interests of the association at a meeting of the membership at which a quorum has been attained in order to amend the governing documents under this subparagraph.

(d) After control of the association is obtained by members other than the developer, the association may institute,

maintain, settle, or appeal actions or hearings in its name on behalf of all members concerning matters of common interest to the members, including, but not limited to, the common areas; roof or structural components of a building, or other improvements for which the association is responsible; mechanical, electrical, or plumbing elements serving an improvement or building for which the association is responsible; representations of the developer pertaining to any existing or proposed commonly used facility; and protest of ad valorem taxes on commonly used facilities. The association may defend actions in eminent domain or bring inverse condemnation actions. Before commencing litigation against any party in the name of the association involving amounts in controversy in excess of $100,000, the association must obtain the affirmative approval of a majority of the voting interests at a meeting of the membership at which a quorum has been attained. This paragraph ~~subsection~~ does not limit any statutory or common-law right of any individual member or class of members to bring any action without participation by the association.

(e) A member does not have authority to act for the association by virtue of being a member. An association may have more than one class of members and may issue membership certificates.

(f) An association of 15 or fewer parcel owners may enforce only the requirements of those deed restrictions

established prior to the purchase of each parcel upon an affected parcel owner or owners.

(5) INSPECTION AND COPYING OF RECORDS.—

(i)1. If an association receives a subpoena or written request for records from a law enforcement agency or prosecuting agency as defined in 112.531, the association must provide a copy of such records or otherwise make the records available for inspection and copying to a law enforcement agency or prosecuting agency within 5 business days after receipt of the subpoena or written request, unless otherwise specified by the law enforcement agency, prosecuting agency, or subpoena or written request. An association must assist a law enforcement agency in its investigation to the extent permissible by law.

2. A director or member of the board or association or a community association manager who willfully and knowingly fails to provide a copy of records to a law enforcement agency or prosecuting agency, or otherwise fails to make the records available for inspection and copying, as required by subparagraph 1. commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(11) CONFLICTS OF INTEREST.—

(a) A director, an officer, or a committee member of an association owes a duty of loyalty to the association and its members.

(b) A conflict of interest exists when a director, an officer, or a committee member has a direct or an indirect financial interest in a transaction, contract, or decision under consideration by the association.

(c) The director, officer, or committee member with a conflict of interest must disclose the nature and extent of the conflict in writing to the board before any discussion or vote occurs on the matter.

(d) After disclosure of the conflict of interest, the conflicted director, officer, or committee member may not participate in any discussion or vote on the matter.

(e) A transaction involving a conflict of interest is voidable by the association unless the transaction was approved by a majority of the voting interests of the association after full disclosure by the conflicted director, officer, or committee member has occurred.

(f) Compensating or contracting with a director, an officer, or a committee member of the association, or an immediate family member thereof, creates a rebuttable presumption that a conflict of interest exists.

(g) This subsection may not be waived or limited by the governing documents of the association.

Section 13. Paragraph (h) of subsection (1) of section 720.306, Florida Statutes, is amended to read:

720.306 Meetings of members; voting and election procedures; amendments.—

(1) QUORUM; AMENDMENTS.—

(h)1. Except as otherwise provided in this paragraph, any governing document, or amendment to a governing document, that is enacted after July 1, 2021, and that prohibits or regulates rental agreements applies only to a parcel owner who acquires title to the parcel after the effective date of the governing document or amendment, or to a parcel owner who consents, individually or through a representative, to the governing document or amendment.

2. Notwithstanding subparagraph 1., an association may amend its governing documents to prohibit or regulate rental agreements for a term of less than 6 months and may prohibit the rental of a parcel for more than three times in a calendar year, and such amendments shall apply to all parcel owners.

3. This paragraph does not affect the amendment restrictions for associations of 15 or fewer parcel owners under s. 720.303(1)(f) ~~s. 720.303(1)~~.

4. For purposes of this paragraph, a change of ownership does not occur when a parcel owner conveys the parcel to an affiliated entity, when beneficial ownership of the parcel does not change, or when an heir becomes the parcel owner. For purposes of this subparagraph, the term "affiliated entity" means an entity that controls, is controlled by, or is under

common control with the parcel owner or that becomes a parent or successor entity by reason of transfer, merger, consolidation, public offering, reorganization, dissolution or sale of stock, or transfer of membership partnership interests. For a conveyance to be recognized as one made to an affiliated entity, the entity must furnish to the association a document certifying that this subparagraph applies and provide any organizational documents for the parcel owner and the affiliated entity which support the representations in the certificate, as requested by the association.

5. For purposes of this paragraph, a change of ownership does occur when, with respect to a parcel owner that is a business entity, every person that owned an interest in the real property at the time of the enactment of the amendment or rule conveys their interest in the real property to an unaffiliated entity.

Section 14. Section 720.311, Florida Statutes, is amended to read:

720.311 Dispute resolution.—

(1) The Legislature finds that alternative dispute resolution has made progress in reducing court dockets and trials and in offering a more efficient, cost-effective option to litigation. The filing of any petition for arbitration tolls ~~or the serving of a demand for presuit mediation as provided for in this section shall toll~~ the applicable statute of

limitations. Any recall dispute filed with the department under s. 720.303(10) must ~~shall~~ be conducted by the department in accordance with ~~the provisions of~~ ss. 718.112(2)(l) and 718.1255 and the rules adopted by the division. In addition, the department shall conduct binding arbitration of election disputes between a member and an association in accordance with s. 718.1255 and rules adopted by the division. Election disputes and recall disputes are not eligible ~~for presuit mediation; these disputes~~ must be arbitrated by the department or filed in a court of competent jurisdiction. The arbitration proceeding must be conducted by a department arbitrator or by a private arbitrator certified by the department. At the conclusion of an arbitration proceeding, the department shall charge the parties a fee in an amount adequate to cover all costs and expenses incurred by the department in conducting the proceeding. Initially, the petitioner shall remit a filing fee of at least $200 to the department. The fees paid to the department shall become a recoverable cost in the arbitration proceeding, and the prevailing party in an arbitration proceeding shall recover its reasonable costs and attorney fees in an amount found reasonable by the arbitrator. The department shall adopt rules to effectuate the purposes of this section.

~~(2)(a) Disputes between an association and a parcel owner regarding use of or changes to the parcel or the common areas and other covenant enforcement disputes, disputes regarding~~

~~amendments to the association documents, disputes regarding meetings of the board and committees appointed by the board, membership meetings not including election meetings, and access to the official records of the association shall be the subject of a demand for presuit mediation served by an aggrieved party before the dispute is filed in court. Presuit mediation proceedings must be conducted in accordance with the applicable Florida Rules of Civil Procedure, and these proceedings are privileged and confidential to the same extent as court-ordered mediation. Disputes subject to presuit mediation under this section shall not include the collection of any assessment, fine, or other financial obligation, including attorney's fees and costs, claimed to be due or any action to enforce a prior mediation settlement agreement between the parties. Also, in any dispute subject to presuit mediation under this section where emergency relief is required, a motion for temporary injunctive relief may be filed with the court without first complying with the presuit mediation requirements of this section. After any issues regarding emergency or temporary relief are resolved, the court may either refer the parties to a mediation program administered by the courts or require mediation under this section. An arbitrator or judge may not consider any information or evidence arising from the presuit mediation proceeding except in a proceeding to impose sanctions for failure to attend a presuit mediation session or to enforce a mediated settlement~~

~~agreement. Persons who are not parties to the dispute may not attend the presuit mediation conference without the consent of all parties, except for counsel for the parties and a corporate representative designated by the association. When mediation is attended by a quorum of the board, such mediation is not a board meeting for purposes of notice and participation set forth in s. 720.303. An aggrieved party shall serve on the responding party a written demand to participate in presuit mediation in substantially the following form:~~

~~STATUTORY OFFER TO PARTICIPATE~~
~~IN PRESUIT MEDIATION~~

~~The alleged aggrieved party, ..., hereby demands that ....., as the responding party, engage in mandatory presuit mediation in connection with the following disputes, which by statute are of a type that are subject to presuit mediation:~~

~~(List specific nature of the dispute or disputes to be mediated and the authority supporting a finding of a violation as to each dispute.)~~

~~Pursuant to section 720.311, Florida Statutes, this demand to resolve the dispute through presuit mediation is required before a lawsuit can be filed~~

~~concerning the dispute. Pursuant to the statute, the parties are required to engage in presuit mediation with a neutral third-party mediator in order to attempt to resolve this dispute without court action, and the aggrieved party demands that you likewise agree to this process. If you fail to participate in the mediation process, suit may be brought against you without further warning.~~

~~The process of mediation involves a supervised negotiation process in which a trained, neutral third-party mediator meets with both parties and assists them in exploring possible opportunities for resolving part or all of the dispute. By agreeing to participate in presuit mediation, you are not bound in any way to change your position. Furthermore, the mediator has no authority to make any decisions in this matter or to determine who is right or wrong and merely acts as a facilitator to ensure that each party understands the position of the other party and that all options for reasonable settlement are fully explored.~~

~~If an agreement is reached, it shall be reduced to writing and becomes a binding and enforceable commitment of the parties. A resolution of one or more disputes in this fashion avoids the need to litigate~~

~~these issues in court. The failure to reach an agreement, or the failure of a party to participate in the process, results in the mediator declaring an impasse in the mediation, after which the aggrieved party may proceed to court on all outstanding, unsettled disputes. If you have failed or refused to participate in the entire mediation process, you will not be entitled to recover attorney's fees, even if you prevail.~~

~~The aggrieved party has selected and hereby lists five certified mediators who we believe to be neutral and qualified to mediate the dispute. You have the right to select any one of these mediators. The fact that one party may be familiar with one or more of the listed mediators does not mean that the mediator cannot act as a neutral and impartial facilitator. Any mediator who cannot act in this capacity is required ethically to decline to accept engagement. The mediators that we suggest, and their current hourly rates, are as follows:~~

~~(List the names, addresses, telephone numbers, and hourly rates of the mediators. Other pertinent information about the background of the mediators may be included as an attachment.)~~

~~You may contact the offices of these mediators to confirm that the listed mediators will be neutral and will not show any favoritism toward either party. The Florida Supreme Court can provide you a list of certified mediators.~~

~~Unless otherwise agreed by the parties, section 720.311(2)(b), Florida Statutes, requires that the parties share the costs of presuit mediation equally, including the fee charged by the mediator. An average mediation may require three to four hours of the mediator's time, including some preparation time, and the parties would need to share equally the mediator's fees as well as their own attorney's fees if they choose to employ an attorney in connection with the mediation. However, use of an attorney is not required and is at the option of each party. The mediators may require the advance payment of some or all of the anticipated fees. The aggrieved party hereby agrees to pay or prepay one-half of the mediator's estimated fees and to forward this amount or such other reasonable advance deposits as the mediator requires for this purpose. Any funds deposited will be returned to you if these are in excess of your share of the fees incurred.~~

~~To begin your participation in presuit mediation to try to resolve the dispute and avoid further legal action, please sign below and clearly indicate which mediator is acceptable to you. We will then ask the mediator to schedule a mutually convenient time and place for the mediation conference to be held. The mediation conference must be held within ninety (90) days of this date, unless extended by mutual written agreement. In the event that you fail to respond within 20 days from the date of this letter, or if you fail to agree to at least one of the mediators that we have suggested or to pay or prepay to the mediator one-half of the costs involved, the aggrieved party will be authorized to proceed with the filing of a lawsuit against you without further notice and may seek an award of attorney's fees or costs incurred in attempting to obtain mediation.~~

~~Therefore, please give this matter your immediate attention. By law, your response must be mailed by certified mail, return receipt requested, and by first-class mail to the address shown on this demand.~~

~~.....~~

~~.....~~

~~RESPONDING PARTY: YOUR SIGNATURE INDICATES YOUR AGREEMENT TO THAT CHOICE.~~

~~AGREEMENT TO MEDIATE~~

~~The undersigned hereby agrees to participate in presuit mediation and agrees to attend a mediation conducted by the following mediator or mediators who are listed above as someone who would be acceptable to mediate this dispute:~~

~~(List acceptable mediator or mediators.)~~

~~I/we further agree to pay or prepay one-half of the mediator's fees and to forward such advance deposits as the mediator may require for this purpose.~~

~~.....~~
~~Signature of responding party #1~~

~~.....~~
~~Telephone contact information~~

~~.....~~
~~Signature and telephone contact information of responding party #2 (if applicable)(if property is owned by more than one person, all owners must sign)~~

~~(b) Service of the statutory demand to participate in presuit mediation shall be effected by sending a letter in substantial conformity with the above form by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address of the responding party as it last appears on the books and records of the association. The responding party has 20 days from the date of the mailing of the statutory demand to serve a response to the aggrieved party in writing. The response shall be served by certified mail, return receipt requested, with an additional copy being sent by regular first-class mail, to the address shown on the statutory demand. Notwithstanding the foregoing, once the parties have agreed on a mediator, the mediator may reschedule the mediation for a date and time mutually convenient to the parties. The parties shall share the costs of presuit mediation equally, including the fee charged by the mediator, if any, unless the parties agree otherwise, and the mediator may require advance payment of its reasonable fees and costs. The failure of any party to respond to a demand or response, to agree upon a mediator, to make payment of fees and costs within the time established by the mediator, or to appear for a scheduled mediation session without the approval of the mediator, shall constitute the failure or refusal to participate in the mediation process and shall operate as an impasse in the presuit mediation by such party, entitling the other party to proceed in~~

~~court and to seek an award of the costs and fees associated with the mediation. Additionally, notwithstanding the provisions of any other law or document, persons who fail or refuse to participate in the entire mediation process may not recover attorney's fees and costs in subsequent litigation relating to the dispute. If any presuit mediation session cannot be scheduled and conducted within 90 days after the offer to participate in mediation was filed, an impasse shall be deemed to have occurred unless both parties agree to extend this deadline.~~

(2)~~(c)~~ In ~~If presuit mediation as described in paragraph (a) is not successful in resolving~~ all issues between the parties, the parties may file the ~~unresolved~~ dispute in a court of competent jurisdiction or elect to enter into binding or nonbinding arbitration pursuant to the procedures set forth in s. 718.1255 and rules adopted by the division, with the arbitration proceeding to be conducted by a department arbitrator or by a private arbitrator certified by the department. If all parties do not agree to arbitration ~~proceedings following an unsuccessful presuit mediation~~, any party may file the dispute in court. A final order resulting from nonbinding arbitration is final and enforceable in the courts if a complaint for trial de novo is not filed in a court of competent jurisdiction within 30 days after entry of the order. As to any issue or dispute that is not resolved at

arbitration ~~presuit mediation~~, and as to any issue that is settled at arbitration ~~presuit mediation~~ but is thereafter subject to an action seeking enforcement of the ~~mediation~~ settlement, the prevailing party in any subsequent arbitration or litigation proceeding may ~~shall be entitled to~~ seek recovery of all costs and attorney ~~attorney's~~ fees incurred in the arbitration ~~presuit mediation~~ process.

(3)~~(d)~~ An ~~A mediator or~~ arbitrator is ~~shall be~~ authorized to conduct ~~mediation or~~ arbitration under this section only if he or she has been certified as a circuit court civil ~~mediator or~~ arbitrator~~, respectively,~~ pursuant to the requirements established by the Florida Supreme Court. ~~Settlement agreements resulting from mediation shall not have precedential value in proceedings involving parties other than those participating in the mediation to support either a claim or defense in other disputes.~~

~~(e) The presuit mediation procedures provided by this subsection may be used by a Florida corporation responsible for the operation of a community in which the voting members are parcel owners or their representatives, in which membership in the corporation is not a mandatory condition of parcel ownership, or which is not authorized to impose an assessment that may become a lien on the parcel.~~

Section 15. Section 720.319, Florida Statutes, is created to read:

720.319 Dissolution of homeowners' association.—

(1) This section may be cited as the "Homeowners' Association Dissolution and Accountability Act."

(2) The Legislature finds that:

(a) Homeowners' associations are created as authorized by general law and are subject to covenants that encumber the land and restrict the use of real property.

(b) In some circumstances, the continued enforcement of those covenants may no longer serve the homeowners' or community's interest and it is the public policy of this state to provide by general law a method to preserve the value of the property interests and the rights of alienation thereof that homeowners have in their parcels before and after termination.

(c) It is contrary to the public policy of this state to require the continued operation of a homeowners' association when such continuation is made impossible by law or regulation.

(d) It is in the best interest of this state to provide for termination of the declaration of covenants in certain circumstances in order to:

1. Prevent covenants from impairing the continued productive use of the property.

2. Provide fair treatment and just compensation for parcel owners and preserve property values and the local property tax base.

3. Preserve the state's long history of protecting homestead property rights by ensuring that such protection is extended to parcel owners whose parcel is their homestead in the context of a termination of a declaration of covenants for an association.

(3) A homeowners' association may be terminated by a plan of termination that meets the requirements of this section and is approved by a community association court program under s. 720.32.

(4) A plan of termination is subject to the following conditions:

(a) The total voting interests of the association must include all voting interests for the purpose of considering a plan of termination. A voting interest of the association may not be suspended for any reason when voting on termination under this section.

(b) If the members reject a plan of termination, a subsequent plan of termination under this section may not be considered for at least 18 months after the date of the rejection.

(c) A plan of termination must be approved by at least two-thirds of the total voting interests of the association.

(d) A parcel owner desiring to reject a plan of termination must do so by either voting in person or by proxy to reject the plan or by delivering a written objection to the

association before or at the meeting called under subsection (5).

(5)(a) A parcel owner who wishes to terminate a homeowners' association in which he or she is a member must provide to the board of administration a petition for a plan of termination that is signed by at least 50 percent of the voting members of the association. The board must hold a meeting of the members within 60 days after receipt of the signed petition. A voting interest of the association may not be suspended for any reason for purposes of signing the petition or determining whether the 50 percent threshold for such petition has been met under this paragraph.

(b) Notice of such meeting must be made in accordance with s. 720.303(2) and include the following information:

1. A copy of the proposed plan of dissolution.

2. An explanation of how the common areas and the assets of the association will be managed or transferred.

3. The manner in which voting will take place.

(c) If the board fails to call a meeting within the 60-day time period, any member may petition a community association court program under s. 720.32 or, if a community association court program does not exist in the judicial circuit in which the association is located, another court of competent jurisdiction for an order compelling compliance with this section.

(6) If a plan of termination is approved, the board must submit such plan to the community association court program in the judicial circuit in which the association is located or, if a community association court program does not exist, another court of competent jurisdiction. The court shall examine the plan of termination and determine its procedural sufficiency and, within 45 days after receipt of the plan, notify the association by mail of any procedural deficiencies or that the plan is accepted. If notice is not provided within the 45-day time period, the plan of termination is deemed accepted. If the court determines that the conditions required by this section have been met and that the plan of termination complies with the procedural requirements of this section, the court must authorize the termination and the termination may proceed as authorized in this section.

(7)(a) A plan of termination and the consents or joinders of parcel owners must be recorded in the public records of each county in which any portion of the association is located. The plan is effective only upon recordation or at a later date specified in the plan.

(b) Upon recordation or at a later date specified in the plan of termination, title to the association property vests in a termination trustee. The board serves as such trustee unless another person is appointed in the plan of termination. If the board is not the termination trustee, the board must transfer

any association property to such trustee. The termination trustee is vested with the powers given by the declaration and bylaws of the association and subsection (9). If the board is unable, unwilling, or fails to act as termination trustee, a parcel owner may petition the community association court program to appoint a termination trustee.

(8) If the board fails to hold the meeting under subsection (5), obstructs the termination process, or refuses to record the decision of the members to terminate, a member may file a petition with the community association court program in the judicial circuit in which the association is located or, if a community association court program does not exist, another court of competent jurisdiction. A community association court program may do all of the following:

(a) Verify compliance with the procedural requirements of this section and all statutory voting requirements.

(b) Order the Department of State to dissolve the homeowners' association.

(c) Appoint a termination trustee to manage the distribution of assets and resolution of liabilities.

(9) The approval of the plan of termination does not terminate the board of administration, which shall continue in existence following approval of the plan of termination with all powers and duties such board had before approval of the plan. Notwithstanding any provision to the contrary in the declaration

or bylaws, after approval of the plan of termination the board must:

(a) Employ directors, agents, attorneys, and other professionals to liquidate or conclude the board's affairs.

(b) Conduct the affairs of the association as necessary for the liquidation or termination.

(c) Carry out contracts and collect, pay, and settle debts and claims for and against the association.

(d) Defend suits brought against the association.

(e) Sue in the name of the association for all sums due or owed to the association or to recover any association property.

(f) Perform any act necessary to maintain, repair, or demolish unsafe or uninhabitable improvements or other association property in compliance with applicable codes.

(g) Sell at public or private sale or exchange, convey, or otherwise dispose of assets of the association for an amount deemed to be in the best interests of the association, and execute bills of sale and deeds of conveyance in the name of the association.

(h) Collect and receive rents, profits, accounts receivable, income, maintenance fees, special assessments, or insurance proceeds for the association.

(i) Contract and do anything in the name of the association which is proper or convenient to terminate the affairs of the association.

(10)(a) All remaining association assets after the payment of any lawful debts must be distributed equally among members or as otherwise provided in the plan of termination.

(b) A member may not be subject to personal liability for unpaid obligations beyond the member's regular assessments or special assessments that existed before the vote for termination.

(11)(a) The following actions by an association or the officers or directors thereof are unlawful:

1. Failing to call or notice a meeting after receipt of a valid petition for a plan of termination.

2. Spending association funds to campaign for or against the plan of termination.

3. Concealing any financial or property records relevant to the plan of termination.

(b) An officer or a director who violates paragraph (a) is subject to any of the following:

1. A civil penalty of up to $5,000 per violation.

2. Removal from office by court order.

3. Personal liability for legal fees incurred by the petitioners.

Section 16. Section 720.32, Florida Statutes, is created to read:

720.32 Community association court program.—

(1) It is the intent of the Legislature to encourage and support the judicial circuits of the state to create and maintain a community association court program in each judicial circuit. The purpose of a community association court program is to provide an optional, voluntary process for community associations and the members thereof to address disputes, as an alternative to entering into mediation or arbitration. It is the intent of the Legislature that this section provides a detailed statewide standard for the creation, operation, and procedures for community association court programs.

(2) A circuit court may create and administer a community association court program. The chief judge shall designate at least one judge to preside over the community association court program. The chief judge may issue administrative orders concerning the community association court program.

(3) The community association court program has jurisdiction over disputes, including any related termination or enforcement proceedings, arising under any of the following:

(a) Chapter 718, the Condominium Act.

(b) Chapter 719, the Cooperative Act.

(c) Chapter 720, the Homeowners' Association Act.

(4) The community association court program may do all of the following:

(a) Enforce all statutory rights of unit owners and parcel owners.

(b) Verify and compel compliance with all statutory requirements by community associations, boards of administration, and officers or directors of such boards.

(c) Order the Department of State to dissolve a community association.

(d) Appoint a termination trustee to manage the distribution of association assets and resolution of liabilities.

(e) Impose civil penalties for violations of statutory rights.

(f) Issue injunctive relief as appropriate.

(g) Award reasonable attorney fees and costs as appropriate.

(5) By January 1 of each year, the chief judge in each judicial circuit in which a community association court program is created shall submit to the President of the Senate and the Speaker of the House of Representatives a report that summarizes the caseload of each community association court program and the outcomes of such caseload.

(6) The Office of the State Courts Administrator shall establish procedure, staffing, and reporting requirements for the operation of the community association court program.

(7) This section does not apply to timeshare condominium associations or timeshare cooperative associations unless the

facilities of such associations include homestead condominium units or homestead cooperative units.

(8) The costs associated with the creation, operation, and compliance and enforcement duties of the community association court program shall be funded as authorized by and consistent with funding appropriated in the General Appropriations Act.

(9) Funds specifically appropriated by an operating appropriation or a nonoperating transfer from the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund to the state court system to support judicial functions relating to community associations which remain unencumbered as of June 30 or undisbursed as of September 30 each year shall revert to the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund.

Section 17. Subsections (11), (13), and (17) of section 26.031, Florida Statutes, are amended to read:

26.031 Judicial circuits; number of judges.—The number of circuit judges in each circuit shall be as follows:

JUDICIAL CIRCUIT	TOTAL
(11) Eleventh	85~~83~~
(13) Thirteenth	46~~45~~
(17) Seventeenth	59~~58~~

Section 18. The amendments made by this act to s. 26.031, Florida Statutes, are for the purpose of authorizing additional

judgeships specifically for the community association court program created in s. 720.32, Florida Statutes, by this act.

Section 19. Paragraph (d) of subsection (1) of section 34.01, Florida Statutes, is amended to read:

34.01 Jurisdiction of county court.—

(1) County courts shall have original jurisdiction:

(d) Of disputes occurring in ~~the~~ homeowners' associations ~~as described in s. 720.311(2)(a)~~, which shall be concurrent with jurisdiction of the circuit courts.

Section 20. Paragraph (a) of subsection (1) of section 336.125, Florida Statutes, is amended to read:

336.125 Closing and abandonment of roads; optional conveyance to homeowners' association; traffic control jurisdiction.—

(1)(a) In addition to the authority provided in s. 336.12, the governing body of the county may abandon the roads and rights-of-way dedicated in a recorded residential subdivision plat and simultaneously convey the county's interest in such roads, rights-of-way, and appurtenant drainage facilities to a homeowners' association for the subdivision, if the following conditions have been met:

1. The homeowners' association has requested the abandonment and conveyance in writing for the purpose of converting the subdivision to a gated neighborhood with restricted public access.

2. No fewer than four-fifths of the owners of record of property located in the subdivision have consented in writing to the abandonment and simultaneous conveyance to the homeowners' association.

3. The homeowners' association is both a corporation not for profit organized and in good standing under chapter 617, and a "homeowners' association" as defined in s. 720.301 ~~s. 720.301(9)~~ with the power to levy and collect assessments for routine and periodic major maintenance and operation of street lighting, drainage, sidewalks, and pavement in the subdivision.

4. The homeowners' association has entered into and executed such agreements, covenants, warranties, and other instruments; has provided, or has provided assurance of, such funds, reserve funds, and funding sources; and has satisfied such other requirements and conditions as may be established or imposed by the county with respect to the ongoing operation, maintenance, and repair and the periodic reconstruction or replacement of the roads, drainage, street lighting, and sidewalks in the subdivision after the abandonment by the county.

Section 21. Subsection (2) of section 558.002, Florida Statutes, is amended to read:

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

(2) "Association" has the same meaning as in s. 718.103, s. 719.103(2), s. 720.301(10) ~~s. 720.301(9)~~, or s. 723.075.

Section 22. Subsection (6) of section 617.0601, Florida Statutes, is amended to read:

617.0601 Members, generally.—

(6) Subsections (1), (2), (3), and (4) do not apply to a corporation that is an association as defined in s. 720.301(10) ~~s. 720.301~~.

Section 23. Subsection (6) of section 617.0701, Florida Statutes, is amended to read:

617.0701 Meetings of members, generally; failure to hold annual meeting; special meeting; consent to corporate actions without meetings; waiver of notice of meetings.—

(6) Subsections (1) and (3) do not apply to any corporation that is an association as defined in s. 720.301(10) ~~s. 720.301~~; a corporation regulated by chapter 718, chapter 719, chapter 720, chapter 721, or chapter 723; or a corporation where membership in such corporation is required pursuant to a document recorded in the county property records.

Section 24. Subsection (7) of section 617.0721, Florida Statutes, is amended to read:

617.0721 Voting by members.—

(7) Subsections (1), (5), and (6) do not apply to a corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated by chapter 718 or chapter 719.

Section 25. Section 617.0725, Florida Statutes, is amended to read:

617.0725 Quorum.—An amendment to the articles of incorporation or the bylaws which adds, changes, or deletes a greater or lesser quorum or voting requirement must meet the same quorum or voting requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater. This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301(9)~~, or any corporation regulated under chapter 718 or chapter 719.

Section 26. Subsection (3) of section 617.0808, Florida Statutes, is amended to read:

617.0808 Removal of directors.—

(3) This section does not apply to any corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

Section 27. Section 617.1606, Florida Statutes, is amended to read:

617.1606 Access to records.—Sections 617.1601-617.1605 do not apply to a corporation that is an association, as defined in s. 720.301(10) ~~s. 720.301~~, or a corporation regulated under chapter 718 or chapter 719.

Section 28. Paragraph (b) of subsection (1) of section 718.116, Florida Statutes, is amended to read:

718.116 Assessments; liability; lien and priority; interest; collection.—

(1)

(b)1. The liability of a first mortgagee or its successor or assignees who acquire title to a unit by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the mortgagee's acquisition of title is limited to the lesser of:

a. The unit's unpaid common expenses and regular periodic assessments which accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the association; or

b. One percent of the original mortgage debt. The provisions of this paragraph apply only if the first mortgagee joined the association as a defendant in the foreclosure action. Joinder of the association is not required if, on the date the complaint is filed, the association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

2. An association, or its successor or assignee, that acquires title to a unit through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due

before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the unit. This subparagraph is intended to clarify existing law.

Section 29. Paragraph (d) of subsection (2) of section 720.3085, Florida Statutes, is amended to read:

720.3085 Payment for assessments; lien claims.—

(2)

(d) An association, or its successor or assignee, that acquires title to a parcel through the foreclosure of its lien for assessments is not liable for any unpaid assessments, late fees, interest, or reasonable attorney's fees and costs that came due before the association's acquisition of title in favor of any other association, as defined in s. 718.103 or s. 720.301(10) ~~s. 720.301(9)~~, which holds a superior lien interest on the parcel. This paragraph is intended to clarify existing law.

Section 30. 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 community associations; creating s. 712.13, F.S.; providing legislative findings and intent; providing definitions; providing that the

recorded governing documents of a dissolved homeowners' association are deemed terminated and unenforceable; requiring the clerk of the circuit court to indicate in the county records that a dissolved association's governing documents are terminated and inactive; requiring certain exclusive easements to revert to the servient estate upon dissolution of a homeowners' association under certain circumstances; providing for the extinguishment of such easement; prohibiting an easement held by a dissolved association from becoming a public right-of-way, trail, or access route unless the easement is separately recorded for public use; providing construction; providing retroactive applicability; amending s. 718.103, F.S.; defining the term "habitable"; revising the definition of the term "video conference"; amending s. 718.104, F.S.; requiring condominium associations to include a specified statement in the governing documents or to hold a meeting by a date certain to vote to amend the governing documents to include such statement; requiring a vote held at such meeting to be approved by a certain amount of the voting interests; amending s. 718.111, F.S.; requiring a condominium association to provide copies of certain records or otherwise make

them available for inspection and copying within a specified timeframe if the association receives a subpoena or written request from a law enforcement agency or prosecuting agency; requiring the association to assist law enforcement or prosecuting agencies in their investigations; providing criminal penalties; amending s. 718.112, F.S.; revising a requirement that a developer, before turning over control of a condominium association to unit owners, have a turnover inspection report for all buildings on the condominium property, rather than only for buildings that are three stories or higher; revising the criteria for certain associations requiring a structural integrity reserve study; correcting a cross-reference; amending s. 718.1255, F.S.; removing presuit mediation requirements; amending s. 718.128, F.S.; revising how associations that have not adopted electronic voting are required to receive electronically transmitted ballots; revising the methods a unit owner may use to transmit his or her ballot; conforming provisions to changes made by the act; amending s. 719.103, F.S.; defining the term "habitable"; amending s. 719.106, F..S; revising a requirement that a developer, before turning over control of a cooperative association to unit owners,

have a turnover inspection report for all buildings on the cooperative property, rather than only for buildings that are three stories or higher; revising the criteria for certain associations requiring a structural integrity reserve study; correcting a cross-reference; amending s. 720.301, F.S.; defining the term "financial statements"; amending s. 720.302, F.S.; conforming a provision to changes made by the act; amending s. 720.303, F.S.; requiring homeowners' associations to include a specified statement in the governing documents or to hold a meeting by a date certain to vote to amend the governing documents to include such statement; requiring a vote held at such meeting to be approved by a certain amount of the voting interests; revising a requirement for a homeowners’ association to provide copies of certain records within specified timeframe if it receives a subpoena or written request for such records from a law enforcement agency or prosecuting agency; providing criminal penalties; providing that directors, officers, and committee members of a homeowners' association owe a duty of loyalty to such association and its members; requiring a director, an officer, or a committee member who has a conflict of interest to disclose to the board such conflict in

writing; prohibiting such director, officer, or member from participating in any discussion or vote on such matter; authorizing an association to void a transaction involving a conflict of interest; providing an exception; providing a rebuttable presumption; providing construction; amending s. 720.306, F.S.; conforming a cross-reference; amending s. 720.311, F.S.; removing presuit mediation requirements; requiring that specified arbitrators conduct arbitration proceedings; creating s. 720.319, F.S.; providing a short title; providing legislative findings; authorizing a homeowners' association to be terminated; providing requirements for the termination of a homeowners' association; providing conditions for a plan of termination; requiring an approved plan of termination be submitted to a community association court program and recorded in the public records of each county in which the association is located; providing duties and responsibilities of a termination trustee; authorizing a member to file a petition with a community association court program under certain circumstances; authorizing a community association court program to take certain actions; providing responsibilities of the board after approval of a plan of termination; providing for the distribution of

assets and paying of lawful debts after an association is terminated; specifying unlawful actions by an association or its officers or directors; providing penalties; creating s. 720.32, F.S.; providing legislative intent; authorizing circuit courts to create and administer a community association court program; providing duties of the chief judge; providing the jurisdiction of the community association court program; authorizing the community association court program to take certain actions; requiring the chief judge of certain judicial circuits to submit to the Legislature a specified report annually by a specified date; providing duties of the Office of the State Courts Administrator; providing exceptions; providing that certain costs associated with the community association court program be funded through specific appropriations in the General Appropriations Act; requiring certain funds that remain unencumbered or undisbursed by specified dates to revert to the Division of Florida Condominiums, Timeshares, and Mobile Homes Trust Fund; amending s. 26.031, F.S.; increasing the number of circuit judges in certain judicial circuits; specifying that the additional circuit court judges are for the community association court program; amending s. 34.01, F.S.;

conforming a provision to changes made by the act; amending ss. 336.125, 558.002, 617.0601, 617.0701, 617.0721, 617.0725, 617.0808, 617.1606, 718.116, and 720.3085, F.S.; conforming cross-references; providing an effective date.

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 Sirois offered the following:

Amendment to Amendment (141027) by Representative Porras (with title amendment)

Remove lines 888-955 of the amendment and insert:

~~roof or~~ structural components of a building, or other improvements for which the association is responsible; mechanical, electrical, or plumbing elements serving an improvement or building for which the association is responsible; representations of the developer pertaining to any existing or proposed commonly used facility; and protest of ad valorem taxes on commonly used facilities. The association may defend actions in eminent domain or bring inverse condemnation actions. Before commencing litigation against any party in the name of the association involving amounts in controversy in

excess of $100,000, the association must obtain the affirmative approval of a majority of the voting interests at a meeting of the membership at which a quorum has been attained. This paragraph ~~subsection~~ does not limit any statutory or common-law right of any individual member or class of members to bring any action without participation by the association.

(e) A member does not have authority to act for the association by virtue of being a member. An association may have more than one class of members and may issue membership certificates.

(f) An association of 15 or fewer parcel owners may enforce only the requirements of those deed restrictions established prior to the purchase of each parcel upon an affected parcel owner or owners.

(5) INSPECTION AND COPYING OF RECORDS.—

(i)1. If an association receives a subpoena or written request for records from a law enforcement agency or prosecuting agency as defined in 112.531, the association must provide a copy of such records or otherwise make the records available for inspection and copying to a law enforcement agency or prosecuting agency within 5 business days after receipt of the subpoena or written request, unless otherwise specified by the law enforcement agency, prosecuting agency, or subpoena or written request. An association must assist a law enforcement agency in its investigation to the extent permissible by law.

2. A director or member of the board or association or a community association manager who willfully and knowingly fails to provide a copy of records to a law enforcement agency or prosecuting agency, or otherwise fails to make the records available for inspection and copying, as required by subparagraph 1. commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(11) CONFLICTS OF INTEREST.—

(a) A director, an officer, or a committee member of an association owes a duty of loyalty to the association and its members.

(b) A conflict of interest exists when a director, an officer, or a committee member has a direct or an indirect financial interest in a transaction, contract, or decision under consideration by the association.

(c) The director, officer, or committee member with a conflict of interest must disclose the nature and extent of the conflict in writing to the board before any discussion or vote occurs on the matter.

(d) After disclosure of the conflict of interest, the conflicted director, officer, or committee member may not participate in any discussion or vote on the matter.

(e) A transaction involving a conflict of interest is voidable by the association unless the transaction was approved by a majority of the voting interests of the association after

full disclosure by the conflicted director, officer, or committee member has occurred.

(f) Compensating or contracting with a director, an officer, or a committee member of the association, or an immediate family member thereof, creates a rebuttable presumption that a conflict of interest exists.

(g) This subsection may not be waived or limited by the governing documents of the association.

Section 13. Paragraph (b) of subsection (1) of section 720.3035, Florida Statutes, is amended to read:

720.3035 Architectural control covenants; parcel owner improvements; rights and privileges.—

(1)

(b) An association or any architectural, construction improvement, or other such similar committee of an association may not enforce or adopt a covenant, rule, or guideline that:

1. Limits or places requirements on the interior of a structure that is not visible from the parcel's frontage or an adjacent parcel, an adjacent common area, or a community golf course.

2. Requires the review and approval of plans and specifications for a central air-conditioning, refrigeration, heating, or ventilating system by the association or any architectural, construction improvement, or other such similar committee of an association, if such system is not visible from

the parcel's frontage, an adjacent parcel, an adjacent common area, or a community golf course and is substantially similar to a system that is approved or recommended by the association or a committee thereof.

3. Requires that a specific type of material be used on the building or rebuilding of a roof, provided the built or rebuilt roof appears to be substantially identical in shape and color with the roofing requirements created by the association or any architectural, construction improvement, or other such similar committee of the association, and that such roofing materials adhere to the roof systems recognized by the Florida Building Code which meet ASCE 7-22 standards pursuant to paragraph (6)(c).

Section 14. Paragraph (g) is added to subsection (3) of section 720.3075, Florida Statutes, to read:

720.3075 Prohibited clauses in association documents.—

(3) Homeowners' association documents, including declarations of covenants, articles of incorporation, or bylaws, may not preclude:

(g) A property owner from using any type of building material to build or rebuild his or her roof, provided the built or rebuilt roof appears to be substantially identical in shape and color with the roofing requirements created by the association or any architectural, construction improvement, or other such similar committee of the association, and that such

roofing materials adhere to the roof systems recognized by the Florida Building Code which meet ASCE 7-22 standards pursuant to s. 720.3035(6)(c).

Section 15. For the purpose of incorporating the amendment made by this act to section 720.3035, Florida Statutes, in a reference thereto, Subsection (9) of section 617.0825, Florida Statutes, is reenacted to read:

617.0825 Board committees and advisory committees.—

(9) This section does not apply to a committee established under chapter 718, chapter 719, or chapter 720 to perform the functions set forth in s. 718.303(3), s. 719.303(3), s. 720.3035(1), s. 720.305(2), or s. 720.405, respectively.

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

Remove line 1746 of the amendment and insert:
s. 720.3035, F.S.; revising the prohibition on the adoption of certain covenants, rules, or guidelines by a homeowners' association or a specified committee of an association to include a prohibition on requiring specific types of materials for the building or rebuilding of a roof if the built or rebuilt roof meets certain criteria and standards; amending s. 720.3075, F.S.; revising the prohibited clauses in homeowners' association documents to include a

requirement that a property owner may not be precluded from using any type of building material to build or rebuild his or her roof if the built or rebuilt roof meets certain criteria and standards; reenacting s. 617.0825(9), F.S., relating to board committees and advisory committees, to incorporate the amendment made to s. 720.3035, F.S., in a reference thereto; amending s. 720.306, F.S.; conforming a cross-reference; amending

CS/HB 1001

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 1001	**COMPANION BILL:** CS/SB 1134 (Yarborough)
TITLE: Official Actions of Local Governments	**LINKED BILLS:** None
SPONSOR(S): Black	**RELATED BILLS:** None

Committee References

Intergovernmental Affairs	➤	Civil Justice & Claims	➤	Commerce
10 Y, 5 N		12 Y, 4 N, As CS		

SUMMARY

Effect of the Bill:
The bill prohibits counties and municipalities from:

- Funding, promoting, or taking any official action, such as the adoption or enforcement of ordinances, resolutions, rules, regulations, programs, and policies, relating to diversity, equity, and inclusion after June 30, 2027.
- Spending any funds, regardless of source, for diversity, equity, and inclusion offices and officers.

However, the bill allows a county or municipality to authorize or permit, in a content-neutral manner, civic and community events so long as certain requirements are met. The bill requires a potential recipient of a county or municipal contract or grant to certify that he or she will not use county or municipal funds for diversity, equity, and inclusion materials.

The bill provides that a county or municipal official exercising his or her official authority on behalf of the government who violates the bill's provisions commits misfeasance or malfeasance in office if such conduct was willful. The bill authorizes a resident of the county or municipality to bring action in circuit court for violations of the bill. The bill does not prohibit a county or municipality from recognizing state and federal holidays or monuments, or from complying with state and federal laws or regulations.

Fiscal or Economic Impact:
None.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill prohibits counties and municipalities from funding, promoting, or taking any official action relating to diversity, equity, and inclusion (DEI). Prohibited actions include the adoption, promotion, or enforcement of ordinances, resolutions, rules, regulations, programs, and policies relating to DEI. The bill voids any such existing ordinances, resolutions, rules, regulations, programs, or policies. The bill prohibits counties and municipalities from expending funds, regardless of the funding source, for DEI offices and officers. (Sections 1 and 2).

The bill defines "diversity, equity, and inclusion" as:

- The manipulation of or influence over the composition of employees with reference to race, color, sex, ethnicity, gender identity, or sexual orientation for purposes other than ensuring that hiring is conducted in accordance with state and federal antidiscrimination laws;
- The promotion of or act of providing preferential treatment or special benefits to a person or group based on that person's or group's race, color, sex, ethnicity, gender identity, or sexual orientation; or

- The promotion or adoption of training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation. (Sections 1 and 2)

The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law. (Sections 1 and 2)

The bill permits a county or municipality to authorize or permit, in a content-neutral manner, civic and community events so long as:

- No public funds are used to pay for the event;
- No county or municipal employee is required to promote or attend the event; and
- The event does not promote terrorism, racism, or antisemitism. (Sections 1 and 2).

The bill allows a county or municipality to continue to fund, promote, or take official action for civic or community events related to DEI through June 30, 2027. However, effective July 1, 2027, a county or municipality is prohibited from funding, promoting, or taking official actions to such events unless the conduct is otherwise permitted by the bill's provisions. (Sections 1 and 2).

County commissioners, members of the governing body of a municipality, and other county and municipal officials acting in official capacities who violate the bill's provisions commit misfeasance or malfeasance in office, but only if:

- Such conduct is willful; and
- The official was exercising his or her official authority pursuant to law on behalf of the government.

County and municipal residents may bring an action in circuit court against counties and municipalities who violate the bill's provisions, and circuit courts may award declaratory and injunctive relief, damages, and costs. (Sections 1 and 2).

The bill's provisions do not prohibit counties and municipalities from recognizing or promoting the following holidays, observances and memorials:

- Holidays designated by federal law;[1]
- Holidays and special observances designated by Florida law;[2]
- Patriotic and national observances recognized by federal law;[3] and
- Individuals and groups recognized and honored by monuments and memorials authorized by chapter 265, F.S., or national monuments designated by acts of Congress, or recognizing the events forming the basis for such monuments or memorials.[4] (Sections 1 and 2).

The bill does not prohibit a county or municipality from complying with state and federal laws or regulations. The bill does not prohibit the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law. The bill specifies that the provisions in the bill may not be construed to conflict with state and federal laws that:

- Protect the right of a male and female to restrooms and changing facilities corresponding to his or her biological sex;[5]
- Ensure that a victim of domestic violence and his or her dependents have access to emergency shelters;[6]

[1] *See* 5 U.S.C. s. 6103.
[2] *See* Ch. 683, F.S.
[3] *See* 36 U.S.C. ss. 101-148.
[4] *See* Ch. 265, F.S.
[5] See s. 553.865, F.S.
[6] See Part XII of Ch. 39, F.S.

- Prohibit discrimination based on biological sex in educational programs, sports, activities, and employment;[7]
- Ensure males and females have access to public health services corresponding to their biological sex;[8]
- Recognize the inherent biological differences between a male and female for the purpose of ensuring his or her health, safety, and welfare; and
- Ensure that an individual has access to public health services corresponding to his or her race or ethnicity. (Sections 1 and 2).

The bill does not apply to the actions of a body composed of nonelected volunteers, or to basic administrative support provided to such a body, unless the support is provided by a county or municipal employee whose sole function is to provide such support. (Sections 1 and 2).

The bill requires potential recipients of county or municipal contracts or grants to certify that they do not and will not use county or municipal funds to require their employees, contractors, volunteers, vendors, or agents to ascribe to, study, or be instructed using DEI materials. (Section 3).

The effective date of the bill is January 1, 2027. (Section 4).

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Diversity, Equity and Inclusion

Title VII of the Civil Rights Act of 1964 (Title VII) prohibits employment discrimination based on protected characteristics such as race and sex.[9] Title VII bars discrimination against applicants or employees in hiring, firing, compensation, or any term, condition, or privilege of employment.[10] Title VII also prohibits employers from limiting, segregating, or classifying employees or applicants based on race, sex, or other protected characteristics in a way that affects their status or deprives them of employment opportunities.

Under Title VII, Diversity, Equity and Inclusion (DEI) initiatives, policies, programs, or practices may be unlawful if they involve an employer taking an employment action motivated by an employee's or applicant's race, sex, or another protected characteristic.[11] For state and local government employers, the U.S. Equal Employment Opportunity Commission is responsible for investigating charges of discrimination against such employers.

Federal executive orders issued in January 2025 directed each federal agency, department, or commission head to terminate all DEI offices and positions and all DEI performance requirements for employees, contractors, or grantees.[12] These orders revoked numerous DEI-related executive orders issued by previous presidential administrations and required executive agencies to terminate all discriminatory and illegal preferences, mandates, policies, programs, activities, guidance, regulations, enforcement actions, consent orders, and requirements.

Florida Civil Rights Act

The Florida Civil Rights Act (FCRA) of 1992 protects persons from discrimination based on race, color, religion, sex, pregnancy, national origin, age, handicap, or marital status.[13] The FCRA establishes the Florida Commission on

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[7] *See* s. 1000.05, F.S.
[8] *See* Ch. 381, F.S.
[9] U.S. Equal Employment Opportunity Commission (EEOC), *What You Should Know About DEI-Related Discrimination at Work* (last visited Feb. 2, 2026).
[10] 42 U.S.C. s. 2000e- 2(a)(1).
[11] EEOC *supra* note 9.
[12] Executive Order 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing* (Jan. 20, 2025), and Executive Order 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity* (Jan. 21, 2025). *See also* Congressional Research Service, *Recent Executive Actions on Diversity, Equity, and Inclusion (DEI)*, (Jan. 29, 2025).
[13] S. 760.01, F.S.

Human Relations (Commission) within the Department of Management Services.[14] The Commission is empowered to receive, initiate, investigate, conciliate, hold hearings, and act upon complaints alleging discriminatory practices.[15] Additionally, the Attorney General may initiate a civil action for damages, injunctive relief, civil penalties of up to $10,000 per violation, and other appropriate relief.[16] In 2019, Governor DeSantis reaffirmed the policy of non-discrimination in government employment and declared it the policy of his administration to prohibit discrimination in employment based on age, sex, race, color, religion, national origin, marital status, or disability.[17]

Municipal and County Ordinances

An ordinance is an official legislative action of a governing body, which action is a regulation of a general and permanent nature and enforceable as a local law.[18] A resolution is an expression of a governing body concerning matters of administration, an expression of a temporary character, or a provision for the disposition of a particular item.[19]

Counties have the power to adopt ordinances and resolutions necessary for the exercise of its powers and to prescribe fines and penalties for the violation of ordinances in accordance with law.[20] They also have the power to perform any other acts not inconsistent with law, which acts are in the common interest of the people of the county, and exercise all powers and privileges not specifically prohibited by law.[21] Municipalities have the governmental, corporate, and proprietary powers to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law.[22]

Misfeasance or Malfeasance in Office

Misfeasance is the improper performance of a lawful act, resulting in harm or injury to another person or entity.[23] Misfeasance typically occurs when an individual or a public official undertakes a duty or responsibility but fails to carry it out with proper care, skill, or diligence. While the act itself may be lawful, the negligence or improper execution of the act leads to harmful consequences. Malfeasance is an act that is illegal and causes physical or monetary harm to someone else.[24] Malfeasance is intentional conduct that is wrongful or unlawful, especially by officials or public employees.

It is the policy of the state that state and local public officers and employees are agents of the people and hold their positions for the benefit of the public.[25] They are bound to uphold the Constitution of the United States and the State Constitution and to perform efficiently and faithfully their duties under the laws of the federal, state, and local governments. As such, any violation of the code of ethics for public officers and employees provided in law constitutes malfeasance, misfeasance, or neglect of duty in office.[26]

The Governor is authorized to suspend any county officer from office for malfeasance, misfeasance, neglect of duty, drunkenness, incompetence, permanent inability to perform official duties, or commission of a felony.[27] The Governor may temporarily appoint someone to fill the office during the suspension and may choose to reinstate

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[14] Ss. 760.03 and 760.04, F.S.
[15] S. 760.06(5), F.S.
[16] S. 760.021(1), F.S.
[17] State of Florida, Office of the Governor, *Executive Order No. 19-10, Jan. 8, 2019* (last visited Feb. 2, 2026).
[18] *See* s. 166.041(a), F.S.
[19] *See* s. 166.041(b), F.S.
[20] S. 125.01(1)(t), F.S.
[21] S. 125.01(1)(w), F.S.
[22] S. 166.021(1), F.S.
[23] Cornell Law School Legal Information Institute, *Misfeasance* (last visited Feb. 2, 2026).
[24] Cornell Law School Legal Information Institute, *Malfeasance* (last visited Feb. 2, 2026).
[25] S. 112.311(6), F.S.
[26] S. 112.317(4), F.S.
[27] Art. IV, s. 7(a), Fla. Const.

the suspended officer. The Senate has the authority to remove from office or reinstate the suspended officer in proceedings prescribed by law and may convene a special session for such purpose.[28]

The State Constitution authorizes the Governor to suspend municipal officers indicted for crime, unless such power is vested in law or a municipal charter.[29] The Governor may also suspend any elected or appointed municipal official from office for malfeasance, misfeasance, neglect of duty, habitual drunkenness, incompetence, or permanent inability to perform official duties.[30] The Governor may temporarily fill the office during the suspension.[31] If the municipal officer is convicted of any of the charges contained in the indictment or information by reason of which he or she was suspended, the Governor must remove the official from office.[32] If the municipal official is acquitted, found not guilty, or otherwise cleared of the charges, the Governor must revoke the suspension.[33]

Declaratory and Injunctive Relief

Declaratory relief refers to a court's declaratory judgment stating the rights of parties without ordering any specific action or listing awards for damages.[34] When a party is requesting a declaratory judgment, the party is seeking an official declaration regarding the status of the controversy in issue.

Injunctive relief, also known as an injunction, is a court-ordered remedy which restricts a party from committing specific actions or requires a party to complete specific actions.[35] The purpose of injunctive relief is to prevent future wrong or harm by one party to another and can be issued before or after a final judgment.

Public Holidays, Observances, and Memorials

Federal public holidays include the following:

- New Year's Day, January 1.
- Birthday of Martin Luther King, Jr., the third Monday in January.
- Washington's Birthday, the third Monday in February.
- Memorial Day, the last Monday in May.
- Juneteenth National Independence Day, June 19.
- Independence Day, July 4.
- Labor Day, the first Monday in September.
- Columbus Day, the second Monday in October.
- Veterans Day, November 11.
- Thanksgiving Day, the fourth Thursday in November.
- Christmas Day, December 25.[36]

State public holidays include the following:

- Sunday, the first day of each week.
- New Year's Day, January 1.
- Birthday of Martin Luther King, Jr., January 15.
- Birthday of Robert E. Lee, January 19.
- Lincoln's Birthday, February 12.
- Susan B. Anthony's Birthday, February 15.
- Washington's Birthday, the third Monday in February.

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[28] Art. IV, s. 7(b), Fla. Const.
[29] Art. IV, s. 7(c), Fla. Const.
[30] S. 112.51(1), F.S.
[31] S. 112.51(3), F.S.
[32] S. 112.51(5), F.S.
[33] S. 112.51(6), F.S.
[34] Cornell Law School Legal Information Institute, *Declaratory Relief* (last visited Feb. 2, 2026).
[35] Cornell Law School Legal Information Institute, *Injunctive Relief* (last visited Feb. 2, 2026).
[36] 5 U.S.C. s. 6103.

- Tuskegee Airmen Commemoration Day, the fourth Thursday in March.
- Good Friday.
- Pascua Florida Day, April 2.
- Confederate Memorial Day, April 26.
- Memorial Day, the last Monday in May.
- Birthday of Jefferson Davis, June 3.
- Flag Day, June 14.
- Independence Day, July 4.
- Labor Day, the first Monday in September.
- Columbus Day and Farmers' Day, the second Monday in October.
- Veterans' Day, November 11.
- General Election Day.
- Thanksgiving Day, the fourth Thursday in November.
- Christmas Day, December 25.
- Shrove Tuesday, sometimes also known as "Mardi Gras," in counties where carnival associations are organized for the purpose of celebrating the same.[37]

The state recognizes Gasparilla Day as a legal holiday in Hillsborough County, DeSoto Day as a legal holiday in Manatee County, and authorizes the chief judge of each judicial circuit to designate Rosh Hashanah, Yom Kippur, and Good Friday as legal holidays for the courts within the circuit.[38]

In addition to state legal holidays, state special observances include the following:

- Arbor Day.
- Pan-American Day.
- Pascua Florida Day.
- Grandparents' and Family Caregivers' Day.
- Law Enforcement Appreciation Day and Law Enforcement Appreciation Month.
- Law Enforcement Memorial Day.
- Parade Day, Hillsborough County.
- State observance of any national day of mourning.
- Patriots' Day.
- I Am An American Day.
- American Founders' Month.
- Purple Heart Day.
- Medal of Honor Day.
- Veterans Appreciation Month.
- Teacher's Day.
- Retired Teachers' Day.
- Parents' and Children's Day.
- Save the Florida Panther Day.
- Everglades Day.
- Florida Jewish History Month.
- Holocaust Remembrance Day.
- Juneteenth Day.
- Law Day and Law Week.
- Florida Missing Children's Day.
- Citizen support organization for Florida Missing Children's Day.
- Florida Alzheimer's Disease Day.

[37] S. 683.01, F.S.
[38] Ss. 683.08, 683.09. and 683.19, F.S.

- Bill of Rights Day.
- Ronald Reagan Day.
- Homeless Persons' Memorial Day.
- Three Kings Day.
- Child Welfare Professionals Recognition Day.
- Drowsy Driving Prevention Week.
- Foster Family Appreciation Week.
- Victims of Communism Day.
- Responsible Fatherhood Month.
- Revive Awareness Day.
- Fentanyl Awareness and Education Day.
- 9/11 Heroes' Day.
- Hot Car Death Prevention Month.
- Move Over Awareness Week.[39]

The following are Patriotic and National Observances:

- American Heart Month.
- Asian/Pacific American Heritage Month.
- Cancer Control Month.
- Carl Garner Federal Lands Cleanup Day.
- Child Health Day.
- Constitution Day and Citizenship Day.
- Columbus Day.
- Constitution Week.
- Father's Day.
- Flag Day.
- Gold Star Mother's Day.
- Honor America Days.
- Law Day, U.S.A.
- Leif Erikson Day.
- Loyalty Day.
- Memorial Day.
- Mother's Day.
- National Aviation Day.
- National Day of Prayer.
- National Defense Transportation Day.
- National Disability Employment Awareness Month.
- National Flag Week.
- National Forest Products Week.
- National Freedom Day.
- National Grandparents Day.
- National Hispanic Heritage Month.
- National Korean War Veterans Armistice Day.
- National Maritime Day.
- National Pearl Harbor Remembrance Day.
- National Poison Prevention Week.
- National Safe Boating Week.
- National School Lunch Week.
- National Transportation Week.

[39] Ch. 683, F.S.

- Pan American Aviation Day.
- Parents' Day.
- Peace Officers Memorial Day.
- Police Week.
- Save Your Vision Week.
- Steelmark Month.
- Stephen Foster Memorial Day.
- Thomas Jefferson's birthday.
- White Cane Safety Day.
- Wright Brothers Day.
- Patriot Day.
- Veterans Day.
- National Atomic Veterans Day.
- Choose Respect Day.
- U.S. Hostage and Wrongful Detainee Day.[40]

State law has also established specific monuments and memorials.[41] Examples of state monuments and memorials include the following:

- Prison of War/Missing in Action (POW-MIA) Chair of Honor Memorial.
- Florida Veterans' Memorial Garden.
- Florida Holocaust Memorial.
- Florida Slavery Memorial.
- Arthur G. Dozier School for Boys Memorial.
- POW-MIA Vietnam Veterans Bracelet Memorial.
- Florida Space Exploration Monument.

[40] 36 U.S.C. ss. 101-148.
[41] Ch. 265, F.S.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Intergovernmental Affairs Subcommittee	10 Y, 5 N	2/5/2026	Darden	Hilliard
Civil Justice & Claims Subcommittee	12 Y, 4 N, As CS	2/11/2026	Jones	Mathews
THE CHANGES ADOPTED BY THE COMMITTEE:	• Provided a delayed implementation of some of the provisions of the bill by allowing a county or municipality to fund, promote, or take official action for civic or community events relating to DEI through June 30, 2027. • Provided that the bill does not prohibit a county or municipality from recognizing or honoring those individuals or groups recognized and honored by a national monument that has been designated by an act of Congress. • Authorized a county or municipality to authorize or permit, in a content-neutral manner, civic and community events so long as certain requirements are met. • Provided that the bill shall not be read to conflict with state and federal laws ensuring an individual has access to public health services corresponding to his or her race or ethnicity. • Clarified that an official is subject to committing misfeasance or malfeasance only if the conduct is willful and the official was exercising his or her official authority on behalf of the government.			
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 official actions of local governments; creating ss. 125.595 and 166.04971, F.S.; providing definitions; prohibiting counties and municipalities, respectively, from funding or promoting or taking official action relating to diversity, equity, and inclusion; providing that certain ordinances, resolutions, rules, regulations, programs, and policies are void; providing an exception; prohibiting counties and municipalities, respectively, from expending funds for diversity, equity, and inclusion offices or for diversity, equity, and inclusion officers; providing that a county commissioner, a member of the governing body of a municipality, or any other county or municipal official who, while exercising his or her official authority, willfully violates certain provisions commits misfeasance or malfeasance in office; authorizing a cause of action against counties and municipalities, respectively; authorizing a court to enter a judgment awarding certain relief, damages, and costs; providing construction and applicability; creating s. 287.139, F.S.; requiring potential recipients of county or municipal contracts or grants to make a certain certification to the county or

municipality before being awarded such contract or grant; providing an effective date.

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

Section 1. Section 125.595, Florida Statutes, is created to read:

125.595 Prohibition of official actions of counties relating to diversity, equity, and inclusion; penalty; remedy.—

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

(a) "Diversity, equity, and inclusion" means any effort to:

1. Manipulate or otherwise influence the composition of employees with reference to race, color, sex, ethnicity, gender identity, or sexual orientation other than to ensure that hiring is conducted in accordance with state and federal antidiscrimination laws;

2. Promote or provide preferential treatment or special benefits to a person or group based on that person's or group's race, color, sex, ethnicity, gender identity, or sexual orientation; or

3. Promote or adopt training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation.

The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(b) "Diversity, equity, and inclusion office" means any office, division, department, agency, center, or other unit of a county which coordinates, creates, develops, designs, implements, organizes, plans, or promotes policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(c) "Diversity, equity, and inclusion officer" means a person who is a full-time or part-time employee of, or an independent contractor contracted by, a county whose duties include coordinating, creating, developing, designing, implementing, organizing, planning, or promoting policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(2)(a) Subject to paragraph (b), a county may not fund or promote, directly or indirectly, or take any official action, including, but not limited to, the adoption or enforcement of ordinances, resolutions, rules, regulations, programs, or policies, relating to diversity, equity, and inclusion. Any such existing ordinances, resolutions, rules, regulations, programs, or policies are void.

(b)1. Notwithstanding any other provision of this section, a county may continue to fund, promote, or take any official action for civic or community events relating to diversity, equity, and inclusion through June 30, 2027.

2. Effective July 1, 2027, a county may not fund, promote, or take any official action for civic or community events relating to diversity, equity, and inclusion unless such action is otherwise allowed under subsection (6).

(3) A county may not expend any funds, regardless of source, to establish, sustain, support, or staff a diversity, equity, and inclusion office or to employ, contract with, or otherwise engage a person to serve as a diversity, equity, and inclusion officer.

(4) A county commissioner or other county official who, while exercising his or her official authority under law on behalf of the county, willfully violates this section commits misfeasance or malfeasance in office.

(5) An action in circuit court may be brought by a resident of the county against a county that violates this section. The court may enter a judgment awarding declaratory and injunctive relief, damages, and costs.

(6) This section does not prohibit a county from:

(a) Taking any official action required for compliance with state or federal laws or regulations.

(b) Recognizing or promoting holidays designated by

federal law, including those designated in 5 U.S.C. s. 6103.

(c) Recognizing or promoting holidays and special observances designated by state law, including those designated in chapter 683.

(d) Recognizing or promoting patriotic and national observances recognized by federal law, including those designated in 36 U.S.C. ss. 101-148.

(e) Recognizing or honoring the persons and groups recognized and honored by the monuments and memorials authorized by chapter 265 or national monuments designated by acts of Congress, or recognizing the events forming the basis for such monuments or memorials.

(f) Using equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(g) Authorizing or permitting, in a content-neutral manner, civic or community events, provided that:

1. Public funds are not expended for such an event.

2. A county employee is not required to promote or attend such an event.

3. Such an event does not promote terrorism, racism, or antisemitism.

(7) This section may not be construed to conflict with:

(a) Section 553.865 or analogous state and federal laws

protecting the right of males and females to restrooms and changing facilities corresponding to their biological sex.

(b) Part XII of chapter 39 or analogous state and federal laws ensuring that victims of domestic violence and their dependents have access to emergency shelters.

(c) Section 1000.05 or analogous state and federal laws prohibiting discrimination based on biological sex in educational programs, sports, activities, and employment.

(d) Chapter 381 or analogous state and federal laws ensuring males and females have access to public health services corresponding to their biological sex.

(e) State and federal laws ensuring a person has access to public health services corresponding to his or her race or ethnicity.

(f) Any other state or federal laws recognizing the inherent biological differences between males and females for the purpose of ensuring their health, safety, and welfare.

(8) This section does not apply to:

(a) The actions of a body composed of nonelected volunteers; or

(b) Basic administrative support provided to a body composed of nonelected volunteers, unless such administrative support is provided by a county employee whose sole function is the provision of such administrative support.

Section 2. Section 166.04971, Florida Statutes, is created

to read:

166.04971 Prohibition of official actions of municipalities relating to diversity, equity, and inclusion; penalty; remedy.—

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

(a) "Diversity, equity, and inclusion" means any effort to:

1. Manipulate or otherwise influence the composition of employees with reference to race, color, sex, ethnicity, gender identity, or sexual orientation other than to ensure that hiring is conducted in accordance with state and federal antidiscrimination laws;

2. Promote or provide preferential treatment or special benefits to a person or group based on that person's or group's race, color, sex, ethnicity, gender identity, or sexual orientation; or

3. Promote or adopt training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation.

The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(b) "Diversity, equity, and inclusion office" means any

office, division, department, agency, center, or other unit of a municipality which coordinates, creates, develops, designs, implements, organizes, plans, or promotes policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(c) "Diversity, equity, and inclusion officer" means a person who is a full-time or part-time employee of, or an independent contractor contracted by, a municipality whose duties include coordinating, creating, developing, designing, implementing, organizing, planning, or promoting policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(2)(a) Subject to paragraph (b), a municipality may not fund or promote, directly or indirectly, or take any official action, including, but not limited to, the adoption or enforcement of ordinances, resolutions, rules, regulations, programs, or policies, relating to diversity, equity, and inclusion. Any such existing ordinances, resolutions, rules, regulations, programs, or policies are void.

(b)1. Notwithstanding any other provision of this section, a municipality may continue to fund, promote, or take any official action for civic or community events relating to diversity, equity, and inclusion through June 30, 2027.

2. Effective July 1, 2027, a municipality may not fund,

promote, or take any official action for civic or community events relating to diversity, equity, and inclusion unless such action is otherwise allowed under subsection (6).

(3) A municipality may not expend any funds, regardless of source, to establish, sustain, support, or staff a diversity, equity, and inclusion office or to employ, contract with, or otherwise engage a person to serve as a diversity, equity, and inclusion officer.

(4) A member of the governing body of a municipality or other municipal official who, while exercising his or her official authority under law on behalf of the municipality, willfully violates this section commits misfeasance or malfeasance in office.

(5) An action in circuit court may be brought by a resident of the municipality against a municipality that violates this section. The court may enter a judgment awarding declaratory and injunctive relief, damages, and costs.

(6) This section does not prohibit a municipality from:

(a) Taking any official action required for compliance with state or federal laws or regulations.

(b) Recognizing or promoting holidays designated by federal law, including those designated in 5 U.S.C. s. 6103.

(c) Recognizing or promoting holidays and special observances designated by state law, including those designated in chapter 683.

(d) Recognizing or promoting patriotic and national observances recognized by federal law, including those designated in 36 U.S.C. ss. 101-148.

(e) Recognizing or honoring the persons and groups recognized and honored by the monuments and memorials authorized by chapter 265 or national monuments designated by acts of Congress, or recognizing the events forming the basis for such monuments or memorials.

(f) Using equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(g) Authorizing or permitting, in a content-neutral manner, civic or community events, provided that:

1. Public funds are not expended for such an event.

2. A municipal employee is not required to promote or attend such an event.

3. Such an event does not promote terrorism, racism, or antisemitism.

(7) This section may not be construed to conflict with:

(a) Section 553.865 or analogous state and federal laws protecting the right of males and females to restrooms and changing facilities corresponding to their biological sex.

(b) Part XII of chapter 39 or analogous state and federal laws ensuring that victims of domestic violence and their

dependents have access to emergency shelters.

(c) Section 1000.05 or analogous state and federal laws prohibiting discrimination based on biological sex in educational programs, sports, activities, and employment.

(d) Chapter 381 or analogous state and federal laws ensuring males and females have access to public health services corresponding to their biological sex.

(e) State and federal laws ensuring a person has access to public health services corresponding to his or her race or ethnicity.

(f) Any other state or federal laws recognizing the inherent biological differences between males and females for the purpose of ensuring their health, safety, and welfare.

(8) This section does not apply to:

(a) The actions of a body composed of nonelected volunteers; or

(b) Basic administrative support provided to a body composed of nonelected volunteers, unless such administrative support is provided by a municipal employee whose sole function is the provision of such administrative support.

Section 3. Section 287.139, Florida Statutes, is created to read:

287.139 Prohibition against using diversity, equity, and inclusion material.—A potential recipient of a county or municipal contract or grant shall certify to the county or

municipality, as applicable, before being awarded such contract or grant that the potential recipient does not and will not use county or municipal funds in requiring its employees, contractors, volunteers, vendors, or agents to ascribe to, study, or be instructed using materials relating to diversity, equity, and inclusion as defined in ss. 125.595(1) and 166.04971(1).

Section 4. This act shall take effect January 1, 2027.

COMMERCE COMMITTEE

CS/HB 1001 by Rep. Black
Official Actions of Local Governments

AMENDMENT SUMMARY
February 26, 2026

Amendment #019831 by Rep. Black (Strike-All):

- Defines “acting in an official capacity” to mean performing or purporting to perform a function, duty, or responsibility assigned by law, rule, or policy to a public officer or public employee, or otherwise exercising or claiming to exercise the authority of such office or employment.
- Removes the ability of local governments to continue to fund or promote community events relating to diversity, equity, and inclusion (DEI) through June 30, 2027.
- Prohibits local governments from providing or authorizing funds to be used for DEI initiatives.
- Specifies that the bill applies to contracts between a local government and a DEI officer in existence on January 1, 2027, and applies to all other contracts executed or renewed after January 1, 2027.
- Makes certain other 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 Black offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Section 125.595, Florida Statutes, is created to read:

125.595 Prohibition of official actions of counties relating to diversity, equity, and inclusion; penalty; remedy.—

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

(a) "Acting in an official capacity" means performing or purporting to perform a function, duty, or responsibility assigned by law, rule, or policy to a public officer or public employee, or otherwise exercising or claiming to exercise the authority of such office or employment.

(b) "Diversity, equity, and inclusion" means any effort to:

1. Manipulate or otherwise influence the composition of employees with reference to race, color, sex, ethnicity, gender identity, or sexual orientation other than to ensure that hiring is conducted in accordance with state and federal antidiscrimination laws;

2. Promote or provide preferential treatment or special benefits to a person or group based on that person's or group's race, color, sex, ethnicity, gender identity, or sexual orientation; or

3. Promote or adopt training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation.

The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(c) "Diversity, equity, and inclusion office" means any office, division, department, agency, center, or other unit of a county which coordinates, creates, develops, designs, implements, organizes, plans, or promotes policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(d) "Diversity, equity, and inclusion officer" means a person who is a full-time or part-time employee of, or an independent contractor contracted by, a county whose duties include coordinating, creating, developing, designing, implementing, organizing, planning, or promoting policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(2) A county may not fund or promote, directly or indirectly, or take any official action, including, but not limited to, the adoption or enforcement of ordinances, resolutions, rules, regulations, programs, or policies, as it relates to diversity, equity, and inclusion. Any such existing ordinances, resolutions, rules, regulations, programs, or policies are void.

(3) A county may not expend any funds, regardless of source, to establish, sustain, support, or staff a diversity, equity, and inclusion office or to employ, contract, or otherwise engage a person to serve as a diversity, equity, and inclusion officer.

(4) A county commissioner or other county official acting in an official capacity who violates this section commits misfeasance or malfeasance in office.

(5) A county may not provide or authorize its funds to be used by employees, contractors, volunteers, vendors, or agents to promote diversity, equity, and inclusion initiatives.

(6) An action in circuit court may be brought by a resident of the county against a county that violates this section. The court may enter a judgment awarding declaratory and injunctive relief, damages, and costs.

(7)(a) This section does not prohibit any official action by a county required for compliance with state or federal laws or regulations.

(b) This section does not prohibit a county from doing any of the following:

1. Recognizing or promoting holidays designated by federal law, including those designated in 5 U.S.C. s. 6103.

2. Recognizing or promoting state holidays and special observances designated by state law, including those designated in chapter 683.

3. Recognizing or promoting patriotic and national observances recognized by federal law, including those designated in 36 U.S.C. ss. 101-148, or recognizing the events and individuals forming the basis for such observances.

4. Recognizing or honoring the individuals and groups recognized and honored by the monuments, memorials, and museums authorized by chapter 265, ss. 267.0722 and 267.0724, or national monuments and memorials designated by acts of Congress,

or recognizing the events and individuals forming the basis for such monuments, memorials, or museums.

5. Issuing event permits in a content-neutral manner and providing public safety services.

(c) This section does not prohibit the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(d) This section may not be construed to conflict with:

1. Section 553.865 or analogous state and federal laws protecting the right of males and females to restrooms and changing facilities corresponding to their biological sex.

2. Part XII of chapter 39 or analogous state and federal laws ensuring that victims of domestic violence and their dependents have access to emergency shelters.

3. Section 1000.05 or analogous state and federal laws prohibiting discrimination based on biological sex in educational programs, sports, activities, and employment.

4. Chapter 381 or analogous state and federal laws ensuring males and females have access to public health services corresponding to their biological sex.

5. State and federal laws ensuring access to public health care services corresponding to a person's race or ethnicity.

6. Any other state or federal laws recognizing the inherent biological differences between males and females for the purpose of ensuring their health, safety, and welfare.

(8) This section does not apply to:

(a) The actions of a body composed of nonelected volunteers; or

(b) Basic administrative support provided to a body composed of nonelected volunteers, unless such administrative support is provided by a county employee whose sole function is the provision of such administrative support.

Section 2. Section 166.04971, Florida Statutes, is created to read:

166.04971 Prohibition of official actions of municipalities relating to diversity, equity, and inclusion; penalty; remedy.—

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

(a) "Acting in an official capacity" means performing or purporting to perform a function, duty, or responsibility assigned by law, rule, or policy to a public officer or public employee, or otherwise exercising or claiming to exercise the authority of such office or employment.

(b) "Diversity, equity, and inclusion" means any effort to:

1. Manipulate or otherwise influence the composition of employees with reference to race, color, sex, ethnicity, gender

identity, or sexual orientation other than to ensure that hiring is conducted in accordance with state and federal antidiscrimination laws;

2. Promote or provide preferential treatment or special benefits to a person or group based on that person's or group's race, color, sex, ethnicity, gender identity, or sexual orientation; or

3. Promote or adopt training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation.

The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(c) "Diversity, equity, and inclusion office" means any office, division, department, agency, center, or other unit of a municipality which coordinates, creates, develops, designs, implements, organizes, plans, or promotes policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(d) "Diversity, equity, and inclusion officer" means a person who is a full-time or part-time employee of, or an independent contractor contracted by, a municipality whose duties include coordinating, creating, developing, designing,

implementing, organizing, planning, or promoting policies, programming, training, practices, meetings, activities, procedures, or similar actions relating to diversity, equity, and inclusion.

(2) A municipality may not fund or promote, directly or indirectly, or take any official action, including, but not limited to, the adoption or enforcement of ordinances, resolutions, rules, regulations, programs, or policies, as it relates to diversity, equity, and inclusion. Any such existing ordinances, resolutions, rules, regulations, programs, or policies are void.

(3) A municipality may not expend any funds, regardless of source, to establish, sustain, support, or staff a diversity, equity, and inclusion office or to employ, contract, or otherwise engage a person to serve as a diversity, equity, and inclusion officer.

(4) Any member of the governing body of a municipality or other municipal official acting in an official capacity who violates this section commits misfeasance or malfeasance in office.

(5) A municipality may not provide or authorize its funds to be used by employees, contractors, volunteers, vendors, or agents to promote diversity, equity, and inclusion initiatives.

(6) An action in circuit court may be brought by a resident of the municipality against a municipality that

violates this section. The court may enter a judgment awarding declaratory and injunctive relief, damages, and costs.

(7)(a) This section does not prohibit any official action by the governing body of a municipality required for compliance with state or federal laws or regulations.

(b) This section does not prohibit a municipality from doing any of the following:

1. Recognizing or promoting holidays designated by federal law, including those designated in 5 U.S.C. s. 6103.

2. Recognizing or promoting state holidays and special observances designated by state law, including those designated in chapter 683.

3. Recognizing or promoting patriotic and national observances recognized by federal law, including those designated in 36 U.S.C. ss. 101-148, or recognizing the events and individuals forming the basis for such observances.

4. Recognizing or honoring the individuals and groups recognized and honored by the monuments, memorials, and museums authorized by chapter 265, ss. 267.0722 and 267.0724, or national monuments and memorials designated by acts of Congress, or recognizing the events and individuals forming the basis for such monuments, memorials, or museums.

5. Issuing event permits in a content-neutral manner and providing public safety services.

(c) This section does not prohibit the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.

(d) This section may not be construed to conflict with:

1. Section 553.865 or analogous state and federal laws protecting the right of males and females to restrooms and changing facilities corresponding to their biological sex.

2. Part XII of chapter 39 or analogous state and federal laws ensuring that victims of domestic violence and their dependents have access to emergency shelters.

3. Section 1000.05 or analogous state and federal laws prohibiting discrimination based on biological sex in educational programs, sports, activities, and employment.

4. Chapter 381 or analogous state and federal laws ensuring males and females have access to public health services corresponding to their biological sex.

5. State and federal laws ensuring access to public health care services corresponding to a person's race or ethnicity.

6. Any other state or federal laws recognizing the inherent biological differences between males and females for the purpose of ensuring their health, safety, and welfare.

(8) This section does not apply to:

(a) The actions of a body composed of nonelected volunteers; or

(b) Basic administrative support provided to a body composed of nonelected volunteers, unless such administrative support is provided by a municipal employee whose sole function is the provision of such administrative support.

Section 3. Section 287.139, Florida Statutes, is created to read:

287.139 Prohibition against using diversity, equity, and inclusion material.—A potential recipient of a county or municipal contract or grant shall certify to the county or municipality, as applicable, before being awarded such contract or grant that the potential recipient does not and will not use county or municipal funds in requiring its employees, contractors, volunteers, vendors, or agents to ascribe to, study, or be instructed using materials relating to diversity, equity, and inclusion as defined in ss. 125.595(1) and 166.04971(1).

Section 4. Section 287.139, Florida Statutes, created by this act applies to any contract between a county or municipality and a diversity, equity, and inclusion officer which is in existence on January 1, 2027. With respect to all other contracts, s. 287.139, Florida Statutes, created by this act applies to contracts executed or renewed after January 1, 2027.

Section 5. This act shall take effect January 1, 2027.

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 official actions of local governments; creating ss. 125.595 and 166.04971, F.S.; defining terms; prohibiting counties and municipalities, respectively, from funding or promoting or taking official action as it relates to diversity, equity, and inclusion; providing that certain ordinances, resolutions, rules, regulations, programs, and policies are void; prohibiting counties and municipalities, respectively, from expending funds for diversity, equity, and inclusion offices or for diversity, equity, and inclusion officers; providing that a county commissioner, a member of the governing body of a municipality, or any other county or municipal official acting in an official capacity who violates certain provisions commits misfeasance or malfeasance in office; prohibiting counties and municipalities, respectively, from providing or authorizing funds to be used to promote diversity, equity, and inclusion initiatives; authorizing a cause of action against counties and municipalities, respectively; authorizing a court to enter a judgment awarding certain relief, damages, and costs; providing

applicability; creating s. 287.139, F.S.; requiring potential recipients of county or municipal contracts or grants to make a certain certification to the county or municipality before being awarded such contract or grant; providing applicability; 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 1007	**COMPANION BILL:** CS/CS/SB 484 (Avila)
TITLE: Data Centers	**LINKED BILLS:** None
SPONSOR(S): Griffitts	**RELATED BILLS:** None

Committee References

State Affairs	➤	Commerce
24 Y, 1 N, As CS		

SUMMARY

Effect of the Bill:
The bill:

- Requires the Public Service Commission to develop minimum tariff and service requirements for large load customers that ensure such customers pay their full cost of service and that prevent a public utility from providing electric service to certain foreign entities that are large load customers.
- Prohibits agencies from entering into nondisclosure agreements that restrict disclosure of information related to potential data center developments.
- Prohibits economic development agencies from extending the 12-month exemption from public record requirements for information relating to a potential data center locating or expanding its business in this state.
- Creates a consumptive use permitting framework for large-scale data centers.
- Prohibits issuance of a construction permit for certain data centers located within five miles of a residential property or school, unless waived by unanimous vote of the membership of the governing body.

Fiscal or Economic Impact:
The bill will likely have an indeterminate, negative economic impact on the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Nondisclosure Agreements
The bill prohibits agencies[1] from entering into nondisclosure agreements or other contracts that restrict the agency from disclosing information about a potential data center[2] development to members of the public. Any such agreement entered into on or after July 1, 2026, is void and unenforceable as against public policy. An agency that violates this provision is subject to a civil fine of up to $1,000. The bill authorizes the state attorney for the county in which the violation occurred to bring an action to collect the fine. (Section 1)

Land Use for Large Load Customers
The bill provides legislative findings that certain land uses with substantial electric or utility demands may present unique planning, infrastructure, and compatibility considerations. It states such considerations are to be addressed through local comprehensive plans and land development regulations, including provisions related to infrastructure capacity, land use compatibility, environmental impacts, and the efficient provision of public facilities and services. (Section 2)

[1] The bill defines "agency" to include state and local governmental entities and any person or entity acting on behalf of such an entity.
[2] The bill defines "data center" as a facility that primarily contains electronic equipment used to process, store, and transmit digital information, whether as a standalone structure or within a larger facility.

The bill clarifies that local governments retain authority to exercise comprehensive planning and land development regulatory powers with respect to large load customers. It further provides that a large load customer may not be considered an electric substation for purposes of the streamlined substation approval process. (Section 2)

The bill prohibits a local government from issuing a construction permit for a new data center if the proposed site is located within five miles of any residential property or school, measured from the boundary of the parcel that will contain the data center. The prohibition does not apply to construction, operations, or modifications of a data center in existence as of the effective date of the act, unless such action results in the facility meeting the criteria for a large-scale data center.[3] The five-mile prohibition may be waived by a unanimous vote of the total membership of the governing body of the local government with jurisdiction over the parcel of land that will contain the proposed data center. (Section 2)

These provisions take effect upon becoming a law. (Section 2)

Economic Development Agency Confidentiality

The bill provides that the 12-month extension of the public record exemption for information submitted to an economic development agency concerning a business's plans to locate or expand in this state does not apply to information related to data centers. As a result, information concerning a potential data center development remains confidential for the initial 12-month period but is not eligible for the additional 12-month extension. (Section 4)

Large Load Tariffs

The bill requires the Florida Public Service Commission (PSC) to develop minimum service and tariff requirements for large load customers[4] that receive electric service from a public electric utility.[5] Specifically, the service and tariff requirements must:

- Reasonably ensure that each large load customer bears its own full cost of service[6] and that such cost is not shifted to the general body of ratepayers. The bill provides that the risk of nonpayment of such costs may not be borne by the general body of ratepayers.
- Include provisions reasonably designed to prevent a public utility from providing electric service to a customer that would otherwise qualify as a large load customer if that customer is a foreign entity. The bill defines the term "foreign entity" to mean an entity that is owned or controlled by[7] the government of a foreign country of concern;[8] or a partnership, an association, a corporation, an organization, or other

[3] The bill defines "large-scale data center" as a single location with a data center on site that has an anticipated monthly peak load of 50 megawatts (MW) or more, calculated as the highest average load over a 15-minute interval. The definition excludes loads aggregated across multiple locations owned by the same customer but includes collocated customers or entities operating at a single location that meets the 50 MW threshold.

[4] The bill defines "large load customer" to mean a customer with an anticipated monthly peak load of 50 MWs or more, calculated as the highest average load over a 15-minute interval at a single location, including all customers or other entities that have entered into a colocation or similar agreement at a single location, but not including a load aggregated across multiple locations owned by the same customer.

[5] The bill defines "public utility" to include every person, corporation, partnership, association, or other legal entity and their lessees, trustees, or receivers supplying electricity to or for the public within this state but does not include gas utilities, rural electric cooperatives, or municipal electric utilities.

[6] The bill provides that a large load customer's cost of service includes, but is not limited to, connection, incremental transmission, incremental generation, and other infrastructure costs; operations and maintenance expenses; and any other costs required to serve a large load customer.

[7] The bill defines "controlled by" to mean having the power to direct or cause the direction of the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person or an entity that directly or indirectly has the right to vote 25 percent or more of the voting interests of the company or that is entitled to 25 percent or more of its profits is presumed to control the entity.

[8] The bill defines "foreign country of concern" to have the same meaning as in s. 692.201(3), F.S., which includes the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the

combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity. (Section 5)

The minimum service and tariff requirements developed by the PSC may include industry-accepted ratemaking and other financial tools, including, but not limited to, all of the following:

- Contributions in aid of construction[9] or other required customer infrastructure investments that may be returned, in whole or in part, to such customers over time.
- Demand charges,[10] including minimum demand charges.
- Incremental generation charges.
- Financial guarantees.
- Minimum load factors.
- Take-or-pay provisions or similar provisions requiring payment for contracted capacity, regardless of a large load customer's actual electricity use or demand.
- Minimum period of service contract requirements, including early termination fees or other fees for violation of such contracts. (Section 5)

The bill prohibits a customer from separating an electrical load at a single location into multiple smaller connections to avoid being classified as a large load customer. (Section 5)

The bill provides that any tariff, contractual provision, service requirement, or other public utility policy relating to large load customers may not prevent or otherwise hinder the electric service to a large load customer from being curtailed or interrupted for purposes of ensuring grid stability, reducing the likelihood or breadth of wider service outages, or ensuring public safety during an emergency or other exceptional circumstance. (Section 5)

The bill prohibits a public utility from knowingly providing electric service to a customer that would otherwise qualify as a large load customer if that customer is a foreign entity. (Section 5)

The bill requires the PSC to propose a rule by March 1, 2027, to implement and administer the provisions of the bill that require it to develop minimum service and tariff requirements for large load customers. Within 60 days after the PSC adopts a final rule, each public utility must file, for PSC approval, a tariff that complies with the rule. (Section 5)

Large-scale Data Center Permitting

The bill expresses legislative intent that the development and operation of large-scale data centers be managed under a permitting framework that ensures water resources are used in the public interest, are not harmful to water resources, and are consistent with local zoning and comprehensive plans. (Section 7)

The bill prohibits a water management district or the Department of Environmental Protection from issuing a consumptive use permit (CUP) to a large-scale data center applicant if the proposed use of water is harmful to the water resources of the area or is prohibited by applicable local zoning regulations or comprehensive plans. A CUP

Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, including any agency of or any other entity of significant control of such foreign country of concern.

[9] Contributions in aid of construction (CIAC) in utility regulation are contributions of funds or property from new or prospective customers to a utility to cover the cost of infrastructure upgrades needed to provide service to the customer. *See, e.g.*, National Association of Regulatory Utility Commissioners (NARUC), *NARUC Desk Reference Manual, Ratemaking Fundamentals and Principles* (last visited Feb. 24, 2026); NARUC, *State Utility Regulators Urge Passage of Bipartisan Water Infrastructure Bill* (last visited Feb. 24, 2026).

[10] A "demand charge" is a rate based on electricity consumed at a given point in time, usually measured within a short window of time. *See* National Association of Regulatory Utility Commissioners (NARUC), *NARUC Desk Reference Manual, Ratemaking Fundamentals and Principles* (last visited Feb. 24, 2026)

must be issued if the applicant demonstrates that the proposed use is reasonable-beneficial,[11] will not interfere with existing legal uses of water, and is consistent with the public interest. (Section 7)

The bill requires the use of reclaimed water in lieu of surface water or groundwater by a large-scale data center when specified conditions are met, including:

- A suitable reclaimed water source is available and permitted.
- Reclaimed water distribution or supply lines are available at the property boundary in sufficient capacity and quality to meet the applicant's needs.
- The applicant is capable of accessing the reclaimed water source through distribution or supply lines.
- Use of reclaimed water is environmentally, economically, and technically feasible.
- Use of reclaimed water would not conflict with the requirements of the applicant's surface water discharge permit, if applicable. (Section 7)

For large-scale data center applications requesting an allocation of at least 100,000 gallons per day, the bill requires additional application materials beyond those otherwise required for a CUP, including:

- The sources and amounts of water, as well as losses of water associated with cooling, industrial and treatment processes, personal or sanitary needs of employees, and landscape irrigation.
- A water conservation plan that, at a minimum, incorporates recycling of cooling water before discharge or disposal, implementation of a leak detection and repair program, use of water efficient fixtures, and implementation of an employee awareness and education program concerning water conservation. (Section 7)

The bill further provides that a permit application submitted by a large-scale data center may not be approved without a hearing. Additionally, proposed modifications of a CUP submitted by a large-scale data center must be processed in the same manner as the initial permit application. (Sections 7 and 8)

Effective Date

The effective date of the bill is July 1, 2026, except as otherwise provided in the act. (Section 9)

RULEMAKING:

The bill requires the PSC to propose a rule by March 1, 2027, to implement and administer the provisions of the bill that require it to develop minimum service and tariff requirements for large load customers.

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:

PRIVATE SECTOR:

The bill is likely to affect the electricity rates, fees, and other costs applicable to large load customers served by public electric utilities. The magnitude of any such impact is indeterminate and will depend on factors including individual customer characteristics and the specific service and tariff requirements adopted by the Public Service Commission. In addition, large-scale data centers seeking a CUP may incur increased compliance and administrative costs associated with enhanced application requirements established under the bill.

[11] Section 373.019(16), F.S., defines "reasonable-beneficial use" as the use of water in such quantity as is necessary for economic and efficient utilization for a purpose and in a manner that is both reasonable and consistent with the public interest.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Data Centers

A data center is a facility that contains information technology infrastructure used to process, store, and transmit digital information. These facilities house large numbers of servers and related equipment and require significant power infrastructure and cooling systems to maintain continuous operations.[12]

Data centers vary in size, but large-scale and hyperscale facilities may require electric demand measured in tens or hundreds of megawatts (MW) at a single location.[13] For context, a 100 MW load may represent electricity demand comparable to 75,000 residential homes, and a 650 MW facility may be comparable to the electricity demand of approximately 500,000 homes.[14] By comparison, Orange County, Florida, has approximately 550,000 total households.[15]

Large-scale data centers may also utilize significant volumes of water for cooling systems. Cooling processes may involve evaporative cooling or other technologies that require water withdrawals from municipal systems, groundwater wells, or other sources.[16] The International Energy Agency estimates that a 100 MW data center consumes approximately the same amount of water as 2,600 households.[17]

Nationally, data center electricity consumption has grown in recent years due to increased cloud computing, artificial intelligence, and large-scale data processing.[18] As of 2025, approximately 41 percent of global data center capacity is located in facilities with a power capacity of 100 MW or more, and that share is projected to increase by 20 percent in the next five years.[19] One 2025 analysis estimated that global data center capacity demand may triple by 2030, with annual growth in the United States estimated between 20 and 25 percent.[20]

Consumptive Use Permits

"Consumptive use" is defined as any use of water that reduces the supply from which it is withdrawn or diverted.[21] With limited exceptions, a person must obtain a consumptive use permit (CUP) before withdrawing surface water or groundwater.[22] The Department of Environmental Protection (DEP) and Florida's five water management districts (WMDs) are authorized to issue CUPs and impose reasonable conditions to ensure that water use is consistent with state water policy and not harmful to the water resources of the area.[23] In practice, CUP authority is primarily delegated to WMDs.

To obtain a CUP, an applicant must demonstrate that the proposed use of water:

- Is a reasonable and efficient use of water for its intended purpose.

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[12] Amazon, *What is a Data Center* (last visited Feb. 24, 2026).
[13] *See* IBM, *What is Hyperscale?* (last visited Feb. 24, 2026); Scout, *Titans of Tech: Exploring American's Largest Hyperscale Data Centers* (last visited Feb. 24, 2026).
[14] IAEI Magazine, *How Much Electricity Does a Data Center Use? Complete 2025 Analysis* (last visited Feb. 24, 2026).
[15] Census Reporter, *Orange County, FL.* (last visited Feb. 24, 2026).
[16] Congressional Research Service, *Data Centers and Their Energy Consumption: Frequently Asked Questions* (last visited Feb. 20, 2026); Digital Realty, *A Guide to Data Center Cooling: Future Innovations for Sustainability* (last visited Feb. 24, 2026).
[17] This figure does not account for water needed to produce electricity, which can also be substantial.
[18] *See* Congressional Research Service, *Data Centers and Their Energy Consumption: Frequently Asked Questions* (last visited Feb. 24, 2026).
[19] *See* Orrick, *Powering Data Centers* (last visited Feb. 24, 2026).
[20] McKinsey & Company, *The Data Center Balance: How US States can Navigate the Opportunities and Challenges* (last visited Feb. 24, 2026).
[21] R. 62-40.210, F.A.C.
[22] *See* University of Florida, *2025 Handbook of Florida Water Regulation: Consumptive Use Permits* (last visited Feb. 24, 2026).
[23] S. 373.219(1), F.S. CUPs may generally be issued for a period of up to 20 years. *See* s. 373.236(1), F.S.

- Will not interfere with any presently existing legal use of water.
- Is consistent with the public interest.[24]

CUP applications generally must identify the source of water, the quantity requested, the intended use of the water, and supporting information demonstrating that the proposed withdrawal will not cause unacceptable impacts to water resources or other users.[25] Depending on the quantity of water requested, permits may be processed under general permitting criteria or may require a more detailed individual permit review.[26]

CUPs may include conditions related to conservation, monitoring, reporting, and other measures necessary to ensure that withdrawals remain within approved limits and do not harm water resources.[27]

Reclaimed Water
Current law encourages the use of reclaimed water as an alternative water supply source where feasible.[28] Reclaimed water is treated domestic wastewater that is suitable for beneficial reuse purposes, including irrigation and certain industrial uses.[29] WMDs may require the use of reclaimed water in lieu of groundwater or surface water when it is available, environmentally sound, and economically feasible.[30]

Hearings
CUP applications are subject to public notice requirements.[31] The notice must state that written objections may be filed with the governing board. A hearing on the application is required unless:

- The application is for less than 100,000 gallons per day; or
- The application is for 100,000 or more gallons per day, no objection was received, and the governing board's staff has properly investigated the matter.[32]

Modification and Renewal of Permits
A permittee may request modification of the terms of an unexpired CUP.[33] If a proposed modification involves water use of 100,000 or more gallons per day, the application must be processed in the same manner as an initial permit application.[34] For modifications involving less than 100,000 gallons per day, the governing board may approve the request without a hearing if the permittee demonstrates that:

- Changed conditions have made the authorized water allocation inadequate; or
- The proposed modification would result in more efficient water use.[35]

Applications to renew an existing permit are processed in the same manner as an initial permit application.[36]

Economic Development Agency Confidentiality

Current law provides a public record exemption for certain information submitted to economic development agencies relating to a private business's plans to locate, relocate, or expand operations in the state. If a private

[24] S. 373.223(1), F.S.
[25] *See* s. 373.229(1), F.S.
[26] *See* University of Florida, *2025 Handbook of Florida Water Regulation: Consumptive Use Permits* (last visited Feb. 24, 2026); *see e.g.,* R. 40E-2.301, F.A.C.
[27] *See* South Florida Water Management District, *Consumptive Water Use Permits* (last visited Feb. 24, 2026).
[28] S. 373.250(1), F.S.
[29] S. 373.019(17), F.S.; DEP, *Uses of Reclaimed Water* (last visited Feb. 24, 2026).
[30] S. 373.250(3)(c), F.S. Industrial facilities that discharge wastewater into surface waters may also be required to obtain a separate surface water discharge permit administered by DEP, which establishes conditions governing such discharges. *See* DEP, *Industrial Wastewater* (last visited Feb. 24, 2026).
[31] S. 373.116, F.S.
[32] S. 373.229(2)-(4), F.S.
[33] S. 373.239(1), F.S.
[34] S. 373.239(2), F.S.
[35] *Id.*
[36] S. 373.239(3), F.S.

entity requests confidentiality in writing before an economic incentive agreement is signed, information concerning the business's plans, intentions, or interests in locating, relocating, or expanding in Florida is confidential and exempt[37] from public disclosure for 12 months after the request is received, or until the information is otherwise disclosed, whichever occurs first.[38]

An economic development agency may extend this confidentiality period for up to an additional 12 months upon written request and a finding that the business is still actively considering the project.[39] If a final project order for a signed economic development agreement is issued, the information may remain confidential for up to 180 days after the issuance, provided that the total period of confidentiality does not exceed the time limits otherwise authorized by law.[40]

A public officer or employee may not enter into a binding agreement with a business entity that has requested confidentiality until 90 days after the information is made public, unless the agreement is entered into in an official capacity, does not accrue to the personal benefit of the officer or employee, and is deemed necessary to effectuate an economic development project.[41]

Florida Public Service Commission

The Florida Public Service Commission (PSC) is an arm of the legislative branch of government.[42] The PSC is tasked with ensuring Florida's consumers receive utility services, including electric, natural gas, telephone, water, and wastewater, in a safe and reliable manner and at fair prices.[43] In order to do so, the PSC exercises authority over utilities in one or more of the following areas: rate base or economic regulation; competitive market oversight; and monitoring of safety, reliability, and service issues.[44]

Electric Utility Regulation

Florida law provides that the regulation of public utilities is in the public interest and grants the PSC exclusive jurisdiction to do so.[45] The PSC monitors the safety and reliability of the electric power grid[46] and may order the addition or repair of infrastructure as necessary.[47] The PSC has broad jurisdiction over the rates and service of investor-owned electric and gas utilities[48] Additionally, the PSC has limited jurisdiction over municipal electric utilities (utilities owned or operated on behalf of a municipality) and rural electric cooperatives, regulating such utilities only with regard to rate structure, territorial boundaries, and bulk power supply operations and planning.[49] Utility rates and revenues of municipally owned utilities are regulated by their respective local governments or local utility boards. Rates and revenues for a cooperative utility are regulated by its governing body elected by the cooperative's membership.

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[37] There is a difference between records the Legislature designates *exempt* from public record requirements and those the Legislature designates *confidential and exempt*. A record classified as exempt from public disclosure may be disclosed under certain circumstances. *See WFTV, Inc. v. Sch. Bd. of Seminole*, 874 So.2d 48, 53 (Fla. 5th DCA 2004), *review denied*, 892 So.2d 1015 (Fla. 2004); *State v. Wooten*, 260 So. 3d 1060, 1070 (Fla. 4th DCA 2018); *City of Rivera Beach v. Barfield*, 642 So.2d 1135 (Fla. 4th DCA 1994); *Williams v. City of Minneola*, 575 So.2d 683, 687 (Fla. 5th DCA 1991). If the Legislature designates a record as confidential and exempt from public disclosure, such record may not be released by the custodian of public records to anyone other than the persons or entities specifically designated in statute. *See* Op. Att'y Gen. Fla. 04-09 (2004).

[38] S. 288.075(2)(a)1., F.S.

[39] S. 288.075(2)(a)2., F.S.

[40] *Id.*

[41] *Id.*

[42] S. 350.001, F.S.

[43] *See* Florida Public Service Commission (PSC), *Florida Public Service Commission* (last visited Feb. 24, 2026).

[44] PSC, *About the PSC* (last visited Feb. 24, 2026).

[45] Ss. 366.01 and 366.04(1), F.S.

[46] S. 366.04(5)-(6), F.S.

[47] S. 366.05(1) and (8), F.S.

[48] S. 366.05, F.S.

[49] PSC, *About the PSC* (last visited Feb. 24, 2026).

Public Electric Utilities in Florida
There are four public utilities (also referred to as investor-owned utilities) providing electric service in Florida: Florida Power & Light Company, Duke Energy Florida, Tampa Electric Company, and Florida Public Utilities Corporation.[50]

Public utility rates and revenues are regulated by the PSC, and these utilities must file periodic earnings reports. This allows the PSC to monitor earnings levels on an ongoing basis and adjust customer rates quickly if a company appears to be overearning.[51] If a utility believes it is earning below a reasonable level, it may petition the PSC for a change in rates.[52]

Florida law establishes a duty for each public utility to provide sufficient, adequate, and efficient service to all customers within its established service territory upon terms approved by the PSC.[53] As compensation for fulfilling that obligation, public utilities are entitled to recover honestly and prudently invested costs of providing service, including investments in infrastructure and operating expenses used to provide electric service.[54]

PSC Rate Setting for Public Utilities
Florida law grants the PSC jurisdiction to regulate and supervise each public utility with respect to its rates and service, and requires a public utility to submit an application to the PSC for any requested change in rates.[55] No public utility may be denied a reasonable rate of return upon its rate base.[56] In fixing just, reasonable, and compensatory rates, the PSC must consider:

- The efficiency, sufficiency, and adequacy of the facilities provided and the services rendered.
- The cost of providing such service and the value of such service to the public.
- The ability of the utility to improve such service and facilities.
- Energy conservation and the efficient use of alternative energy resources; provided that no public utility is denied a reasonable rate of return upon its rate base.[57]

A public utility's tariffs are a series of documents that set forth the utility's rates, terms, and conditions for service as approved by the PSC. These tariffs also include standardized forms for the utility's service offerings and its standard contracts and agreements. Tariffs are generally revised, as necessary, after a PSC-approved change in a utility's rates or charges and are generally part of any proceeding revising rates or charges. Utilities may also request a tariff change if circumstances warrant doing so.

Local Comprehensive Planning

The Community Planning Act[58] provides counties and municipalities with the power to plan for future development by adopting comprehensive plans.[59] Each county and municipality must maintain a comprehensive plan to guide future development and growth.[60]

All development, both public and private, and all development orders approved by local governments must be consistent with the local government's comprehensive plan.[61] A comprehensive plan is intended to provide for the

[50] PSC, *2025 Facts and Figures of the Florida Utility Industry* (last visited Feb. 24, 2026).
[51] PSC, *2025 Annual Report* (last visited Feb. 24, 2026).
[52] *Id.*
[53] S. 366.03, F.S.
[54] *Id.*; s. 366.06, F.S.
[55] Ss. 366.04(1) and 366.06(1), F.S.
[56] S. 366.041(1), F.S.
[57] *Id.*
[58] Ch. 163, Part II, F.S.
[59] S. 163.3167(1), F.S.
[60] S. 163.3167(2), F.S.
[61] S. 163.3194(1)(a), F.S.

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.[62]

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.[63] A comprehensive plan is made up of 10 required elements, each laying out regulations for a different facet of development.[64] Local governments may also include optional elements in their comprehensive plan.[65] The 10 required elements are:

- 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.
- Property rights.[66]

Comprehensive plans must include at least two planning periods, one covering the first 10-year period occurring after the plan's adoption and one covering a period of at least 20 years.[67] Additional planning periods are permissible and accepted as part of the planning process.

Land Development Regulations

Comprehensive plans are implemented via land development regulations. Land development regulations are ordinances enacted by governing bodies for the regulation of any aspect of development and includes any local government zoning, rezoning, subdivision, building construction, sign regulations, or any other regulations controlling the development of land.[68]

Each county and municipality must adopt and enforce land development regulations consistent with and that implement its adopted comprehensive plan.[69] Local governments are encouraged to use innovative land development regulations[70] and may adopt measures for the purpose of increasing affordable housing using land use mechanisms.[71]

Electric Substations

The Legislature has expressed its intent to ensure the construction and maintenance of adequate and reliable electric infrastructure while balancing land use compatibility.[72] Current law establishes a streamlined approval process for electric substations. An "electric substation" is a facility that takes electricity from the transmission grid and converts it to another voltage for distribution to customers.[73]

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[62] *See, e.g.*, *Sarasota County, Fla. Comprehensive Plan, Future Land Use Element, FLU Policy 1.1.1* (last visited Feb. 24, 2026).
[63] S. 163.3177(1), F.S.
[64] S. 163.3177(6), F.S.
[65] S. 163.3177(1)(a), F.S.
[66] S. 163.3177(3), (6)(a)-(i), F.S.
[67] S. 163.3177(5)(a), F.S.
[68] S. 163.3164(26), F.S.
[69] S. 163.3202(1), F.S.
[70] S. 163.3202(3), F.S.
[71] Ss. 125.01055 and 166.04151, F.S.
[72] S. 163.3208(1), F.S.
[73] S. 163.3208(2), F.S.

Local governments may adopt and enforce reasonable land development regulations for electric substations, but such regulations are limited to setback, landscaping, buffering, screening, lighting, and other aesthetic compatibility-based standards.[74] In reviewing substation applications, local governments may not evaluate a utility's business decisions regarding service or customer demand.[75] Substations are generally considered a permitted use in all land use categories within a utility's service territory, except in areas designated for preservation, conservation, or historic preservation.[76]

If an application for a substation complies with applicable local standards, the local government must approve the application.[77] Specific timelines govern review of such applications, and a local government's failure to act within those timeframes may result in automatic approval.[78]

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
State Affairs Committee	24 Y, 1 N, As CS	2/24/2026	Williamson	Villa
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removed provisions relating to hyperscale data centers. • Prohibited state and local government entities from entering into nondisclosure agreements concerning potential data center developments. • Required the PSC to develop minimum tariff and service requirements for large load customers. • Prohibited state and local economic development agencies from extending the 12-month public record exemption for records relating to certain data center projects. • Created a consumptive use permitting framework for large-scale data centers. • Prohibited local governments from issuing construction permits for new data centers located within five miles of a residential property or school, unless waived by a unanimous vote of the governing body.			
Commerce Committee			Hamon	Rubottom

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

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[74] S. 163.3208(3), F.S.
[75] S. 163.3208(6)(b), F.S.
[76] S. 163.3208(3), F.S.
[77] S. 163.3208(5), F.S.
[78] S. 163.3208(8), F.S.

A bill to be entitled

An act relating to data centers; creating s. 112.231, F.S.; defining terms; prohibiting an agency from entering into a nondisclosure agreement or other contract that restricts the agency from disclosing certain information to the public; providing that an agreement or contract, or a provision of an agreement or contract, is void and unenforceable under certain circumstances; providing civil penalties; authorizing the state attorney to bring an action to collect a fine; providing applicability; creating s. 163.326, F.S.; providing legislative findings; specifying that local governments maintain authority to exercise power and responsibility over comprehensive planning and land development regulations related to large load customers; prohibiting a large load customer from being considered an electric substation; prohibiting a local government from issuing a construction permit for a certain new data center or support facilities in specified areas; permitting the local government to waive the prohibition under certain circumstances; providing a directive to the Division of Law Revision; amending s. 288.075, F.S.; providing a definition; providing an exception to a provision allowing an extension of certain confidentiality protections;

creating s. 366.043, F.S.; providing legislative findings; defining terms; requiring the Florida Public Service Commission to develop minimum tariff and service requirements for large load customers; requiring that such requirements ensure that large load customers bear their costs of service and that such costs are not shifted to the general body of ratepayers; requiring certain measures to minimize the risk of nonpayment of such costs; requiring that such minimum tariff and service requirements include certain provisions designed to prevent a public utility from providing electric service to a large load customer that is a foreign entity; prohibiting a customer from separating a certain electrical load into multiple smaller connections for a specified purpose; authorizing the commission to include certain measures in minimum tariff and service requirements; prohibiting any tariff, contractual provision, service requirement, or other public utility policy from preventing or hindering the curtailment or interruption of electric service to a large load customer for certain purposes; prohibiting a public utility from knowingly providing electric service to a large load customer that is a foreign entity; requiring the commission to adopt rules by a specified

date; specifying a deadline for utilities to file a tariff in compliance with the final rule; amending s. 373.203, F.S.; defining terms; creating s. 373.262, F.S.; providing legislative intent; prohibiting the governing board of a water management district or the Department of Environmental Protection from issuing a permit for the consumptive use of water to a large-scale data center under certain circumstances; requiring that such permit be issued to a large-scale data center applicant if the applicant establishes that the proposed use of water satisfies certain requirements; requiring the governing board or the department to require the use of reclaimed water for a large-scale data center applicant's allocation when certain requirements are met; specifying requirements for certain permit applications; prohibiting the approval of permit applications without a hearing; amending s. 373.239, F.S.; requiring that consumptive use permit modifications proposed by a large-scale data center be treated in a specified manner; providing effective dates.

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

Section 1. Section 112.231, Florida Statutes, is created

to read:

112.231 Data center nondisclosure agreements.—

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

(a) "Agency" means any state, county, district, authority, or municipal officer, public employee, department, division, board, bureau, or commission, or other separate unit of government created or established by law and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any such agency.

(b) "Data center" means a facility that primarily contains electronic equipment used to process, store, and transmit digital information, which may be:

1. A free-standing structure; or

2. A facility within a larger structure which uses environmental control equipment to maintain the proper conditions for the operation of electronic equipment.

(2) An agency may not enter into a nondisclosure agreement or other contract restricting the agency from disclosing information about a potential data center development to members of the public.

(3) An agreement or contract, or a provision of an agreement or contract, that violates this section is against public policy and is void and unenforceable.

(4) An agency that violates this section is subject to a civil fine of not more than $1,000. The state attorney of the

county in which the violation occurred may bring an action to collect the fine.

(5) This section applies to agreements entered into on or after July 1, 2026.

Section 2. Effective upon becoming a law, section 163.326, Florida Statutes, is created to read:

163.326 Large load customer considerations.—

(1) The Legislature finds that certain land uses, including facilities with substantial electric or other utility demands, such as data centers and other large load customers as defined in s. 366.043(2), may present unique planning, infrastructure, and compatibility considerations. The Legislature intends that such considerations shall be addressed through local comprehensive planning and land development regulations adopted pursuant to this chapter, including provisions related to infrastructure capacity, land use compatibility, environmental impacts, and the efficient provision of public facilities and services.

(2) Local governments shall maintain the authority to exercise the powers and responsibilities for comprehensive planning and land development regulation granted by law with respect to large load customers. A large load customer may not be considered an electric substation for the purposes of s. 163.3208.

(3)(a) A local government may not issue a construction

permit for a new data center, as defined in s. 373.203, if the proposed location of such center is sited within 5 miles of any residential property or school, as measured from the boundary of the parcel of land that will include the proposed data center. This subsection does not apply to any existing construction, current operation, or modification of a data center in existence on the effective date of this section, unless such construction, operation, or modification results in the data center meeting the criteria to be considered a large-scale data center as defined in s. 373.203.

(b) The prohibition in paragraph (a) may be waived by a unanimous vote of the total membership of the governing body of the local government with jurisdiction over the parcel of land that will include the proposed data center.

Section 3. The Division of Law Revision is directed to replace the phrase "the effective date of this section" wherever it occurs in this act with the date that section becomes a law.

Section 4. Paragraphs (a), (b), and (c) of subsection (1) of section 288.075, Florida Statutes, are redesignated as paragraphs (b), (c), and (d), respectively, paragraph (a) of subsection (2) is amended, and a new paragraph (a) is added to subsection (1) of that section, to read:

288.075 Confidentiality of records.—

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

(a) "Data center" has the same meaning as in s. 373.203.

(2) PLANS, INTENTIONS, AND INTERESTS.—

(a)1. If a private corporation, partnership, or person requests in writing before an economic incentive agreement is signed that an economic development agency maintain the confidentiality of information concerning plans, intentions, or interests of such private corporation, partnership, or person to locate, relocate, or expand any of its business activities in this state, the information is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution for 12 months after the date an economic development agency receives a request for confidentiality or until the information is otherwise disclosed, whichever occurs first.

2. An economic development agency may extend the period of confidentiality specified in subparagraph 1. for up to an additional 12 months upon written request from the private corporation, partnership, or person who originally requested confidentiality under this section and upon a finding by the economic development agency that such private corporation, partnership, or person is still actively considering locating, relocating, or expanding its business activities in this state. Such a request for an extension in the period of confidentiality must be received prior to the expiration of any confidentiality originally provided under subparagraph 1. This subparagraph does not apply to information described in subparagraph 1. related to data centers.

If a final project order for a signed economic development agreement is issued, then the information will remain confidential and exempt for 180 days after the final project order is issued, until a date specified in the final project order, or until the information is otherwise disclosed, whichever occurs first. However, such period of confidentiality may not extend beyond the period of confidentiality established in subparagraph 1. or subparagraph 2.

Section 5. Section 366.043, Florida Statutes, is created to read:

366.043 Large load tariffs for public electric utilities.—

(1) The Legislature finds that the provision of safe and reliable electric services, provided at fair, just, and reasonable rates, is essential to the welfare of the ratepayers of this state. The Legislature further finds that when one class of electric service customer requires uniquely large electrical loads at a single location, it imposes a disproportionate risk on the other ratepayers of this state and makes it necessary for the commission to develop and enforce rate structures and other policies for such customers which ensure such risk is mitigated as much as possible and prevent shifting the costs of serving large load customers to the general body of ratepayers.

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

(a) "Controlled by" means having the power to direct or

cause the direction of the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person or an entity that directly or indirectly has the right to vote 25 percent or more of the voting interests of the company or that is entitled to 25 percent or more of its profits is presumed to control the entity.

(b) "Foreign country of concern" has the same meaning as in s. 692.201.

(c) "Foreign entity" means an entity that is:

1. Owned or controlled by the government of a foreign country of concern; or

2. A partnership, an association, a corporation, an organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, or a subsidiary of such entity.

(d) "Large load customer" means a customer with an anticipated monthly peak load of 50 megawatts or more, calculated as the highest average load over a 15-minute interval at a single location. The term does not include a load aggregated across multiple locations owned by the same customer. However, the term includes all customers or other entities that have entered into a colocation or similar agreement at a single location that otherwise meets the anticipated monthly peak load provided in this paragraph.

(e) "Public utility" has the same meaning as in s. 366.02,

except that the term does not include a gas utility.

(3) The commission shall develop minimum tariff and service requirements for large load customers pursuant to all of the following:

(a) The minimum tariff and service requirements must reasonably ensure that each large load customer bears its own full cost of service and that such cost is not shifted to the general body of ratepayers. Such cost of service includes, but is not limited to, connection, incremental transmission, incremental generation, and other infrastructure costs; operations and maintenance expenses; and any other costs required to serve a large load customer. The risk of nonpayment of such costs may not be borne by the general body of ratepayers.

(b) The minimum tariff and service requirements must include provisions reasonably designed to prevent a public utility from providing electric service to a customer that would otherwise qualify as a large load customer if that customer is a foreign entity.

(4) A customer may not separate an electrical load at a single location into multiple smaller connections to avoid being classified as a large load customer.

(5) To effectuate the requirements of subsection (3), the commission may include in such requirements utility industry-accepted ratemaking and other financial tools, including, but

not limited to, all of the following:

(a) Contributions in aid of construction or other required customer infrastructure investments that may be returned, in whole or in part, to such customers over time.

(b) Demand charges, including minimum demand charges.

(c) Incremental generation charges.

(d) Financial guarantees.

(e) Minimum load factors.

(f) Take-or-pay provisions or similar provisions requiring payment for contracted capacity, regardless of a large load customer's actual electricity use or demand.

(g) Minimum period of service contract requirements, including early termination fees or other fees for violation of such contracts.

(6) Any tariff, contractual provision, service requirement, or other public utility policy relating to large load customers may not prevent or otherwise hinder the curtailment or interruption of electric service to a large load customer where such curtailment or interruption is intended to ensure grid stability, reduce the likelihood or breadth of wider service outages, or ensure public safety during an emergency or other exceptional circumstance.

(7) A public utility may not knowingly provide electric service to a customer that would otherwise qualify as a large load customer if that customer is a foreign entity.

(8) The commission shall adopt rules to implement and administer this section and shall propose a rule for adoption by March 1, 2027.

(9) Within 60 days after adoption of the final rule implementing this section, each public utility shall file, for commission approval, a tariff that complies with the final rule.

Section 6. Effective upon becoming a law, subsections (3) and (4) of section 373.203, Florida Statutes, are redesignated as subsections (5) and (6), respectively, and new subsections (3) and (4) are added to that section, to read:

373.203 Definitions.—

(3) "Data center" means a facility that primarily contains electronic equipment used to process, store, and transmit digital information, which may be:

(a) A free-standing structure; or

(b) A facility within a larger structure which uses environmental control equipment to maintain the proper conditions for the operation of electronic equipment.

(4) "Large-scale data center" means a single location, with a data center on site, that has an anticipated monthly peak load of 50 megawatts or more, calculated as the highest average load over a 15-minute interval. The term does not include a load aggregated across multiple locations owned by the same customer. However, the term includes all customers or other entities that have entered into a colocation or similar agreement at a single

location that otherwise meets the anticipated monthly peak load provided in this subsection.

Section 7. Section 373.262, Florida Statutes, is created to read:

373.262 Large-scale data center permitting.—

(1) It is the intent of the Legislature that the development and operation of large-scale data centers in this state be managed under a permitting framework that ensures this state's water resources are used in the public interest, in a manner that is not harmful to the water resources of this state, and consistent with local government zoning regulations and comprehensive plans.

(2) Consistent with other provisions of this part, the governing board of a water management district or the department may not issue a permit to a large-scale data center applicant for an allocation of water if the proposed use of the water is harmful to the water resources of the area or is prohibited by the applicable local government zoning regulations and comprehensive plan. A permit shall be issued to a large-scale data center applicant for an allocation of water if the applicant establishes that the proposed use of water:

(a) Is a reasonable-beneficial use as defined in s. 373.019;

(b) Will not interfere with any presently existing legal use of water; and

(c) Is consistent with the public interest.

(3) The governing board or the department shall require the use of reclaimed water in lieu of all or a portion of a proposed use of surface water or groundwater by a large-scale data center applicant when:

(a) A suitable reclaimed water supply source is available and permitted;

(b) Reclaimed water distribution or supply lines are available at the property boundary in sufficient capacity and quality to serve the applicant's needs;

(c) The applicant is capable of accessing the reclaimed water source through distribution or supply lines;

(d) Use of reclaimed water is environmentally, economically, and technically feasible; and

(e) Use of reclaimed water would not conflict with the requirements contained in the applicant's surface water discharge permit, if applicable.

(4)(a) In addition to the requirements of s. 373.229, all permit applications made under this part requesting an allocation of at least an average daily flow of 100,000 gallons of water per day by a large-scale data center must contain:

1. All sources and amounts of water and losses of water used for cooling, industrial and treatment processes, personal or sanitary needs of employees, and landscape irrigation; and

2. A water conservation plan that, at a minimum,

incorporates recycling cooling water before discharge or disposal, implementation of a leak detection and repair program, use of water efficient fixtures, and implementation of an employee awareness and education program concerning water conservation.

(b) Notwithstanding s. 373.229(4), the governing board or the department may not approve a permit application made under this part by a large-scale data center without a hearing.

Section 8. Subsection (2) of section 373.239, Florida Statutes, is amended to read:

373.239 Modification and renewal of permit terms.—

(2) If the proposed modification involves water use of 100,000 gallons or more per day or is proposed by a large-scale data center as defined in s. 373.203, the application shall be treated under the provisions of s. 373.229 in the same manner as the initial permit application. Otherwise, the governing board or the department may at its discretion approve the proposed modification without a hearing, provided the permittee establishes that:

(a) A change in conditions has resulted in the water allowed under the permit becoming inadequate for the permittee's need, or

(b) The proposed modification would result in a more efficient utilization of water than is possible under the existing permit.

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

Commerce Committee

CS/CS/HB 1177 by Rep. Sirois
Spaceport Operations and Space Florida

AMENDMENT SUMMARY
February 26, 2026

Amendment #439121 by Rep. Sirois (line 19):

- Defines the term “strategic spaceport hub” and requires any seaport located within 5 miles of a strategic spaceport hub to coordinate with Space Florida before changing its strategic plan.
- Adds a provision requiring Space Florida to employ a full-time business development director to foster the growth and development of spaceport activities including, but not limited to, horizontal launch capability, advanced air mobility, and unmanned aerial vehicles, in certain designated spaceport territories in Santa Rosa, Okaloosa, Gulf, Walton, Duval, Miami-Dade, and Bay Counties.
- Adds a provision revising the membership of Space Florida’s board of directors.
- Removes provisions defining “quintimodal transportation hub” and “spaceport operations commander.”
- Removes provision requiring Space Florida to enhance and promote the development and use of quintimodal transportation hubs.
- Removes provision addressing powers and duties of spaceport operators and Space Florida with respect to the operation, administration, planning, and governance of spaceports.

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 Sirois offered the following:

Amendment (with title amendment)

Remove lines 19-162 and insert:

Section 1. Subsection (4) is added to section 311.14, Florida Statutes, to read:

311.14 Seaport planning.—

(4)(a) For purposes of this subsection, the term "strategic spaceport hub" means spaceport territory located within 5 miles of a seaport listed in s. 311.09(1) that is used for deepwater commercial navigation.

(b) Prior to making any change to its strategic plan, the governing board of a seaport located within 5 miles of a strategic spaceport hub must coordinate with Space Florida to

ensure that the change does not conflict with Space Florida's business plan created pursuant to s. 331.3051.

Section 2. 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 professional services or construction services, or both, using nonappropriated state funds. Space Florida must attest in writing that such funds are nonappropriated.

Section 3. Subsection (1) of section 331.3051, Florida Statutes, is amended to read:

331.3051 Duties of Space Florida.—Space Florida must ~~shall~~:

(1)(a) Create a business plan to foster the growth and development of the aerospace industry. The business plan must address business development, finance, spaceport operations, research and development, workforce development, and education. The business plan must be revised when determined as necessary by the board.

(b) Employ a full-time business development director for the spaceport territories identified in s. 331.304(2), (3), (6), and (7), whose primary focus must be to foster the growth and

development of spaceport activities including, but not limited to, horizontal launch capability, advanced air mobility, and unmanned aerial vehicles.

Section 4. Paragraph (e) of subsection (1) of section 331.3081, Florida Statutes, is redesignated as paragraph (f) and amended, and paragraph (e) is added to that subsection, to read:

331.3081 Board of directors.—

(1) Space Florida shall be governed by an independent board of directors that consists of the Governor, who shall serve ex officio, or who may appoint a designee to serve, as the chair and a voting member of the board, and the following appointed members:

(e) A representative of the Jacksonville Aviation Authority, appointed by the Governor.

(f) A representative of each of the following entities, who shall serve as an ex officio, nonvoting member of the board, appointed by the Governor:

1. ~~The Jacksonville Aviation Authority.~~

~~2.~~ The Titusville-Cocoa Airport Authority.

2.~~3.~~ An employee or official of a port district or port authority as defined in s. 315.02(2).

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

Remove lines 3-15 and insert:

Florida; amending s. 314.14, F.S.; providing a definition for the term "strategic spaceport hub"; requiring the governing board of certain seaports to coordinate with Space Florida for specified purposes; 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. 331.3051, F.S.; requiring Space Florida to employ a full-time business development director for specified purposes; amending s. 331.3081, F.S.; revising membership on the Space Florida board of directors; 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 1221	**COMPANION BILL:** CS/SB 1452 (Truenow)
TITLE: Department of Financial Services	**LINKED BILLS:** None
SPONSOR(S): LaMarca	**RELATED BILLS:** None

Committee References

Insurance & Banking	➤	State Administration Budget	➤	Commerce
15 Y, 0 N, As CS		11 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill enacts comprehensive reforms across multiple Department of Financial Services ("DFS") administered programs and statutes. The bill conforms statute to the new state accounting system known as the Florida Planning and Ledger Management system. The bill revises eligibility standards, qualifying mitigation measures, and application procedures and statuses for the My Florida Safe Home Program. The bill authorizes DFS to independently procure insurance contracts, restructure coordinating council operations, and enter into multiyear software licensing agreements. It extends the deadline for health care providers to challenge carrier payment adjustments from 45 days to 60 days and requires public adjusters to respond to informational claim requests within 14 days. The bill establishes new disqualification standards and enforcement penalties for DFS licensees, updates criminal background checks for licensees, and creates a transition framework for individuals transferring licenses into Florida. Additionally, the bill modernizes the Florida Disposition of Unclaimed Property Act by renaming it the "Abandoned Personal Property Act" and by substantially revising definitions, holder duties, notice, reporting and verification requirements, dormancy and unclaimed triggers, the Unclaimed Property State Fund, claimant representative and purchase agreement procedures, and state transparency and notification obligations.

Fiscal or Economic Impact:
The bill may have an indeterminate, minimal negative fiscal impact to the state.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Florida Planning and Ledger Management ("Florida PALM")
The bill amends statutory references to Florida's current accounting system, the Florida Accounting Information Resource ("FLAIR") system, to reflect the new state accounting system, the Florida Planning and Ledger Management ("Florida PALM") system. (Sections 1, 8, 9, 11, 12, 13, 84, 85)

Legacy Firefighters
The bill allows public officials to appoint, employ, promote, and advocate for a relative to be a firefighter as long as it is a part of a competitive process in a collective bargaining agreement. (Section 4)

Prepaid Software Licenses
The bill authorizes the Department of Financial Services ("DFS ") to enter into multiyear, prepaid software licensing agreements. (Section 5)

Interest Payments
The bill clarifies that when interest accrues on a state invoice and the original appropriation has expired or been fully expended, DFS may satisfy the interest obligation using a similar appropriation category. (Section 5)

My Florida Safe Home Program

The bill amends the My Safe Florida Home Program ("MSFHP") in the following ways:

- Replaces the term "townhome" with "attached residential property not exceeding three stories" and makes these properties eligible for all mitigation improvements grants offered by MSFHP, as opposed to only opening protection improvement.
- Clarifies that the replacement of the roof covering is a mitigation improvement eligible for a MSFHP grant, when the applicant installs secondary water resistance on the roof.
- Provides that an applicant may additionally submit a second hurricane mitigation inspection application for the same home if:
  - the first submission was denied or withdrawn due to material errors or omissions; or
  - more than 24 months have passed since the applicant received a hurricane mitigation inspection and the applicant has not received a grant payment through the MSFHP for the inspection.
- Requires a home's age to be verified through the county property appraiser's website, instead of the building permit application for initial construction of the home.
- Provides that DFS may accept a certification directly from an applicant attesting to his or her age if the applicant provides the certification in a signed or electronically verified statement made under penalty of perjury.
- Removes the option for an applicant to request a six-month extension to finalize construction and receive a final inspection, but expands the time limit to do so from 12 months to 18 months after grant application approval.
- Requires DFS to notify a MSFHP applicant at least 5 business days before an application is deemed abandoned. If the applicant replies to the notice and provides good cause for why the application should not be deemed abandoned, DFS may:
  - determine the application is not abandoned; or
  - allow the application to submit a subsequent grant application. (Section 6)

Charts of Account

The bill removes outdated requirements for the Chief Financial Officer ("CFO") to recommend a uniform Charts of Account to the Legislature. (Section 7)

Records Requests

The bill provides that a public records request or subpoena for a document or accounting record from the state agency information system must be made to the state entity that the document or accounting record was recorded for, rather than to the system itself. (Section 8)

Florida Coordinating Council Structure

The bill amends the coordinating council by including the executive director for the Department of Revenue on the council, and removing the nonvoting members selected by the Florida Association of state agency administrative services and replacing them with nonvoting members selected by the council. The bill also adjusts the council's duties to ensure the Florida Financial Management Information System remains aligned across participating entities. (Section 10)

Insurance Contracts
The bill authorizes DFS to independently procure insurance brokerage services and enter into insurance contracts. (Section 14 and 15)

Workers' Compensation Claim Adjudication Disputes
The bill extends the timeframe to challenge workers' compensation carrier's payment adjustment from 45 days to 60 days. The petitioner must serve a copy of the petition challenging the adjustment by USPS Certified Mail or a common carrier with similar tracking capabilities to workers' compensation carrier and all affected parties listed in the notice of disallowance or adjustment. The bill also revises panel recommendation submissions for the workers' compensation health care delivery system to be delivered on or before January 15, 2031, and take place every 5 years instead of biannually. (Section 16)

Disqualification of Licensure by Board of Funeral, Cemetery, and Consumer Services
The bill provides that any applicant applying for a license issued by the Division and the Board of Funeral, Cemetery, and Consumer Services ("Board") under the Department of Financial Services that has been found guilty or has pled no contest to any of the following offenses, regardless of ruling, is permanently barred from licensure:

- A felony in the 1st degree.
- A felony involving conduct prohibited under:
  - the Florida Funeral, Cemetery, and Consumer Services Act (Ch. 497, F.S.);
  - Kidnapping, Custody Offenses, and Human Trafficking (Ch. 787, F.S.);
  - Sexual Battery (Ch. 794, F.S.);
  - Prostitution (Ch. 796, F.S.);
  - Lewdness and Indecent Exposure (Ch. 800, F.S.);
  - Abuse, Neglect, and Exploitation of Elderly Person and Disabled Adults (Ch. 825, F.S.);
  - Abuse of Children (Ch. 827, F.S.); and
  - Obscenity (Ch. 847, F.S.).
- A felony involving moral turpitude.[1] (Section 17)

The bill also provides that any applicant who has been found guilty of, or has pled guilty or no contest to any of the following offenses, regardless of ruling, is subject to the following disqualifying periods:

- 10 years for any felony which the permanent bar does not apply[2]; or
- 5 years for all misdemeanors directly involving conduct prohibited under the Florida Funeral, Cemetery, and Consumer Services Act. (Section 17)

The bill requires the Board to adopt rules establishing additional disqualifying periods for applicants who have committed multiple criminal offenses and may provide additional factors for disqualification reasonably related to the applicant's criminal history. The Board must also adopt rules establishing mitigating and aggravating factors. Mitigation factors may not reduce any disqualifying period to less than 5 years and may not reduce the 5-year period for misdemeanors involving conduct prohibited under the Florida Funeral, Cemetery, and Consumer Services Act. The Board has discretion whether to grant or deny any exemption and decisions are subject to Ch. 120. (Section 17)

The bill establishes that any applicant for licensure by the Board who has been pardoned or restored their civil rights with respect to their conviction is not barred or disqualified from licensure. However, the Board is not required to issue licensure to an applicant because they have been pardoned or had their civil rights restored. (Section 17)

[1] Moral turpitude describes wicked, deviant behavior constituting an immoral, unethical, or unjust departure from ordinary social standards such that it would shock a community. Merriam-Webster, https://www.merriam-webster.com/legal/moral%20turpitude (last visited Jan. 31, 2026).
[2] An applicant who has completed at least half of the disqualifying period may apply for a probationary license for the remainder of the disqualifying period if the applicant was found not guilty or pled no contest to the offense. (Section 7)

The bill establishes that the Board may grant an exemption from disqualification of licensure if:

- the applicant has paid in full any fee, fine, fund, lien, civil judgement, restitution, or cost of prosecution as part of judgement and sentence for any disqualifying offense; and
- at least 2 years have elapsed since the applicant completed or has been lawfully released from confinement, supervision, or any nonmonetary condition imposed by the court for a disqualifying offense.

In order to receive an exemption, an applicant must clearly and convincingly demonstrate with the following evidence that they would not pose a risk to persons or property if licensed:

- facts and circumstances surrounding the disqualifying offense;
- the time that has elapsed since the offense;
- the nature of the offense and the harm caused to the victim;
- the applicant's history before and after the offense; and
- any other evidence or circumstances indicating that the applicant will not present a danger if licensed or certified. (Section 17)

The bill provides that the disqualification periods do not apply retroactively for new and renewal applications for licensure if the applicant had an active license as of July 1, 2026, and applicable criminal history was considered by the Board previously. (Section 17)

The bill provides that if any applicant under the Florida Funeral, Cemetery, and Consumer Services Act has been convicted or found guilty of, or entered into a no contest plea, any crime in any jurisdiction, the application may not be deemed complete until the applicant provided certified copies of court records evidencing conviction, finding, or plea. Crimes that must be disclosed in such manner include:

- any felony, no matter when committed;
- any misdemeanor, no matter when committed, that was directly related to the practice or activities regulated by the Florida Funeral, Cemetery, and Consumer Services Act; and
- any other misdemeanors not already disclosed which were committed within the 5 years immediately preceding application. (Section 18)

Insurance License Applicant Filing Fee

The bill removes "reinsurance intermediary" from the list of license types. As of July 1, 2023, DFS no longer issues such licenses. Additionally, the bill expands the veteran license application filing fee exemption to include any veteran honorably discharged from the United States Armed Forces, instead of only who veterans who were honorably discharged within 24 months of filing their application. (Section 19)

Licensees Transitioning to Florida

The bill removes the requirement for applicants for licensure with DFS under the Florida Insurance Code to provide verification of a home state license cancellation prior to being approved as a Florida resident license and provides that an applicant must cancel their prior home state license within 30 days of receiving a license from DFS. The bill removes the requirement for a letter clearance if an applicant was licensed in another state for General Lines, Life, or Health and is transferring their license to Florida. (Sections 20, 23, 24, 25)

License Reexamination

The bill requires DFS to require a licensee or applicant for licensure under the Florida Insurance Code to retake a licensure exam if the licensee or applicant commits an act that requires DFS to revoke, suspend, refuse to renew a license, or deny any application, including cheating on a licensure exam or violating test center or exam procedures. The bill authorizes, but does not require, DFS to require a licensee or applicant for licensure under the Florida Insurance Code to retake a licensure exam if the licensee or applicant commits an act that authorizes DFS to revoke, suspend, refuse to renew a license, or deny an application. (Sections 21 and 22)

Public Adjusters
The bill requires public adjusters to respond within 14 days of a consumer's written or electronic request for claim information, and keep record of such response. (Section 26)

Bail Bond Agent Licensing and Appointment
The bill removes the requirement for an insurer appointing a bail bond agent to submit a photo to DFS as part of the bail bond application license, as their photo is already taken by the exam vendor who issues the licensing badge. The bill also provides that the appointing insurer is to obtain all Bail Bond Appointment Forms and necessary certifications of the agent, but is not required to submit them to DFS. (Sections 27 and 28)

Unclaimed Personal Property
The bill renames "Florida's Disposition of Unclaimed Property Act" as "Florida's Disposition of Abandoned Personal Property". (Section 29)

The bill clarifies custodial role of the state and emphasizes that property ownership rights remain with the owner and may be exercised at any time by the owner while property is in custody of the state. (Section 82)

The bill renames "unclaimed property" as "abandoned property" throughout the act, and defines "abandoned property" as property held by a holder for which all of the following are true:

- The apparent owner has shown no activity or indication of interest for the duration of the applicable dormancy period.
- The holder has complied with the due diligence requirements, including the issuance of notice to apparent owner, and has received no response or contact sufficient to demonstrate continued interest in the property. (Section 30)

The bill also provides definitions for the following terms:

- "Abandoned Property Purchase Agreement" is defined as the form adopted by DFS which must be used, without modification or amendment, by a claimant representative to purchase abandoned property from an owner.
- "Abandoned Property Recovery Agreement" is defined as the form adopted by DFS which must be used, without modification or amendment, by a claimant representative to obtain consent and authority to recover abandoned property on behalf of a person.
- "Authorized Representative" is defined as a person or entity legally empowered to act on behalf of the apparent owner or his estate, including but not limited to, an agent, a fiduciary, a personal representative, a trustee, a legal heir, a guardian, or any other individual or entity authorized by law or agreement. (Section 30)

The bill significantly modifies the definition for the following terms:

- "Apparent owner" is amended to mean the person whose name appears on the records of the holder as the owner of the abandoned property, but whose status as the true owner entitled to receive the property may be subject to change due to the passage of time or changed in circumstances.
- "Claimant Representatives" is amended to require claimant representatives to gain authorization to file claims on behalf of persons with DFS. The term does not include a person acting as a representative or fiduciary capacity, whose representation is not contingent upon the discovery or location of abandoned property, and the definition expressly excludes locators[3].
- "Holder" is amended to mean a person who is in the possession of property belonging to another or who owes a debt or an obligation to another person, including, but not limited to, financial institutions, insurance companies, corporations, partnerships, fiduciaries, and government agencies.

[3] The bill defines locator a private individual or business that locates owners of abandoned property in exchange for a fee, typically a percentage of the recovered property. Locators are not employees or agents of the state and are not registered with DFS.

- "Owner" is amended to mean the person entitled to receive or having a legal or equitable interest in the abandoned property. An owner establishes his or her entitlement by filing a claim with DFS. (Section 30)

The bill establishes that all intangible property, including any income or increment minus any lawful charges, is presumed abandoned if the property is held, issued, or owed by the holder's business and the apparent owner or authorized representative failed to demonstrate a continued interest for more than the applicable dormancy period. (Section 31)

The bill establishes that the presumption that property is abandoned may be rebutted by the affirmative demonstration of continued interest by the owner or an authorized representative, instead of just the owner. (Section 31)

The bill provides that demonstrations of continued interest can also be communicated by authorized representatives in the following forms:

- a record[4] to the holder or its agent concerning the property or the account in which the property is held;
- an oral communication concerning the property or the account in which the property is held if the holder records and preserves evidence of the communication;
- presentment of a check or other instrument for payment of dividends, interest, or other distributions related to the property;
- any account activity; and
- any deposits or withdrawals from the property or the account in which the property is held. (Section 31)

The bill also provides that routine, automatic transactions, deposits, withdrawals, or reinvestments previously authorized by an apparent owner or authorized representative do not qualify as an affirmative demonstration of continued interest. (Section 31)

The bill expressly provides that presumed abandoned property is subject to custody by DFS, so long as the holder of the property has completed all statutorily required due diligence obligations without receiving any response or claim from the apparent owner. (Section 32)

The bill expands what qualifies as an affirmative demonstration of continued interest for traveler's checks and money orders, checks, and bank deposits from just written communication with the holder to all types of affirmative demonstrations authorized for intangible property. (Section 34, Section 36, and Section 37)

The bill revises dormancy triggers for stock, equity, and debt interests of business associations by reinstating returned mail as a trigger to start a dormancy period. The bill also extends dormancy periods triggered by owner-initiated activity from 3 years to 5 years. (Section 42)
The bill requires holders of property that do not send mail to apparent owners on an annual basis to send an email within 3 years of the apparent owner's last demonstration of continued interest. (Section 42)

The bill increases due diligence requirements for holders by requiring more detailed consumer disclosures. If a property presumed abandoned is worth more than $50, holders must send written notice by first-class US mail or by e-mail if elected by the apparent owner, at least 90 days, but no more than 180 days, prior to filing the report required by DFS regarding presumed abandoned property. (Section 49)

The bill requires holders to send a second notice by certified mail to properties worth $1,000 or more at least 60 days prior to filing the report required by DFS. Additionally, the bill requires holders to certify that reports are complete and that all due diligence requirements have been satisfied. (Section 49)

[4] The bill defines a record as information that is captured or maintained in any format, including written, printed, electronic, audio, visual, or other forms, and that can be made perceptible or understandable to a person, either directly or through technological means, including assistive technologies.

The bill provides that securities identified as non-freely transferable[5] or worthless are not reportable by holders. (Section 49)

The bill revises DFS' notice requirements following property transferring into DFS custody. The bill codifies that DFS is required to maintain a publicly searchable electronic database and requires owners with property values at $10 or more to be included in such database. Property valued under $10 remains recoverable from DFS, but are not required to be on the electronic database. (Section 50)

The bill clarifies that firearms discovered in abandoned safe-deposit boxes must be delivered to law enforcement agencies for proper handling or disposal instead of just disposal. The bill also provides that if a firearm is sold by a law enforcement agency, the balance must be deposited into the State School Fund. (Section 51)

The bill also clarifies that if a will or trust instrument is included among the contents of an abandoned safe-deposit box, DFS must supply a copy of the will or trust instrument upon the request of anyone who provides a certified copy of a death certificate. (Section 51)

The bill creates provisions regarding the purchase of abandoned property agreements. The agreement must be written, in at least 12-pt. font, and contain:

- a title of "Florida Abandoned Property Purchase Agreement";
- the seller's social security number or taxpayer identification number;
- the seller's email address, mailing address, and telephone number;
- the name of the apparent owner as shown by DFS records;
- the name of the holder that remitted the property;
- the date of last contact;
- the purchaser's email, address, and phone number;
- a statement acknowledging that the property is currently in DFS' custody and that the seller can claim the property directly from DFS on its electronically searchable website without being charged a fee;
- the property category;
- the nature and value of the property; and
- a manual signature and dating by the seller that has been notarized. (Section 79)

The bill requires that the purchase price of the property cannot be discounted by more than 30% at the time of sale and that the amount of the purchase must be provided to the seller within 30 days of the execution of the agreement. Additionally, the bill provides that the seller may cancel a purchase agreement without penalty or obligation within 15 days after the agreement was executed. (Section 79)

The bill requires a copy of executed purchase agreements be filed with purchaser claims along with proof of payment in full and other statutorily required documentation. The bill provides that if proof of payment is not submitted, DFS may not approve the claim. (Section 79)

The bill revises registration requirements for claimant representatives. Representatives must be:

- a Florida licenses private investigator;
- a Florida certified public accountant; or
- a Florida licensed attorney who has registered with DFS. (Section 83)

The bill requires active claimant representatives to file and obtain payment on at least 10 claims per calendar year following the date of initial registration. (Section 83)

[5] The bill defines a non-freely transferable security as a security that cannot be delivered to the administrator by a custodian of securities providing post-trading clearing and settlement services to financial markets or cannot be delivered because there is no agent to effect transfer. The term includes worthless security.

The bill provides conforming and technical changes. (Multiple Sections)

The bill is effective upon becoming law. (Section 89)

RULEMAKING:

The bill expands the Chief Financial Officer's existing rulemaking authority for authorizing advanced payments to include payments to prepay for multi-year software licenses. The bill also provides the Board of Funeral, Cemetery, and Consumer Services with rulemaking authority to administer the criminal disqualifications for licenses issued by the Board.

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:

According to DFS, the bill allows the state to prepay for multi-year software licenses, which may result in a 10-20% decrease in cost over a 3-year period. The bill also may minimally decrease revenues by extending insurance agent application licensing fees to honorably discharged veterans of the United States Armed Forces beyond the current 24-month limit. Additionally, the bill may have an indeterminate fiscal impact on DFS' Unclaimed Property Program's postage, mailing, and data-research costs due to implementation and facilitation of additional owner notifications.[6]

PRIVATE SECTOR:

The bill may have an indeterminate fiscal impact on holders of financial accounts and securities by requiring an increase in due diligence and notification requirements.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

The Department of Financial Services

Effective January 2003, the Department of Insurance, Treasury, State Fire Marshal, and the Department of Banking and Finance merged to form the Department of Financial Services ("DFS"). DFS consists of 12 divisions and several specialized offices.[7] Additionally, DFS is responsible for administering several programs, including the My Safe Florida Home Program,[8] My Safe Florida Condominium Pilot Program,[9] and the Florida PALM Project.[10] The following divisions are housed within DFS:[11]

- Accounting & Auditing;
- Administration;
- Consumer Services;
- Criminal Investigations;
- Funeral, Cemetery, and Consumer Services;
- Insurance Agent & Agency Services;
- Rehab & Liquidation;
- Risk Management;

[6] DFS, 2026 Agency Analysis of HB 1221/SB 1452 (Jan. 28, 2026) pg. 13.
[7] DFS, *About the Agency,* https://www.myfloridacfo.com/about/about-dfs? (last visited Jan. 30, 2026).
[8] S. 215.5586, F.S.
[9] S. 215.58871, F.S.
[10] DFS, *The Florida PALM Project,* https://myfloridacfo.com/floridapalm/project-team (last visited Jan. 30, 2026).
[11] DFS, *supra* note 7.

- State Fire Marshal;
- Treasury;
- Unclaimed Property;
- Workers' Compensation; and the
- Office of Insurance Consumer Advocate.

Florida Accounting Information Resource Subsystem ("FLAIR")

In 1980, the Florida Legislature enacted the Florida Fiscal Accounting Management Information System Act to standardize financial management and accounting practices for the state.[12] The State Automated Management Accounting Subsystem ("SAMAS") was developed from 1983 to 1986 and thereafter implemented by state agencies to manage their financial accounting.[13]

In 1997, SAMAS was renamed as the Florida Accounting Information Resource Subsystem ("FLAIR").[14] FLAIR is a mainframe, computer-based ledger accounting system utilized by the state to process financial transactions and record accurate data.[15] DFS is the functional owner of FLAIR.[16] Within DFS, the Division of Information Systems operates the CFO's Data Center, which maintains FLAIR. All state agencies' payrolls, expense processing, retirement, public assistance, and reemployment compensations are processed and tracked through FLAIR. Additionally, FLAIR is used to create the State's Annual Comprehensive Financial Report.[17]

Florida Planning and Ledger Management ("Florida PALM")

In October 2013, DFS procured a study of FLAIR to assess whether to enhance or replace the FLAIR system. Based on the consultant analysis completed in the study, the State was recommended to replace FLAIR and DFS' Cash Management System ("CMS") [18] with a commercial, off-the-shelf Enterprise Resource Planning ("ERP") solution.[19] As a result of the study, DFS created the Florida Planning, Accounting, and Ledger Management ("Florida PALM") project to replace FLAIR and components of the CMS with a cloud-hosted, ERP financial management solution. Beginning in July 2021, a multi-year implementation plan known as the "CMS Wave" transitioned functions related to the management of bank cash, participant-invested cash, and Treasury investments from the CMS to the Florida PALM system. The complete update from FLAIR and CMS to the Florida PALM system has a current go-live date of January 2027.[20]

Charts of Account

The Charts of Account is a compilation of uniform data codes used for reporting governmental assets, liabilities, equities, revenues, and expenditures to the CFO.[21] In 2011, the Legislature required the CFO to include new entities in the Charts of Account, such as educational entities and higher education institutions, to establish uniform reporting requirements. The CFO was required to conduct workshops with affected governmental entities to gather reporting requirements and to issue a proposed Charts of Account by July 1, 2013.[22] The CFO submitted a final report recommending a uniform Charts of Account to the Governor, the Senate President, and the Speaker of the House; however, the Legislature did not adopt such recommendation.

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[12] Ch. 80-45, Laws of Fla.
[13] Florida Auditor General, *Florida Accounting Information Resource Subsystem (FLAIR)*, Microsoft Word - 2016-032 DFS FLAIR.docx (last visited Feb. 23, 2026).
[14] Ch. 97-286, Laws of Fla.
[15] DFS, *Florida Accounting Resource (FLAIR),* https://flair.dbf.state.fl.us/ (last visited Feb. 23, 2026).
[16] S. 215.94(2), F.S.
[17] S. 216.102(3), F.S.
[18] CMS allows state agencies to deposit funds directly to the Treasury bank account across hundreds of bank locations and receive interest on account balances and operate small disbursement accounts with no service charges. DFS, *Cash Management,* https://www.myfloridacfo.com/division/treasury/cash-management (last visited Feb. 23, 2026).
[19] Florida Auditor General, *supra* note 13.
[20] *Id.*
[21] S. 215.89(2)(a), F.S.
[22] Chapter 2011-44, Laws of Fla.

Public Records

Article I, s. 24(a) of the State Constitution sets forth the state's public policy regarding access to government records. Under current law, every person retains the right to inspect or copy any public record of the legislative, executive, and judicial branches of the state government. However, the Legislature may provide by general law for an exemption of records from the public records requirements.[23] The general law must state with specificity the public necessity supporting the exemption, and the exemption may be no broader than necessary to accomplish its purpose.[24]

As functional owner of the state accounting system, DFS is responsible for maintaining the system's security and safeguarding all data stored in or transmitted through it. However, each state agency remains responsible for the content, accuracy, and integrity of the information it enters into the system. Because DFS houses and maintains the centralized system, public records requests for data contained within it are currently directed to DFS, rather than to the individual agencies that originally created and submitted the records.[25]

The Division of Accounting and Auditing

The Chief Financial Officer, as the head of the Department of Financial Services, is tasked with making salary payments to all state employees, retirement payments to the Florida Retirement System retirees statewide, and payments to vendors who conduct business with the state The Division is the final stop in the state payment process, ensuring public funds are appropriately spent.[26] Currently, the state is only allowed to purchase subscriptions and perpetual software licenses each fiscal year. The state currently spends $55 million on software licenses each year.[27]

The Division of Insurance Agent and Agency Services

The Division of Insurance Agent and Agency Services licenses and investigates all insurance agents, agencies, adjusters, and adjusting firms in Florida. The Division monitors 1.27 million actives licenses, processes more than 2.9 million appointment requests, reviews over 100,00 applications, and conducts over 3,000 investigations each year.[28] The current process for transferring an out-of-state license relies on the approval and actions of the previous state sending a paper letter indicating that the previous license has been canceled.[29]

The Division of Funeral, Cemetery, and Consumer Services

The Division of Funeral, Cemetery, and Consumer Services ("Division") establishes qualifications for professions and occupations in the death care industry. These professions and occupations include, but are not limited to: funeral directing, embalming, cremation, preneed sales, cemeteries, and monument sales.

The Division also ensures death care professionals maintain their qualifications through continuing education courses and licensure renewal. It also oversees licensed establishments, facilities, and cemetery grounds by conducting annual inspections of these entities. The Division ensures effective discipline for those licensees who have violated the law. In performing these regulatory functions, the Division works closely with the Board of Funeral, Cemetery, and Consumer Services.[30]

The Board of the Division of Funeral, Cemetery, and Consumer Services ("Board") consists of 9 members appointed by Florida's CFO and one designated member by the State Health Officer. The Board functions as the state authority that licenses, regulates, and oversees the death care industry. The Board works with the Division to enforce laws

[23] Art. I, s. 24, Fla. Const.
[24] *Id.*
[25] S. 215.93(5), F.S.
[26] S. 215.422, F.S.
[27] DFS, *supra* note 6, at pg. 13.
[28] *Id.* at 2.
[29] S. 626.292, F.S.
[30] DFS, *About the Division,* Funeral, Cemetery, and Consumer Services, https://myfloridacfo.com/division/funeralcemetery (last visited Feb. 1, 2026).

and investigate consumer complaints. When violations occur, the Board helps ensure discipline, sanctions, and/or corrective actions are administered. [31]

Licensure by the Board of Funeral, Cemetery, and Consumer Services

The current statutory scheme does not rely on a list of automatic disqualifiers for applicants seeking licensure by the Board of Funeral, Cemetery, and Consumer Services, but vests the Board with the discretion to assess criminal history, character, integrity, and public safety risk created by extending licensure to applicants.

All applicants for licensure with the Board must disclose specified criminal history and submit fingerprints for state and federal background checks. Required disclosures include:[32]

- Any felony or misdemeanor, regardless of when committed, that is directly or indirectly related to or involving any aspect of funeral directing, embalming, preneed sales, cemetery operations, or other activities regulated by the Florida Funeral, Cemetery, and Consumer Services Act;
- Any other felony committed within the 20 years preceding the application; and
- Any other misdemeanor committed within the 5 years preceding the application.

Disclosure is required regardless of whether adjudication was withheld or the record is sealed. Failure to disclose required criminal history qualifies as independent grounds for licensure denial and may itself constitute criminal or disciplinary conduct.[33]

The Board retains the authority to withhold licensure to an applicant who has a criminal record that is required to be disclosed unless the applicant affirmatively demonstrated that issuance of the license would not create a danger to the public. Current law establishes that public safety is the controlling standard for the decision to approve or deny licensure, not the existence of a criminal record. [34]

The Board may deny licensure where disclosed criminal conduct:

- demonstrates dishonesty, fraud, or financial exploitation;
- is substantially related to regulated funeral or cemetery activities; or
- reflects conduct inconsistent with public trust or consumer protection. [35]

Current law provides that applicants providing false information in connection with a license application or attempting to obtain licensure through misrepresentation is a criminal offense and is disqualifying conduct.[36] The Board may refuse to rule on an initial application if the applicant is currently under investigation or prosecution for conduct, that if committed in Florida, would violate the Florida Funeral, Cemetery, and Consumer Services Act. The application may be deferred until the investigation/ prosecution is complete.[37]

Prohibited Conduct

Chapter 497- Funeral, Cemetery, and Consumer Services

Prohibited conduct under Ch. 497, F.S., includes:[38]

- fraud, misrepresentation, or deceptive practices in the sale or provision of funeral, burial, or cemetery services;
- misuse, commingling, or misappropriation of trust funds or preneed contract funds;
- operating without proper licensure or exceeding the scope of licensure;

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[31] DFS, *Board of Funeral, Cemetery, and Consumer Services,* https://www.myfloridacfo.com/division/funeralcemetery/Board (last visited Feb. 1, 2026).
[32] S. 497.142, F.S.
[33] *Id.*
[34] S. 497.141, F.S.
[35] *See Id.*
[36] S. 497.141, F.S.
[37] S. 497.141, F.S.
[38] Ss. 497.152, 497.153, and 497.458, F.S.

- failure to comply with statutory trust, recordkeeping, and disclosure requirements; and
- conduct demonstrating untrustworthiness or financial irresponsibility.

Chapter 787 - Kidnapping, Custody Offenses, and Human Trafficking
Prohibited conduct under Ch. 787, F.S., includes:[39]

- kidnapping;
- false imprisonment;
- luring or enticing a child;
- interference with custody;
- sheltering unmarried minors;
- removing minors from state or concealing minors contrary to state agency order or court order;
- human trafficking;
- human smuggling; and
- employing persons under the age of 21 years in adult entertainment establishments prohibited

Chapter 794- Sexual Battery
Prohibited conduct under Ch. 794 includes:[40]

- sexual acts committed without consent;
- sexual acts involving coercion, force, threats, or incapacitation;
- sexual acts involving minors or persons legally incapable of consent; and
- abuse of authority, custodial power, or supervisory position to commit sexual acts.

Chapter 796- Prostitution
Prohibited conduct under Ch. 796, F.S., includes:[41]

- Engaging in, soliciting, or procuring prostitution;
- Owning, operating, or maintaining premises for prostitution; and
- Coercion or exploitation of individuals for commercial sexual activity.

Chapter 800- Lewdness; Indecent Exposure
Prohibited conduct under Ch. 800, F.S., includes:[42]

- lewd or lascivious acts committed in public or in the presence of others;
- indecent exposure of sexual organs;
- lewd or lascivious acts involving minors; and
- sexual conduct that offends public decency or morals.

Chapter 825-Abuse, Neglect, and Exploitation of Elderly Persons and Disabled Adults
Prohibited conduct under Ch. 825, F.S., includes:[43]

- physical, emotional, or psychological abuse;
- neglect or failure to provide necessary care or services;
- financial exploitation or misuse of assets; and
- breach of fiduciary duty or abuse of trust involving vulnerable adults.

Chapter 827- Abuse of Children
Prohibited conduct under Ch. 827, F.S., includes:[44]

- physical, emotional, or sexual abuse of a child;

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[39] *See* Ch. 787, F.S.
[40] Ss. 794.011 and 794.05, F.S.
[41] Ss. 796.07 and 796.035, F.S.
[42] Ss. 800.03 and 800.04, F.S.
[43] Ss. 825.102, 825.103, and 825.1035, F.S.
[44] Ss. 827.03, 827.04, and 827.0145, F.S.

- neglect, abandonment, or failure to provide care;
- endangering a child's physical or mental health; and
- exploitation of children for labor or other unlawful purposes.

Chapter 847- Obscenity
Prohibited conduct under Ch. 847, F.S., includes:[45]

- creation, possession, distribution, or promotion of obscene materials;
- obscene performances or exhibitions;
- use of minors in sexual performances or obscene material; and
- commercial exploitation involving obscene content.

Florida Coordinating Council
The Florida Coordinating Council within DFS serves as a central coordination and policy advisory mechanism for the State of Florida's financial management and information systems, most notably the Florida Financial Management Information System[46] ("FFMIS"). The Council is tasked with reviewing and coordinating annual workplans, developing standards and policies, conducting system studies, identifying conflicts or system impacts, facilitating interagency resolution, and elevating unresolved matters for further action.[47] Structurally, the Council is composed of Florida's senior constitutional and executive officials, including the Chief Financial Officer (who serves as chair), the Attorney General, the Commissioner of Agriculture, the Secretary of Management Services, the State Chief Information Officer, and the Director of Planning and Budgeting, or their respective designees. This structure is intended to preserve the integrity, reliability, and long-term sustainability of the state's financial management architecture. [48]

The Division of Workers' Compensation
The Division of Workers' Compensation assists injured workers, employers, healthcare providers, and insurers in adhering to Florida's workers' compensation laws.[49] Additionally, the Division biennially submits a Three-Member Panel Report to the Legislature with advisement on any potential changes to the workers' compensation industry.[50]

Currently, the United States Postal Service is the only mail carrier that a healthcare provider can use to submit a dispute in claims adjudication with the workers' compensation insurer to DFS. Disputes can only be submitted by healthcare providers; healthcare providers have 45 days to submit a dispute.[51]

The Division of Risk Management
The Division of Risk Management manages the self-insurance program for all state agencies and state universities, and provides coverages for workers' compensation, general liability, automobile liability, federal civil rights, and property. Most of these coverages are currently self-insured, but the Division of Risk Management annually purchases excess property insurance for catastrophic losses and out-of-state workers' compensation insurance for state employees with job locations outside the state of Florida.[52]

Currently, the Division of Risk Management determines what coverage is necessary but may only purchase it upon the approval of the Department of Management Services ("DMS"). This requires DMS to procure the Broker of

[45] Ss. 847.011, 847.013, and 847.0145, F.S.
[46] FFMIS is a unified, integrated statewide financial information system established by the Legislature to provide executive branch decisionmakers with coordinated fiscal, accounting, and management data necessary for statewide planning, management, evaluation, and accountability. S. 215.91, F.S.
[47] S. 215.96, F.S.
[48] *Id.*
[49] S. 440.44, F.S.
[50] S. 440.13, F.S.
[51] *Id.*
[52] S. 284.01, F.S.

Record contract on behalf of the Division of Risk Management, maintain and monitor the contract, and approve invoices.[53]

Anti-Nepotism Law

Florida's anti-nepotism law was created to discourage the granting of public employment or appointments based on family relationship rather than merit. The law also prevents relatives from being placed in public office by those in positions of authority or influence.[54] Public officials, including firefighters, are prohibited from appointing, promoting, employing, or advancing a relative[55] in or to a position in an agency they serve or have jurisdiction over. The prohibition also covers action by collegial body if a member's vote or influence results in the hiring or advancing of a relative. [56]

My Safe Florida Home Program

In 2006, the Legislature created the My Safe Florida Home Program (MSFHP) within DFS, with the intent that the MSFHP provide licensed inspectors to perform inspections for owners of site-built, single-family, residential properties and grants to eligible applicants, subject to the availability of funds.[57] Under the MSFHP, DFS must develop and implement a comprehensive and coordinated approach for hurricane damage mitigation that may include hurricane mitigation inspections, mitigation grants, education, consumer awareness, and outreach.[58]

MSFHP provides financial grants that may be used by homeowners to make improvements recommended by an inspection which increase resistance to hurricane damage.[59] When an initial hurricane mitigation inspection recommends improvements, the applicant may qualify for grants to make improvements to opening protection, the reinforcement of roof-to-wall connections, improvement of roof-deck attachments, and secondary water resistance for roofs.[60] Applicants who own a townhouse may only use grants for opening protection improvements.[61]

Applicants must complete construction and request a final inspection within one year of grant approval. They may request an extension for an additional six months.

MSFHP prioritizes applications from low-income persons who are at least 60 years old, then all other low-income persons, then moderate-income persons who are at least 60 years old, then applications from all other moderate-income persons, and last all other applications.[62] MSFHP accepts certifications from applicants about their income level if the certification is a signed or electronically verified statement made under penalty of perjury.[63]

The Division of Unclaimed Property

Florida's Unclaimed Property Program is governed by the Florida Disposition of Unclaimed Property Act and is administered by the Division of Unclaimed Property within DFS. The program is designed to protect property owners by ensuring that intangible property presumed abandoned is safeguarded by the state until claimed, rather than be retained indefinitely by private holders. DFS holds unclaimed property in custody, not ownership, preserving the right of owners or heirs to reclaim the property at any time. [64]

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[53] S. 284.08, F.S.
[54] *See* Fla. Comm'n on Ethics, Amicus Curiae Brief, *State v. Perez*, No. 80,780 (Fla. 1992).
[55] A relative is broadly defined to include spouses, children, siblings, in-laws, nieces/nephews, cousins, step and half relations. S. 121.3135(1)(d), F.S.
[56] S. 112.3135(2), F.S.
[57] S. 215.5586, F.S.
[58] *Id*.
[59] S. 215.5586, F.S.
[60] *Id.*
[61] *Id*.
[62] *Id*.
[63] *Id*.
[64] S. 717.1201, F.S.

The program applies primarily to intangible property, including but not limited to:[65]

- bank deposits and credit balances;
- uncashed checks and drafts;
- insurance policy proceeds and benefits;
- securities, dividends, and other equity interests;
- utility deposits and refunds; and
- contents of safety deposit boxes.

Property is presumed unclaimed after a specified dormancy period, which is defined as a period of owner inactivity or lack of contact. Owner activity showing an "indication of interest" in the property, such as written communication, electronic contact via email or phone, cashing a payment, or any other owner-initiated action recognized by statute resets the dormancy period.[66] Dormancy periods vary by property type and generally begin when the property becomes payable or distributable, not when it is issued. Dormancy periods include:

- 5 years for bank accounts, most uncashed checks and drafts, insurance proceeds payable but unpaid, and wages;[67]
- 3 years for stocks, dividends, and other equity interests;[68] and
- 1 year for certain governmental or court-held funds.[69]

The death of an apparent owner does not pause or reset the dormancy period, and dormancy continues to run based on the last indication of interest by the owner, regardless of whether heirs, beneficiaries, or a personal representative are aware of the property.[70] The exception to this rule is for life insurance policies, where dormancy begins when the insurer has actual or constructive knowledge of the insured's death and the proceeds become payable, even if no claim has been filed by the beneficiary.[71]

Holders of property presumed unclaimed must file an annual unclaimed property report with DFS by April 30th each year. Property is included in the report based on the recorded dormancy status as of December 31st of the prior year. Holders must deliver the property or its value to DFS at the time of the report.[72]

Before reporting property to DFS, holders are required to conduct due diligence to locate and notify the apparent owner of the property. Written notice requirements apply to property with a value of $50 or more. Notice must be sent to the apparent owner not more than 120 days but not less than 60 days before the holder's reporting deadline at the apparent owner's last known address. The notice must inform the owner of the nature of the property and the status of its potential transfer to DFS. If the apparent owner provides a document response after receiving the notice, it constitutes as an affirmative indication of interest in the property and prevents the property's remittance to the state.[73]

Failure from holders to complete due diligence may expose them to enforcement action from DFS. Penalties include:[74]

- interest assessments for late reporting or delivery;
- civil penalties for failure to report, underreporting, or refusal to remit property; and
- audits and examinations of holders' records.

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[65] S. 717.101(18), F.S.
[66] *See* s, 717.105, F.S.
[67] Ss. 717.105, 717.106, 717.112, and 717.115, F.S.
[68] S. 717.1101, F.S.
[69] S. 717.113, F.S.
[70] *See* s. 717.102(4), F.S.
[71] S. 717.107, F.S.
[72] S. 717.117, F.S.
[73] *Id.*
[74] S. 717.1322, F.S.

Penalties may be imposed per violation and may be waived under limited circumstances showing good cause.[75]

Once property is remitted to state custody, DFS becomes responsible for the safekeeping of the property and making notification attempts to the apparent owner of the property.[76] DFS must maintain a publicly searchable unclaimed property database and a claims process for which apparent owners or heirs may make a claim. There is no statute of limitations for owners and heirs to file a claim to reassume their property. [77]

All funds received under the Florida Disposition of Unclaimed Property Act, including the cash value of unclaimed property and proceeds from the sale of tangible property, are initially deposited into the Unclaimed Property Trust Fund. DFS retained up to $15 million to cover claims and administrative costs associated with managing and returning unclaimed property.[78]

After administrative reserves are set aside, remaining unclaimed property receipts must be deposited into the State School Fund. The State School Fund is a constitutionally established trust that supports K-12 education and other public education purposes across Florida. Funds remitted from unclaimed property thus bolster statewide education financing until they are needed to satisfy rightful owner claims.[79]

Other provisions of Florida law addressing inactive or lost personal property, including Ch. 705 and 716, use the term "abandoned property" to describe property that remains unclaimed following a period of owner inactivity. Similarly, most other states' unclaimed property statutes employ "abandoned property" as the operative term within a custodial framework.[80]

Litigation Landscape: Florida Unclaimed Property

A constitutional challenge to Florida's unclaimed property program is currently unfolding in federal courts, centered on whether the state's handling of presumed unclaimed property constitutes a violation of the Takings Clause of the Fifth Amendment.

In *Maron vs. Chief Financial Officer of Florida*, private property owners whose unclaimed property had been delivered into the state's custody argued that Florida's Unclaimed Personal Property Act effectively takes their property without just compensation because the state retains and uses the property, and any earnings derived therefrom, and does not pay the amount of the earnings accrued on the property while in the custody of the state along with the principal value of the property back to the owner when the property is returned.[81]

The United States District Court for the Northern District of Florida initially dismissed the plaintiffs' claim, concluding that the Florida Disposition of Unclaimed Property Act could constitutionally revert the property outright, and therefore, that returning the principal value of the property without the interest it accrued while in the custody of the state did not constitute an unconstitutional taking. The district court also addressed jurisdictional challenges, finding that the plaintiffs had standing but ruling that sovereign immunity barred much of their state law challenge.[82]

On appeal, the 11th Circuit vacated and remanded the district court's decision, holding that the plaintiffs had standing and that sovereign immunity did not bar the Fifth Amendment takings claim. Critically, the 11th Circuit rejected the notion that the Act transfers title to the state, emphasizing that under the Florida Disposition of Unclaimed Property Act the state merely assumes custody and responsibility for the safekeeping of unclaimed

[75] *Id.*
[76] S. 717.118, F.S.
[77] S. 717.124(8), F.S.
[78] S. 717.123, F.S.
[79] *Id.*
[80] DFS, *supra* note 7, at pg. 5
[81] *Maron v. Chief Financial Officer of Florida*, No. 4:22-cv-00255-RH-MAF (N.D. Fla. 2023).
[82] *Id.*

property rather than title. [83] Additionally, the court addressed that since owners are not faced with any statute of limitation in reclaiming their property, the ongoing property right of the owner undermines any claim that the property is truly "abandoned".[84]

Based on this framework, the court concluded that vesting custody, even without a formal title transfer, can constitute as a per se physical taking if the government uses the property for public purposes without just compensation. The opinion directed further proceedings to develop the factual record on whether the property remained the owner's property, the nature of the state's appropriation, and the measure of just compensation.[85] The case is currently back in the district court.

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:	• Required DFS to notify a MSFHP applicant at least 5 business days before an application is deemed abandoned. If an applicant replies to the notice and provides good cause for why the application should not be deemed abandoned, DFS may determine the application is not abandoned or allow the applicant to submit a subsequent grant application. • Removed the requirement for applicants for licensure by the Board to disclose misdemeanors committed more than 5 years before the application that are indirectly related to the practice or activities regulated by the Board. • Allowed public officials to appoint, employ, promote, and advocate for a relative to be a firefighter as it is part of a competitive process in a collective bargaining agreement.			
State Administration Budget Subcommittee	11 Y, 0 N, As CS		Topp	Helpling
THE CHANGES ADOPTED BY THE COMMITTEE:	• Conformed statute to the new state accounting system known as the Florida Planning and Ledger Management (PALM). • Restored the current cap of $15 million that DFS is authorized to retain for the Abandoned Property Program.			
Commerce Committee			Hamon	Veigle

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

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[83] *Maron vs. Chief Financial Officer of Florida,* No. 23-13178, (11th Cir. May 16, 2025).
[84] *Id.*
[85] *Maron vs. Chief Financial Officer of Florida,* No. 23-13178, (11th Cir. May 16, 2025).

A bill to be entitled

An act relating to the Department of Financial Services; amending s. 17.11, F.S.; revising the subsystem used for a certain report of disbursements made; amending s. 17.13, F.S.; requiring the replacement of lost or destroyed warrants; amending s. 110.113, F.S.; deleting the Department of Financial Services' authority to make semimonthly salary payments; amending s. 112.3135, F.S.; authorizing a public official to take specified actions in relation to the employment of a relative as a firefighter; amending s. 215.422, F.S.; revising the Chief Financial Officer's rulemaking authority; requiring agencies to pay interest from available appropriations under certain circumstances; amending s. 215.5586, F.S.; defining terms; revising eligibility requirements for a hurricane mitigation inspection under the My Safe Florida Home Program; revising the circumstances under which applicants may submit a subsequent hurricane mitigation inspection; deleting the requirement that licensed inspectors must determine mitigation measures during initial inspections of eligible homes; deleting inspectors' authorization to inspect townhouses; revising the criteria for eligibility for a hurricane mitigation

grant; revising the grant's applicant requirements; revising the improvements that grants may be used for; requiring that improvements be identified in the final hurricane mitigation inspection to receive grant funds; deleting a provision related to grants for townhouses; authorizing the program to accept a specified certification directly from applicants; requiring applicants who receive grants to finalize construction and request a final inspection within a specified timeframe; specifying that an application is deemed abandoned, rather than withdrawn, under certain circumstances; requiring the department to notify an applicant within a specified time period before an application is be deemed abandoned; authorizing the applicant to submit a subsequent application in certain circumstances; authorizing the department to determine that an application is not abandoned in certain circumstances; amending s. 215.89, F.S.; deleting obsolete provisions; amending s. 215.93, F.S.; revising the subsystems of the Florida Financial Management Information System; requiring certain requests for records to be made to a specified entity; prohibiting such requests from being made to the functional owner of the subsystem; providing an exception; amending s. 215.94, F.S.; providing that

the department is the functional owner of the Financial Management Subsystem; revising the functions of such subsystem; amending s. 215.96, F.S.; revising the composition of the coordinating council; deleting a requirement for the design and coordination staff; requiring minutes of meetings to be available to interested persons; revising the composition of ex officio members of the council; revising the duties, powers, and responsibilities of the council; amending ss. 215.985, 216.102, and 216.141, F.S.; conforming provisions to changes made by the act; amending s. 284.08, F.S.; authorizing the department to determine what property insurance coverage is necessary; authorizing the department to purchase certain insurance coverages; authorizing the department to contract with insurance or reinsurance brokers for certain purposes; amending s. 284.33, F.S.; authorizing the department to purchase certain insurance coverages; authorizing the department to contract with insurance or reinsurance brokers for certain purposes; amending s. 440.13, F.S.; revising the timeframe in which health care providers must petition the department to resolve utilization and reimbursement disputes; revising petition service requirements; revising the timeframe in which the

panel determining the statewide schedule of maximum reimbursement allowances must submit certain recommendations to the Legislature; creating s. 497.1411, F.S.; defining the term "applicant"; specifying that certain applicants are permanently barred from licensure; specifying that certain applicants are subject to disqualifying periods; requiring the Board of Funeral, Cemetery, and Consumer Services to adopt rules; specifying requirements, authorizations, and prohibitions for such rules; specifying when a disqualifying period begins; specifying that the applicant has certain burdens to demonstrate that he or she is qualified for licensure; specifying that certain applicants who have been granted a pardon or restoration of civil rights are not barred or disqualified from licensure; specifying that such pardon or restoration does not require the board to award a license; authorizing the board to grant an exemption from disqualification under certain circumstances; specifying requirements for the applicant in order for the board to grant an exemption; specifying that the board has discretion to grant or deny an exemption; specifying that certain decisions are subject to ch. 120, F.S.; providing applicability and construction; amending s. 497.142,

F.S.; prohibiting an application from being deemed complete under certain circumstances; revising the list of crimes to be disclosed on a license application; amending s. 626.171, F.S.; deleting reinsurance intermediaries from certain application requirements; revising the list of persons from whom the department is required to accept uniform applications; making clarifying changes regarding the voluntary submission of cellular telephone numbers; revising the exemption from the application filing fee for members of the United States Armed Forces; amending s. 626.292, F.S.; revising applicant requirements for a license transfer; amending s. 626.611, F.S.; requiring the department to require license reexamination of certain persons, and suspend or revoke the eligibility to hold a license or appointment of such persons under certain circumstances; amending the grounds for suspension or revocation; amending 626.621, F.S.; authorizing the department to require an reexamination of certain persons; amending s. 626.731, F.S.; revising the qualifications for a general lines agent's license; amending s. 626.785, F.S.; revising the qualifications for a life agent's license; amending s. 626.831, F.S.; revising the qualifications for a health agent's

license; amending s. 626.854, F.S.; requiring a public adjuster, public adjuster apprentice, or public adjusting firm to respond with specific information within a specified timeframe and document in the file the response or information provided; amending s. 648.34, F.S.; revising requirements for bail bond agent applicants; amending s. 648.382, F.S.; requiring officers or officials of the appointing insurer to obtain, rather than submit, certain information; amending s. 717.001, F.S.; revising the short title; amending s. 717.101, F.S.; revising and adding definitions; amending s. 717.102, F.S.; providing that certain intangible property is presumed abandoned; deleting a provision relating to the presumption that certain intangible property is presumed unclaimed; specifying the dormancy period for property presumed abandoned; requiring that property be considered payable or distributable under certain circumstances; deleting a provision relating to when property is payable or distributable; revising a presumption; providing that property shall be presumed abandoned under certain circumstances; providing an exception; amending s. 717.103, F.S.; requiring that intangible property be subject to the custody of the department under certain circumstances; amending criteria for

when intangible property is subject to the custody of the department; repealing s. 717.1035, F.S., relating to property originated or issued by this state, any political subdivision of this state, or any entity incorporated, organized, created, or otherwise located in the state; amending ss. 717.104, 717.1045, 717.105, 717.106, 717.107, 717.1071, 717.108, and 717.109, F.S.; conforming provisions to changes made by the act; amending s. 717.1101, F.S.; revising the timelines and conditions under which stock, other equity interests, or debt of a business association is considered abandoned; requiring the holder to attempt to confirm the apparent owner's interest in the equity interest by sending an e-mail communication under certain circumstances; requiring the holder to attempt to contract the apparent owner by first-class United States mail under certain circumstances; specifying that equity interest is presumed abandoned under certain circumstances; revising when unmatured, unredeemed, matured, or redeemed debt is presumed abandoned; specifying that the applicable dormancy period ceases under certain circumstances; revising the timeframe that a sum held or owing by a business association is presumed abandoned; amending ss. 717.111, 717.112, 717.1125, 717.113, 717.115, and

717.116, F.S.; conforming provisions to changes made by the act; amending s. 717.117, F.S.; specifying that property is presumed abandoned upon the expiration of the applicable dormancy periods; specifying that property is not deemed abandoned for certain purposes until the holder meets certain requirements; requiring holders of property presumed abandoned that has a specified value to use due diligence to locate and notify the apparent owner; requiring, before a specified timeframe, a holder in possession of presumed abandoned property to send a specified written notice to the apparent owner; specifying the method of delivery of such notice; requiring, before a specified timeframe, the holder to send a second written notice under certain circumstances; authorizing the reasonable cost for the notice to be deducted from the property; specifying that a signed return receipt constitutes an affirmative demonstration of continued interest; specifying requirements of the written notice; requiring holders of abandoned property to submit a specified report to the department; prohibiting certain balances, overpayments, deposits, and refunds from being reported as abandoned property; prohibiting certain securities from being included in the report;

requiring the holder to report and deliver such securities under certain circumstances; requiring the report to be signed and verified and contain a specified statement; deleting certain provisions relating to the due diligence and notices to apparent owners; amending s. 717.118, F.S.; revising the state's obligation to notify apparent owners that their abandoned property has been reported and remitted to the department; requiring the department to use a cost-effective means to make an attempt to notify certain apparent owners; specifying requirements for the notice; requiring the department to maintain a specified website; revising applicability; amending s. 717.119, F.S.; conforming provisions to changes made by the act; revising requirements for firearm or ammunition found in an abandoned safe-deposit box or safekeeping repository; revising requirements if a will or trust instrument is included among the contents of an abandoned safe-deposit box or safekeeping repository; amending ss. 717.1201 and 717.122, F.S.; conforming provisions to changes made by the act; amending s. 717.123, F.S.; conforming provisions to changes made by the act; revising the name of a certain trust fund; amending s. 717.1235, F.S.; conforming provisions to changes made

by the act; amending s. 717.124, F.S.; conforming provisions to changes made by the act; deleting provisions related to requirements of claimant's representatives; specifying that the department is authorized to make a distribution of property or money in accordance with a specified agreement under certain circumstances; requiring shares of securities to be delivered directly to the claimant under certain circumstances; deleting a provision authorizing the department to develop a process by which a buyer of unclaimed property may electronically submit certain images and documents; deleting provisions relating to a buyer of unclaimed property's filing of a claim; amending s. 717.12403, F.S.; conforming provisions to changes made by the act; amending s. 717.12404, F.S.; requiring claims on behalf of an active corporation to include a specified driver license; conforming provisions to changes made by the act; amending ss. 717.12405 and 717.12406, F.S.; conforming provisions to changes made by the act; amending s. 717.1241, F.S.; defining the term "conflicting claim"; conforming provisions to changes made by the act; revising requirements for remitting property when conflicting claims have been received by the department; amending ss. 717.1242, 717.1243, 717.1244,

717.1245, 717.125, 717.126, 717.1261, 717.1262, 717.129, 717.1301, 717.1315, and 717.132, F.S.; conforming provisions to changes made by the act; amending s. 717.1322, F.S.; revising the acts that constitute grounds for administrative enforcement action by the department; conforming provisions to changes made by the act; amending ss. 717.133, 717.1333, and 717.1341, F.S.; conforming provisions to changes made by the act; amending s. 717.135, F.S.; conforming provisions to changes made by the act; deleting applicability; creating s. 717.1356, F.S.; specifying that agreements for the purchase of abandoned property reported to the department are valid only under certain circumstances; authorizing the seller to cancel a purchase agreement without penalty or obligation within a specified timeframe; specifying that the agreement must contain certain language; requiring a copy of an executed Florida Abandoned Property Purchase Agreement be filed with the purchaser's claim; prohibiting the department from approving the claim under certain circumstances; specifying that certain purchase agreements are enforceable only by the seller; amending s. 717.138, F.S.; conforming provisions to changes made by the act; amending s. 717.1382, F.S.; conforming provisions

to changes made by the act; conforming a cross-reference; amending s. 717.139, F.S.; providing legislative findings; revising a statement of public policy; deleting a legislative declaration; providing legislative intent; prohibiting title to abandoned property from transferring to the state except under certain circumstances; amending s. 717.1400, F.S.; requiring an individual to meet certain requirements in order to file claims as a claimant representative; revising application requirements for registering as a claimant representative; requiring claimant representatives to file and obtain payment on a specified number of claims within a specified timeframe to maintain active registration; requiring the department to notify the claimant representative in writing and provide a certain timeframe to demonstrate compliance or good cause for noncompliance under certain circumstances; requiring the department to revoke a registration under certain circumstances; prohibiting a claimant representative from reapplying under certain circumstances; amending ss. 1001.281 and 1001.282, F.S.; conforming provisions to changes made by the act; amending ss. 197.582 and 626.9541, F.S.; conforming cross-references; reenacting s. 772.13(6)(a), F.S., relating to postjudgment execution

proceedings to enforce a judgment entered against a terrorist party, to incorporate the amendment made to s. 717.101, F.S., in a reference thereto; providing an effective date.

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

Section 1. Subsection (2) of section 17.11, Florida Statutes, is amended to read:

17.11 To report disbursements made.—

(2) The Chief Financial Officer shall also cause to have reported from the Financial Management ~~Florida Accounting Information Resource~~ Subsystem no less than quarterly the disbursements which agencies made to small businesses, as defined in the Florida Small and Minority Business Assistance Act; to certified minority business enterprises in the aggregate; and to certified minority business enterprises broken down into categories of minority persons, as well as gender and nationality subgroups. This information shall be made available to the agencies, the Office of Supplier Diversity, the Governor, the President of the Senate, and the Speaker of the House of Representatives. Each agency shall be responsible for the accuracy of information entered into the Financial Management ~~Florida Accounting Information Resource~~ Subsystem for use in this reporting.

Section 2. Section 17.13, Florida Statutes, is amended to read:

17.13 To replace ~~duplicate~~ warrants lost or destroyed.—

(1) The Chief Financial Officer is required to replace ~~duplicate~~ any Chief Financial Officer's warrants that may have been lost or destroyed, or may hereafter be lost or destroyed, upon the owner thereof or the owner's agent or attorney presenting the Chief Financial Officer the statement, under oath, reciting the number, date, and amount of any warrant or the best and most definite description in his or her knowledge and the circumstances of its loss; if the Chief Financial Officer deems it necessary, the owner or the owner's agent or attorney shall file in the office of the Chief Financial Officer a surety bond, or a bond with securities, to be approved by one of the judges of the circuit court or one of the justices of the Supreme Court, in a penalty of not less than twice the amount of any warrants so replaced ~~duplicated~~, conditioned to indemnify the state and any innocent holders thereof from any damages that may accrue from such replacement ~~duplication~~.

(2) The Chief Financial Officer is required to replace ~~duplicate~~ any Chief Financial Officer's warrant that may have been lost or destroyed, or may hereafter be lost or destroyed, when sent to any payee via any state agency when such warrant is lost or destroyed prior to being received by the payee and provided the director of the state agency to whom the warrant

was sent presents to the Chief Financial Officer a statement, under oath, reciting the number, date, and amount of the warrant lost or destroyed, the circumstances surrounding the loss or destruction of such warrant, and any additional information that the Chief Financial Officer shall request in regard to such warrant.

(3) Any replacement ~~duplicate~~ Chief Financial Officer's warrant issued in pursuance of the above provisions shall be of the same validity as the original was before its loss.

Section 3. Subsection (1) of section 110.113, Florida Statutes, is amended to read:

110.113 Pay periods for state officers and employees; salary payments by direct deposit.—

(1) The normal pay period for salaries of state officers and employees shall be 1 month. The Department of Financial Services shall issue either monthly or biweekly salary payments by state warrants or by direct deposit pursuant to s. 17.076 ~~or make semimonthly salary payments by direct deposit pursuant to s. 17.076~~, as requested by the head of each state agency and approved by the Executive Office of the Governor and the Department of Financial Services.

Section 4. Paragraph (c) is added to subsection (2) of section 112.3135, Florida Statutes, to read:

112.3135 Restriction on employment of relatives.—

(2)

(c) To aid the recruitment of firefighters within this state, notwithstanding paragraph (a), a public official may appoint, employ, promote, or advance, or advocate for the appointment, employment, promotion, or advancement of a relative as a firefighter as defined in s. 633.102 if such appointment, employment, promotion, or advancement is part of a competitive process provided for in a collective bargaining agreement.

Section 5. Subsections (15) and (16) of section 215.422, Florida Statutes, are amended to read:

215.422 Payments, warrants, and invoices; processing time limits; dispute resolution; agency or judicial branch compliance.—

(15) The Chief Financial Officer may adopt rules to authorize advance payments for goods and services, including, but not limited to, maintenance agreements and subscriptions, such as prepaid multiyear software licenses. Such rules shall provide objective criteria for determining when it is in the best interest of the state to make payments in advance and shall also provide for adequate protection to ensure that such goods or services will be provided.

(16) Nothing contained in this section shall be construed to be an appropriation. Any interest which becomes due and owing pursuant to this section must be paid ~~shall only be payable~~ from the appropriation charged for such goods or services. However, if insufficient funds are available within the appropriation

charged for such goods or services, the agency must pay the interest from a similar or appropriate appropriation category.

Section 6. Subsections (4) through (10) of section 215.5586, Florida Statutes, are renumbered as subsections (5) through (11), respectively, paragraphs (a) through (e) of subsection (1), subsections (2) and (3), paragraph (a) of present subsection (8), and present subsection (10) are amended, and a new subsection (4) is added to that section, to read:

215.5586 My Safe Florida Home Program.—There is established within the Department of Financial Services the My Safe Florida Home Program. The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section. This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that, subject to the availability of funds, the My Safe Florida Home Program provide licensed inspectors to perform hurricane mitigation inspections of eligible homes and grants to fund hurricane mitigation projects on those homes. The department shall implement the program in such a manner that the total amount of funding requested by accepted applications, whether for inspections, grants, or other services or assistance, does not exceed the total amount of

available funds. If, after applications are processed and approved, funds remain available, the department may accept applications up to the available amount. The program shall develop and implement a comprehensive and coordinated approach for hurricane damage mitigation pursuant to the requirements provided in this section.

(1) HURRICANE MITIGATION INSPECTIONS.—

(a)1. For the purposes of this paragraph, the term:

a. "Attached" means a dwelling unit that shares a wall with another dwelling unit.

b. "Detached" means a dwelling that does not share a wall with another dwelling unit or building and has greater than zero clearance between it and any other building. This term includes a garage that is located under a contiguous roof with a residence.

c. "Single-family" means a residence designed for and containing only one dwelling unit.

2. An applicant is ~~To be~~ eligible for a hurricane mitigation inspection under the program if all of the following conditions are met:

a.~~1.~~ The ~~A~~ home for which the inspection is sought is ~~must be~~ a single-family~~,~~ unit on an individual parcel of land that is:

(I) A detached residential property; or

(II) An attached residential property not exceeding three

stories. ~~A townhouse as defined in s. 481.203;~~

b.~~2.~~ The ~~A~~ home for which the inspection is sought is ~~must be~~ site-built and owner-occupied.~~; and~~

c.~~3.~~ The applicant is ~~homeowner must have been~~ granted a homestead exemption on the home under chapter 196.

(b)1. An application for a hurricane mitigation inspection must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only one inspection application on the home or that the application is allowed under subparagraph 2., and the application must have documents attached which demonstrate that the applicant meets the requirements of paragraph (a).

2. An applicant may submit a subsequent hurricane mitigation inspection application for the same home only if:

a. The original hurricane mitigation inspection application has been denied or withdrawn because of material errors or omissions in the application;

b. The original hurricane mitigation inspection application was denied or withdrawn because the applicant ~~home~~ did not meet the eligibility criteria for an inspection at the time of the previous application, and the applicant ~~homeowner~~ reasonably believes that he or she is ~~the home~~ now ~~is~~ eligible for an inspection; ~~or~~

c. The program's eligibility requirements for an inspection have changed since the original application date, and

the applicant reasonably believes that her or she ~~the home~~ is eligible under the new requirements; or~~.~~

d. More than 24 months have passed since the applicant received a hurricane mitigation inspection under this section, and the applicant has not received a grant payment through the program for that inspection.

(c) An applicant meeting the requirements of paragraph (a) may receive an inspection of the ~~a~~ home through ~~under~~ the program without being eligible for a grant under subsection (2) or applying for such grant.

(d) Licensed inspectors are to provide initial ~~home~~ inspections of eligible homes to determine ~~what mitigation measures are needed,~~ what insurance premium discounts may be available~~,~~ and what improvements to existing residential properties are needed to reduce the property's vulnerability to hurricane damage. ~~An inspector may inspect a townhouse as defined in s. 481.203 to determine if opening protection mitigation as listed in subparagraph (2)(e)1. would provide improvements to mitigate hurricane damage.~~

(e) The department shall contract with wind certification entities to provide hurricane mitigation inspections. The initial inspections provided to applicants ~~homeowners~~, at a minimum, must include:

1. A home inspection and report that summarizes the inspection results and identifies recommended improvements an

applicant ~~a homeowner~~ may make ~~take~~ to mitigate hurricane damage.

2. A range of cost estimates regarding the recommended mitigation improvements.

3. Information regarding estimated premium discounts, correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.

(2) HURRICANE MITIGATION GRANTS.—Financial grants shall be used by applicants ~~homeowners~~ to make improvements recommended by an initial inspection which increase a home's resistance to hurricane damage.

(a) An applicant ~~A homeowner~~ is eligible for a hurricane mitigation grant if all of the following criteria are met:

1. The applicant ~~home~~ must be eligible for an inspection under subsection (1).

2. The home must be a dwelling with an insured value of $700,000 or less. Applicants ~~Homeowners~~ who are low-income persons, as defined in s. 420.0004(11), are exempt from this requirement.

3. The home must undergo an initial ~~acceptable~~ hurricane mitigation inspection through the program as provided in subsection (1).

4. The ~~building permit application for initial construction of the~~ home must have been built ~~made~~ before

January 1, 2008, as reflected on the county property appraiser's website.

5. The applicant ~~homeowner~~ must agree to make his or her home available for a final inspection once a mitigation project is completed.

6. The applicant ~~homeowner~~ must agree to provide to the department information received from the applicant's ~~homeowner's~~ insurer identifying the discounts realized by the applicant ~~homeowner~~ because of the mitigation improvements funded through the program.

7.a. The applicant ~~homeowner~~ must be a low-income person or moderate-income person as defined in s. 420.0004.

b. The hurricane mitigation inspection must have occurred within the previous 24 months from the date of application.

c. Notwithstanding subparagraph 2., applicants ~~homeowners~~ who are low-income persons, as defined in s. 420.0004(11), are not exempt from the requirement that the home must be a dwelling with an insured value of $700,000 or less.

d. This subparagraph expires July 1, 2026.

(b)1. An application for a grant must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only one grant application or that the application is allowed under subparagraph 2., and the application must have documents attached demonstrating that the applicant meets the requirements of paragraph (a).

2. An applicant may submit a subsequent grant application if:

a. The original grant application was denied or withdrawn because the application contained errors or omissions;

b. The original grant application was denied or withdrawn because the applicant ~~home~~ did not meet the eligibility criteria for a grant at the time of the previous application, and the applicant ~~homeowner~~ reasonably believes that he or she is ~~the home~~ now is eligible for a grant; or

c. The program's eligibility requirements for a grant have changed since the original application date, and the applicant reasonably believes that he or she is ~~an~~ eligible ~~homeowner~~ under the new requirements.

3. A grant application must include a statement from the applicant ~~homeowner~~ which contains the name and state license number of the contractor that the applicant ~~homeowner~~ acknowledges as the intended contractor for the mitigation work. The program must ~~electronically~~ verify that the contractor's state license number is valid ~~accurate and up-to-date before grant approval~~.

(c) All grants must be matched on the basis of $1 provided by the applicant for $2 provided by the state up to a maximum state contribution of $10,000 toward the actual cost of the mitigation project, except as provided in paragraph (h).

(d) All hurricane mitigation performed under the program

must be based upon the securing of all required local permits and inspections and must be performed by properly licensed contractors.

(e) When recommended by an initial ~~a~~ hurricane mitigation inspection, grants for eligible applicants ~~homes~~ may be used for all of the following improvements:

1. Opening protection improvements, including:

a. Exterior doors.~~,~~

b. Garage doors.~~,~~

c. Windows.~~, and~~

d. Skylights.

2. Roof improvements, including:

a. Reinforcing roof-to-wall connections.

b.~~3.~~ Improving the strength of roof-deck attachments.

c.~~4.~~ Installing secondary water resistance for roof and replacing the roof covering.

(f) Improvements must be identified by the final hurricane mitigation inspection to receive grant funds ~~When recommended by a hurricane mitigation inspection, grants for townhouses, as defined in s. 481.203, may only be used for opening protection~~.

(g) The department may require that improvements be made to all openings, including exterior doors, garage doors, windows, and skylights, as a condition of reimbursing an applicant ~~a homeowner~~ approved for a grant. The department may adopt, by rule, the maximum grant allowances for any improvement

allowable under paragraph (e) ~~or paragraph (f)~~.

(h) Low-income applicants ~~homeowners~~, as defined in s. 420.0004(11), who otherwise meet the applicable requirements of this subsection are eligible for a grant of up to $10,000 and are not required to provide a matching amount to receive the grant.

(i)1. The department shall develop a process that ensures the most efficient means to collect and verify inspection applications and grant applications to determine eligibility. The department may direct hurricane mitigation inspectors to collect and verify grant application information or use the Internet or other electronic means to collect information and determine eligibility.

2. The department shall prioritize the review and approval of such inspection applications and grant applications in the following order:

a. First, applications from low-income persons, as defined in s. 420.0004, who are at least 60 years old;

b. Second, applications from all other low-income persons, as defined in s. 420.0004;

c. Third, applications from moderate-income persons, as defined in s. 420.0004, who are at least 60 years old;

d. Fourth, applications from all other moderate-income persons, as defined in s. 420.0004; and

e. Last, all other applications.

3. The department shall start accepting inspection applications and grant applications no earlier than the effective date of a legislative appropriation funding inspections and grants, as follows:

a. Initially, from applicants prioritized under sub-subparagraph 2.a.;

b. From applicants prioritized under sub-subparagraph 2.b., beginning 15 days after the program initially starts accepting applications;

c. From applicants prioritized under sub-subparagraph 2.c., beginning 30 days after the program initially starts accepting applications;

d. From applicants described in sub-subparagraph 2.d., beginning 45 days after the program initially starts accepting applications; and

e. From all other applicants, beginning 60 days after the program initially starts accepting applications.

4. The program may accept a certification directly from a low-income applicant ~~homeowner~~ or moderate-income applicant ~~homeowner~~ who meets the requirements of s. 420.0004(11) or (12), respectively, if the applicant ~~homeowner~~ provides such certification in a signed or electronically verified statement made under penalty of perjury.

5. The program may accept a certification directly from an applicant attesting to his or her age if the applicant provides

such certification in a signed or electronically verified statement made under penalty of perjury.

(j) An applicant ~~A homeowner~~ who receives a grant shall finalize construction and request a final inspection~~, or request an extension for an additional 6 months,~~ within 18 months ~~1 year~~ after grant application approval. If an applicant ~~a homeowner~~ fails to comply with this paragraph, his or her application is deemed abandoned and the grant money reverts to the department.

(3) REQUESTS FOR INFORMATION.—The department may request that an applicant provide additional information. An application is deemed abandoned ~~withdrawn~~ by the applicant if the department does not receive a response to its request for additional information within 60 days after the notification of any apparent error or omission.

(4) ABANDONED APPLICATIONS.—The department must notify an applicant at least 5 business days before an application is deemed abandoned. If the applicant responds to such notification within 5 business days after receiving the notice and demonstrates good cause for why the application should not be deemed abandoned, the applicant may submit a subsequent grant application or the department may determine the application is not abandoned.

(9)~~(8)~~ CONTRACT MANAGEMENT.—

(a) The department may contract with third parties for grants management, inspection services, contractor services for

low-income applicants ~~homeowners~~, information technology, educational outreach, and auditing services. Such contracts are considered direct costs of the program and are not subject to administrative cost limits. The department shall contract with providers that have a demonstrated record of successful business operations in areas directly related to the services to be provided and shall ensure the highest accountability for use of state funds, consistent with this section.

(11) ~~(10)~~ REPORTS.—The department shall make an annual report on the activities of the program that shall account for the use of state funds and indicate the number of inspections requested, the number of inspections performed, the number of grant applications received, the number and value of grants approved, and the estimated average annual amount of insurance premium discounts and total estimated annual amount of insurance premium discounts applicants ~~homeowners~~ received from insurers as a result of mitigation funded through the program. The report must be delivered to the President of the Senate and the Speaker of the House of Representatives by February 1 of each year.

Section 7. Subsection (3) of section 215.89, Florida Statutes, is amended to read:

215.89 Charts of account.—

~~(3) REPORTING STRUCTURE.—~~

~~(a) The Chief Financial Officer shall accept comments from state agencies, local governments, educational entities,~~

~~entities of higher education, and other interested parties regarding the proposed charts of account until November 1, 2013.~~

~~(b) By January 15, 2014, the Chief Financial Officer, after consultation with affected state agencies, local governments, educational entities, entities of higher education, and the Auditor General, shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report recommending a uniform charts of account which requires specific enterprise-wide information related to revenues and expenditures of state agencies, local governments, educational entities, and entities of higher education. The report must include the estimated cost of adopting and implementing a uniform enterprise-wide charts of account.~~

Section 8. Subsections (1) and (5) of section 215.93, Florida Statutes, are amended to read:

215.93 Florida Financial Management Information System.—

(1) To provide the information necessary to carry out the intent of the Legislature, there shall be a Florida Financial Management Information System. The Florida Financial Management Information System shall be fully implemented and shall be upgraded as necessary to ensure the efficient operation of an integrated financial management information system and to provide necessary information for the effective operation of state government. Upon the recommendation of the coordinating

council and approval of the board, the Florida Financial Management Information System may require data from any state agency information system or information subsystem or may request data from any judicial branch information system or information subsystem that the coordinating council and board have determined to have statewide financial management significance. Each functional owner information subsystem within the Florida Financial Management Information System shall be developed in such a fashion as to allow for timely, positive, preplanned, and prescribed data transfers between the Florida Financial Management Information System functional owner information subsystems and from other information systems. The principal unit of the system shall be the functional owner information subsystem, and the system shall include, but shall not be limited to, the following:

(a) Planning and Budgeting Subsystem.

~~(b) Florida Accounting Information Resource Subsystem.~~

(b) ~~(c)~~ Financial Management Subsystem.

(c) ~~(d)~~ Purchasing Subsystem.

(d) ~~(e)~~ Personnel Information System.

(5) Functional owners are legally responsible for the security and integrity of all data records existing within or transferred from their information subsystems. Each agency and the judicial branch shall be responsible for the accuracy of the information entered into the Florida Financial Management

Information System. A request for a copy of a document or an accounting record, whether by public records request or subpoena, must be made to the state entity for which the document or accounting record is recorded. The request may not be made to the functional owner of the subsystem unless the document or accounting record was recorded for such entity.

Section 9. Subsections (4) through (7) of section 215.94, Florida Statutes, are renumbered as subsections (3) through (6), respectively, and subsection (2) and present subsection (3) of that section are amended to read:

215.94 Designation, duties, and responsibilities of functional owners.—

(2) The Department of Financial Services shall be the functional owner of the Financial Management ~~Florida Accounting Information Resource~~ Subsystem established pursuant to ss. 17.03, 215.86, 216.141, and 216.151 and further developed in accordance with the provisions of ss. 215.90-215.96. The subsystem shall include, but shall not be limited to, the following functions:

(a) Accounting and reporting so as to provide timely data for producing financial statements for the state in accordance with generally accepted accounting principles.

(b) Auditing and settling claims against the state.

~~(3) The Chief Financial Officer shall be the functional owner of the Financial Management Subsystem. The Chief Financial~~

~~Officer shall design, implement, and operate the subsystem in accordance with the provisions of ss. 215.90-215.96. The subsystem shall include, but shall not be limited to, functions for:~~

(c) ~~(a)~~ Recording and reconciling credits and debits to treasury fund accounts.

(d) ~~(b)~~ Monitoring cash levels and activities in state bank accounts.

(e) ~~(c)~~ Monitoring short-term investments of idle cash.

(f) ~~(d)~~ Administering the provisions of the Federal Cash Management Improvement Act of 1990.

Section 10. Subsections (2) and (3) of section 215.96, Florida Statutes, are amended to read:

215.96 Coordinating council and design and coordination staff.—

(2) The coordinating council shall consist of the Chief Financial Officer; the Commissioner of Agriculture; the Attorney General; the Secretary of Management Services; the state chief information officer; the executive director of the Department of Revenue; and the Director of Planning and Budgeting, Executive Office of the Governor, or their designees. The Chief Financial Officer, or his or her designee, shall be chair of the council, and the design and coordination staff shall provide administrative and clerical support to the council and the board. ~~The design and coordination staff shall maintain the~~

Minutes of each meeting shall be ~~and make such minutes~~ available to any interested person. The Auditor General, the State Courts Administrator, a ~~an executive officer of the Florida Association of~~ state agency administrative services director selected by the council ~~Directors~~, and a ~~an executive officer of the Florida Association of~~ state budget officer selected by the council ~~Officers~~, or their designees, shall serve without voting rights as ex officio members of the council. The chair may call meetings of the council as often as necessary to transact business; however, the council shall meet at least once a year. Action of the council shall be by motion, duly made, seconded and passed by a majority of the council voting in the affirmative for approval of items that are to be recommended for approval to the Financial Management Information Board.

(3) The coordinating council, assisted by the design and coordination staff, shall have the following duties, powers, and responsibilities pertaining to the Florida Financial Management Information System:

(a) To review and coordinate annual workplans to ensure that the Florida Financial Management Information System remains aligned across participating entities. The coordination council shall ensure that each participating entity submits an annual workplan by October 1 of each year. The coordinating council shall review and discuss the workplans, identify potential impacts or conflicts, facilitate resolutions when practicable,

and expedite unresolved issues as appropriate.

(b) To conduct such studies and to establish committees, workgroups, and teams to develop recommendations for rules, policies, procedures, principles, and standards to the board as necessary to assist the board in its efforts to design, implement, and perpetuate a financial management information system, including, but not limited to, the establishment of common data codes, and the development of integrated financial management policies that address the information and management needs of the functional owner subsystems. The coordinating council shall make available a copy of the approved plan in writing or through electronic means to each of the coordinating council members, the fiscal committees of the Legislature, and any interested person.

(c) ~~(b)~~ To recommend to the board solutions, policy alternatives, and legislative budget request issues that will provide ~~ensure~~ a framework for the timely, positive, preplanned, and prescribed data transfer between information subsystems ~~and to recommend to the board solutions, policy alternatives, and legislative budget request issues that ensure the availability of data and information that support state planning, policy development, management, evaluation, and performance monitoring~~.

~~(c) To report to the board all actions taken by the coordinating council for final action.~~

~~(d) To review the annual work plans of the functional~~

~~owner information subsystems by October 1 of each year. The review shall be conducted to assess the status of the Florida Financial Management Information System and the functional owner subsystems in regard to the provisions of s. 215.91. The coordinating council, as part of the review process, may make recommendations for modifications to the functional owner information subsystems annual work plans.~~

Section 11. Paragraph (a) of subsection (4) of section 215.985, Florida Statutes, is amended to read:

215.985 Transparency in government spending.—

(4) The Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, shall establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency.

(a) At a minimum, the information must include:

1. Disbursement data for each appropriation by the account value ~~object code~~ associated with each expenditure established within the Financial Management ~~Florida Accounting Information Resource~~ Subsystem. Expenditure data must include the name of the payee, the date of the expenditure, the amount of the expenditure, and the voucher ~~statewide document~~ number. Such data must be searchable by the name of the payee, the paying agency, and fiscal year, and must be downloadable in a format that allows offline analysis.

2. For each appropriation, any adjustments, including vetoes, approved supplemental appropriations included in legislation other than the General Appropriations Act, budget amendments, other actions approved pursuant to chapter 216, and other adjustments authorized by law.

3. Status of spending authority for each appropriation in the approved operating budget, including released, unreleased, reserved, and disbursed balances.

4. Position and rate information for positions provided in the General Appropriations Act or approved through an amendment to the approved operating budget and position information for positions established in the legislative branch.

5. Allotments for planned expenditures of state appropriations established by state agencies in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem, and the current balances of such allotments.

6. Trust fund balance reports, including cash available, investments, and receipts.

7. General revenue fund balance reports, including revenue received and amounts disbursed.

8. Fixed capital outlay project data, including original appropriation and disbursements throughout the life of the project.

9. A 10-year history of appropriations indicated by agency.

10. Links to state audits or reports related to the expenditure and dispersal of state funds.

11. Links to program or activity descriptions for which funds may be expended.

Section 12. Subsections (1) and (2) and paragraph (f) of subsection (3) of section 216.102, Florida Statutes, are amended to read:

216.102 Filing of financial information; handling by Chief Financial Officer; penalty for noncompliance.—

(1) By September 30 of each year, each agency supported by any form of taxation, licenses, fees, imposts, or exactions, the judicial branch, and, for financial reporting purposes, each component unit of the state as determined by the Chief Financial Officer shall prepare, using generally accepted accounting principles, and file with the Chief Financial Officer the financial and other information necessary for the preparation of annual financial statements for the State of Florida as of June 30. In addition, each such agency and the judicial branch shall prepare financial statements showing the financial position and results of agency or branch operations as of June 30 for internal management purposes.

(a) Each state agency and the judicial branch shall record the receipt and disbursement of funds from federal sources in a form and format prescribed by the Chief Financial Officer. The access to federal funds by the administering agencies or the

judicial branch may not be authorized until:

1. The deposit has been recorded in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem using proper, consistent codes that designate deposits as federal funds.

2. The deposit and appropriate recording required by this paragraph have been verified by the office of the Chief Financial Officer.

(b) The Chief Financial Officer shall publish a statewide policy detailing the requirements for recording receipt and disbursement of federal funds into the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and provide technical assistance to the agencies and the judicial branch to implement the policy.

(2) Financial information must be contained within the Financial Management ~~Florida Accounting Information Resource~~ Subsystem. Other information must be submitted in the form and format prescribed by the Chief Financial Officer.

(a) Each component unit shall file financial information and other information necessary for the preparation of annual financial statements with the agency or branch designated by the Chief Financial Officer by the date specified by the Chief Financial Officer.

(b) The state agency or branch designated by the Chief Financial Officer to receive financial information and other

information from component units shall include the financial information in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and shall include the component units' other information in its submission to the Chief Financial Officer.

(3) The Chief Financial Officer shall:

(f) Consult with and elicit comments from the Executive Office of the Governor on changes to the Financial Management ~~Florida Accounting Information Resource~~ Subsystem which clearly affect the accounting of federal funds, so as to ensure consistency of information entered into the Federal Aid Tracking System by state executive and judicial branch entities. While efforts shall be made to ensure the compatibility of the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and the Federal Aid Tracking System, any successive systems serving identical or similar functions shall preserve such compatibility.

The Chief Financial Officer may furnish and publish in electronic form the financial statements and the annual comprehensive financial report required under paragraphs (a), (b), and (c).

Section 13. Subsection (3) of section 216.141, Florida Statutes, is amended to read:

216.141 Budget system procedures; planning and programming

by state agencies.—

(3) The Chief Financial Officer, as chief fiscal officer, shall use the Financial Management ~~Florida Accounting Information Resource~~ Subsystem developed pursuant to s. 215.94(2) for account purposes in the performance of and accounting for all of his or her constitutional and statutory duties and responsibilities. However, state agencies and the judicial branch continue to be responsible for maintaining accounting records necessary for effective management of their programs and functions.

Section 14. Section 284.08, Florida Statutes, is amended to read:

284.08 Purchase of insurance, excess insurance, reinsurance, and services ~~Reinsurance on excess coverage and approval by Department of Management Services~~.—Notwithstanding the requirements of s. 287.022(1), the Department of Financial Services shall determine what property insurance ~~excess~~ coverage is necessary and may purchase insurance, excess insurance, and reinsurance as necessary to provide insurance coverages authorized by this part ~~thereon upon approval by the Department of Management Services~~. The Department of Financial Services may contract with an insurance or reinsurance broker to market the insurance program and facilitate the purchase of insurance, excess insurance, and reinsurance on behalf of the department.

Section 15. Section 284.33, Florida Statutes, is amended

to read:

284.33 Purchase of insurance, reinsurance, excess insurance, and services.—

(1) Notwithstanding the requirements of s. 287.022(1), the Department of Financial Services is authorized to purchase ~~provide~~ insurance, ~~specific~~ excess insurance, and reinsurance ~~aggregate excess insurance through the Department of Management Services, pursuant to the provisions of part I of chapter 287,~~ as necessary to provide insurance coverages authorized by this part, consistent with market availability. The Department of Financial Services may contract with an insurance or reinsurance broker to market the insurance program and facilitate the purchase of insurance, excess insurance, and reinsurance on behalf of the department. ~~However,~~ The Department of Financial Services may directly purchase annuities by using a structured settlement insurance consulting firm selected by the department to assist in the settlement of claims being handled by the Division of Risk Management. The selection of the structured settlement insurance services consultant shall be made by using competitive sealed proposals. The consulting firm shall act as an agent of record for the department in procuring the best annuity products available to facilitate structured settlement of claims, considering price, insurer financial strength, and the best interests of the state risk management program. Purchase of annuities by the department using a structured

settlement method is excepted from competitive sealed bidding or proposal requirements. The Department of Financial Services is further authorized to purchase such risk management services, including, but not limited to, risk and claims control; safety management; and legal, investigative, and adjustment services, as may be required and pay claims. The department may contract with a service organization for such services and advance money to such service organization for deposit in a special checking account for paying claims made against the state under ~~the provisions of~~ this part. The special checking account shall be maintained in this state in a bank or savings association organized under the laws of this state or of the United States. The department may replenish such account as often as necessary upon the presentation by the service organization of documentation for payments of claims equal to the amount of the requested reimbursement.

(2) ~~Nothing contained in~~ Chapter 287 may not ~~shall~~ be construed as requiring written agreements for health and mental health services or drugs in the examinations, diagnoses, or treatments of sick or injured employees or other benefits as required by ~~the provisions of~~ chapter 440.

Section 16. Paragraph (a) of subsection (7) and paragraph (j) of subsection (12) of section 440.13, Florida Statutes, are amended to read:

440.13 Medical services and supplies; penalty for

violations; limitations.—

(7) UTILIZATION AND REIMBURSEMENT DISPUTES.—

(a) Any health care provider who elects to contest the disallowance or adjustment of payment by a carrier under subsection (6) must, within 60 ~~45~~ days after receipt of notice of disallowance or adjustment of payment, petition the department to resolve the dispute. The petitioner must serve, by the United States Postal Service certified mail or by common carrier with verifiable tracking methods, a copy of the petition on the carrier and on all affected parties listed on the notice of disallowance or adjustment ~~by certified mail~~. The petition must be accompanied by all documents and records that support the allegations contained in the petition. Failure of a petitioner to submit such documentation to the department results in dismissal of the petition.

(12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM REIMBURSEMENT ALLOWANCES.—

(j) In addition to establishing the uniform schedule of maximum reimbursement allowances, the panel shall:

1. Take testimony, receive records, and collect data to evaluate the adequacy of the workers' compensation fee schedule, nationally recognized fee schedules and alternative methods of reimbursement to health care providers and health care facilities for inpatient and outpatient treatment and care.

2. Survey health care providers and health care facilities

to determine the availability and accessibility of workers' compensation health care delivery systems for injured workers.

3. Survey carriers to determine the estimated impact on carrier costs and workers' compensation premium rates by implementing changes to the carrier reimbursement schedule or implementing alternative reimbursement methods.

4. Submit recommendations on or before January 15, 2031 ~~2017~~, and every 5 years ~~biennially~~ thereafter, to the President of the Senate and the Speaker of the House of Representatives on methods to improve the workers' compensation health care delivery system.

The department, as requested, shall provide data to the panel, including, but not limited to, utilization trends in the workers' compensation health care delivery system. The department shall provide the panel with an annual report regarding the resolution of medical reimbursement disputes and any actions pursuant to subsection (8). The department shall provide administrative support and service to the panel to the extent requested by the panel. The department may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this subsection. For prescription medication purchased under the requirements of this subsection, a dispensing practitioner shall not possess such medication unless payment has been made by the practitioner, the practitioner's professional practice, or the

practitioner's practice management company or employer to the supplying manufacturer, wholesaler, distributor, or drug repackager within 60 days of the dispensing practitioner taking possession of that medication.

Section 17. Section 497.1411, Florida Statutes, is created to read:

497.1411 Disqualification of applicants and licenses; penalties against licensees; rulemaking.—

(1) For purposes of this section, the term "applicant" means an individual applying for licensure or relicensure under this chapter, or an officer, director, majority owner, partner, manager, or other person who manages or controls an entity applying for licensure or relicensure under this chapter.

(2) An applicant who has been found guilty of or has pleaded guilty or nolo contendere to any of the following offenses, regardless of adjudication, is permanently barred from licensure under this chapter:

(a) A felony of the first degree.

(b) A felony involving conduct prohibited under chapter 497, chapter 787, chapter 794, chapter 796, chapter 800, chapter 825, chapter 827, or chapter 847.

(c) A felony involving moral turpitude.

(3) An applicant who has been found guilty of, or has entered a plea of guilty or nolo contendere to an offense not subject to the permanent bar under subsection (2), regardless of

adjudication, is subject to the following disqualifying periods:

(a) A 10-year disqualifying period for any felony to which the permanent bar in subsection (2) does not apply. Notwithstanding subsection (4), an applicant who has completed at least one-half of the disqualifying period may apply for a probationary license for the remainder of the disqualifying period if, during that time, the applicant has not been found guilty of, or has not entered a plea of guilty or nolo contendere to, any offense.

(b) A 5-year disqualifying period for all misdemeanors directly related to chapter 497.

(4) The board shall adopt rules to administer this section. Such rules must provide additional disqualifying periods for applicants who have committed multiple criminal offenses and may provide additional factors for disqualification reasonably related to the applicant's criminal history. The rules must also establish mitigating and aggravating factors. However, mitigation may not reduce any disqualifying period to less than 5 years and may not be applied to reduce the 5-year disqualifying period provided in paragraph (3)(b).

(5) For purposes of this section, a disqualifying period begins upon the applicant's final release from supervision or upon completion of the applicant's criminal sentence. The board may not approve issuance of a license to an applicant until the applicant provides proof that all related fines, court costs,

fees, and court-ordered restitution have been paid.

(6) After the disqualifying period has expired, the burden is on the applicant to demonstrate to the board that he or she has been rehabilitated, does not pose a risk to the public, is fit and trustworthy to engage in business regulated by this chapter, and is otherwise qualified for licensure.

(7) Notwithstanding subsections (2) and (3), an applicant who has been found guilty of, or has pleaded guilty or nolo contendere to, a crime in subsection (2) or subsection (3), and who has subsequently been granted a pardon or the restoration of civil rights pursuant to chapter 940 and s. 8, Art. IV of the State Constitution, or a pardon or the restoration of civil rights under the laws of another jurisdiction with respect to a conviction in that jurisdiction, is not barred or disqualified from licensure under this chapter; however, such a pardon or restoration of civil rights does not require the board to award such license.

(8)(a) The board may grant an exemption from disqualification to any person disqualified from licensure under subsection (3) if:

1. The applicant has paid in full any fee, fine, fund, lien, civil judgment, restitution, or cost of prosecution imposed by the court as part of the judgment and sentence for any disqualifying offense; and

2. At least 2 years have elapsed since the applicant

completed or has been lawfully released from confinement, supervision, or any nonmonetary condition imposed by the court for a disqualifying offense.

(b) For the board to grant an exemption under this subsection, the applicant must clearly and convincingly demonstrate that he or she would not pose a risk to persons or property if licensed under this chapter, evidence of which must include, but need not be limited to, facts and circumstances surrounding the disqualifying offense, the time that has elapsed since the offense, the nature of the offense and harm caused to the victim, the applicant's history before and after the offense, and any other evidence or circumstances indicating that the applicant will not present a danger if licensed or certified.

(c) The board has discretion whether to grant or deny an exemption under this subsection. The board's decision is subject to chapter 120.

(9) The disqualification periods provided in this section do not apply to the renewal of a license or to a new application for licensure if the applicant has an active license as of July 1, 2026, and the applicable criminal history was considered by the board on the prior approval of any active license held by the applicant. This section does not affect any criminal history disclosure requirements of this chapter.

Section 18. Subsection (9) and paragraph (c) of subsection

(10) of section 497.142, Florida Statutes, are amended to read:

497.142 Licensing; fingerprinting and criminal background checks.—

(9) If any applicant under this chapter has been~~, within the 10 years preceding the application under this chapter,~~ convicted or found guilty of, or entered a plea of nolo contendere to, regardless of adjudication, any crime in any jurisdiction, the application may ~~shall~~ not be deemed complete until such time as the applicant provides such certified true copies of the court records evidencing the conviction, finding, or plea, as required in this section or as the licensing authority may by rule require.

(10)

(c) Crimes to be disclosed are:

1. Any felony ~~or misdemeanor,~~ no matter when committed~~,~~ ~~that was directly or indirectly related to or involving any aspect of the practice or business of funeral directing, embalming, direct disposition, cremation, funeral or cemetery preneed sales, funeral establishment operations, cemetery operations, or cemetery monument or marker sales or installation~~.

2. Any misdemeanor, no matter when committed, that was directly related to the practice or activities regulated under this chapter ~~Any other felony not already disclosed under subparagraph 1. that was committed within the 20 years~~

~~immediately preceding the application under this chapter~~.

3. Any other misdemeanor not already disclosed under subparagraph 2. which ~~subparagraph 1. that~~ was committed within the 5 years immediately preceding the application under this chapter.

Section 19. Section 626.171, Florida Statutes, is amended to read:

626.171 Application for license as an agent, customer representative, adjuster, or service representative~~, or reinsurance intermediary~~.—

(1) The department may not issue a license as agent, customer representative, adjuster, or service representative~~, or reinsurance intermediary~~ to any person except upon written application filed with the department, meeting the qualifications for the license applied for as determined by the department, and payment in advance of all applicable fees. The application must be made under the oath of the applicant and be signed by the applicant. An applicant may permit a third party to complete, submit, and sign an application on the applicant's behalf, but is responsible for ensuring that the information on the application is true and correct and is accountable for any misstatements or misrepresentations. The department shall accept the uniform application for resident and nonresident agent and adjuster licensing. The department may adopt revised versions of the uniform application by rule.

(2) In the application, the applicant must include all of the following ~~shall set forth~~:

(a) The applicant's ~~His or her~~ full name, age, social security number, residence address, business address, mailing address, contact telephone numbers, including a business telephone number, and e-mail address.

(b) A statement indicating the method the applicant used or is using to meet any required prelicensing education, knowledge, experience, or instructional requirements for the type of license applied for.

(c) Whether the applicant ~~he or she~~ has been refused or has voluntarily surrendered or has had suspended or revoked a license to solicit insurance by the department or by the supervising officials of any state.

(d) Whether any insurer or any managing general agent claims the applicant is indebted under any agency contract or otherwise and, if so, the name of the claimant, the nature of the claim, and the applicant's defense thereto, if any.

(e) Proof that the applicant meets the requirements for the type of license for which he or she is applying.

(f) The applicant's gender (male or female).

(g) The applicant's native language.

(h) The highest level of education achieved by the applicant.

(i) The applicant's race or ethnicity (African American,

white, American Indian, Asian, Hispanic, or other).

(j) Such other or additional information as the department may deem proper to enable it to determine the character, experience, ability, and other qualifications of the applicant to hold himself or herself out to the public as an insurance representative.

However, the application must contain a statement that an applicant is not required to disclose his or her race or ethnicity, gender, or native language, that he or she will not be penalized for not doing so, and that the department will use this information exclusively for research and statistical purposes and to improve the quality and fairness of the examinations. The department may ~~shall~~ make provisions for applicants to voluntarily submit their cellular telephone numbers as part of the application process solely ~~on a voluntary basis only~~ for the purpose of two-factor authentication of secure login credentials ~~only~~.

(3) Each application must be accompanied by payment of any applicable fee.

(4) An applicant for a license issued by the department under this chapter must submit a set of the individual applicant's fingerprints, or, if the applicant is not an individual, a set of the fingerprints of the sole proprietor, majority owner, partners, officers, and directors, to the

department and must pay the fingerprint processing fee set forth in s. 624.501. Fingerprints must be processed in accordance with s. 624.34 and used to investigate the applicant's qualifications pursuant to s. 626.201. The fingerprints must be taken by a law enforcement agency or other department-approved entity. The department may not approve an application for licensure as an agent, customer ~~service~~ representative, adjuster, or service representative~~, or reinsurance intermediary~~ if fingerprints have not been submitted.

(5) The application for license filing fee prescribed in s. 624.501 is not subject to refund.

(6) Members of the United States Armed Forces and their spouses, and veterans of the United States Armed Forces who have separated from service ~~within 24 months~~ before application for licensure, are exempt from the application filing fee prescribed in s. 624.501. Qualified individuals must provide a copy of a military identification card, military dependent identification card, military service record, military personnel file, veteran record, discharge paper or separation document that indicates such members are currently in good standing or such veterans were honorably discharged.

(7) Pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, each party is required to provide his or her social security number in accordance with this section. Disclosure of social security

numbers obtained through this requirement must be limited to the purpose of administration of the Title IV-D program for child support enforcement.

Section 20. Paragraph (c) of subsection (2) of section 626.292, Florida Statutes, is amended to read:

626.292 Transfer of license from another state.—

(2) To qualify for a license transfer, an individual applicant must meet the following requirements:

(c) The individual must submit a completed application for this state which is received by the department within 90 days after the date the individual became a resident of this state, along with payment of the applicable fees set forth in s. 624.501 and submission of the following documents:

1. A certification issued by the appropriate official of the applicant's home state identifying the type of license and lines of authority under the license and stating that~~, at the time the license from the home state was canceled,~~ the applicant was in good standing in that state or that the state's Producer Database records, maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries, indicate that the agent or all-lines adjuster is or was licensed in good standing for the line of authority requested. An applicant may hold a resident license in another state for 30 days after the Florida resident license has been issued to facilitate the transfer of licensure between states.

2. A set of the applicant's fingerprints in accordance with s. 626.171(4).

Section 21. Subsection (1) of section 626.611, Florida Statutes, is amended to read:

626.611 Grounds for compulsory refusal, suspension, or revocation of agent's, title agency's, adjuster's, customer representative's, service representative's, or managing general agent's license or appointment.—

(1) The department shall require license reexamination, deny an application for, suspend, revoke, or refuse to renew or continue the license or appointment of any applicant, agent, title agency, adjuster, customer representative, service representative, or managing general agent, and it shall suspend or revoke the eligibility to hold a license or appointment of any such person, if it finds that as to the applicant, licensee, or appointee any one or more of the following applicable grounds exist:

(a) Lack of one or more of the qualifications for the license or appointment as specified in this code.

(b) Material misstatement, misrepresentation, or fraud in obtaining the license or appointment or in attempting to obtain the license or appointment.

(c) Failure to pass to the satisfaction of the department any examination required under this code, including cheating on an examination required for licensure or violating test center

or examination procedures published orally, in writing, or electronically at the test site by authorized representatives of the examination program administrator.

(d) If the license or appointment is willfully used, or to be used, to circumvent any of the requirements or prohibitions of this code.

(e) Willful misrepresentation of any insurance policy or annuity contract or willful deception with regard to any such policy or contract, done either in person or by any form of dissemination of information or advertising.

(f) If, as an adjuster, or agent licensed and appointed to adjust claims under this code, he or she has materially misrepresented to an insured or other interested party the terms and coverage of an insurance contract with intent and for the purpose of effecting settlement of claim for loss or damage or benefit under such contract on less favorable terms than those provided in and contemplated by the contract.

(g) Demonstrated lack of fitness or trustworthiness to engage in the business of insurance.

(h) Demonstrated lack of reasonably adequate knowledge and technical competence to engage in the transactions authorized by the license or appointment.

(i) Fraudulent or dishonest practices in the conduct of business under the license or appointment.

(j) Misappropriation, conversion, or unlawful withholding

of moneys belonging to insurers or insureds or beneficiaries or to others and received in conduct of business under the license or appointment.

(k) Unlawfully rebating, attempting to unlawfully rebate, or unlawfully dividing or offering to divide his or her commission with another.

(l) Having obtained or attempted to obtain, or having used or using, a license or appointment as agent or customer representative for the purpose of soliciting or handling "controlled business" as defined in s. 626.730 with respect to general lines agents, s. 626.784 with respect to life agents, and s. 626.830 with respect to health agents.

(m) Willful failure to comply with, or willful violation of, any proper order or rule of the department or willful violation of any provision of this code.

(n) Having been found guilty of or having pleaded guilty or nolo contendere to a misdemeanor directly related to the financial services business, any felony, or any crime punishable by imprisonment of 1 year or more under the law of the United States of America or of any state thereof or under the law of any other country, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases.

(o) Fraudulent or dishonest practice in submitting or aiding or abetting any person in the submission of an

application for workers' compensation coverage under chapter 440 containing false or misleading information as to employee payroll or classification for the purpose of avoiding or reducing the amount of premium due for such coverage.

(p) Sale of an unregistered security that was required to be registered, pursuant to chapter 517.

(q) In transactions related to viatical settlement contracts as defined in s. 626.9911:

1. Commission of a fraudulent or dishonest act.

2. No longer meeting the requirements for initial licensure.

3. Having received a fee, commission, or other valuable consideration for his or her services with respect to viatical settlements that involved unlicensed viatical settlement providers or persons who offered or attempted to negotiate on behalf of another person a viatical settlement contract as defined in s. 626.9911 and who were not licensed life agents.

4. Dealing in bad faith with viators.

Section 22. Section 626.621, Florida Statutes, is amended to read:

626.621 Grounds for discretionary refusal, suspension, or revocation of agent's, adjuster's, customer representative's, service representative's, or managing general agent's license or appointment.—The department may, in its discretion, require a license reexamination, deny an application for, suspend, revoke,

or refuse to renew or continue the license or appointment of any applicant, agent, adjuster, customer representative, service representative, or managing general agent, and it may suspend or revoke the eligibility to hold a license or appointment of any such person, if it finds that as to the applicant, licensee, or appointee any one or more of the following applicable grounds exist under circumstances for which such denial, suspension, revocation, or refusal is not mandatory under s. 626.611:

(1) Any cause for which issuance of the license or appointment could have been refused had it then existed and been known to the department.

(2) Violation of any provision of this code or of any other law applicable to the business of insurance in the course of dealing under the license or appointment.

(3) Violation of any lawful order or rule of the department, commission, or office.

(4) Failure or refusal, upon demand, to pay over to any insurer he or she represents or has represented any money coming into his or her hands belonging to the insurer.

(5) Violation of the provision against twisting, as defined in s. 626.9541(1)(l).

(6) In the conduct of business under the license or appointment, engaging in unfair methods of competition or in unfair or deceptive acts or practices, as prohibited under part IX of this chapter, or having otherwise shown himself or herself

to be a source of injury or loss to the public.

(7) Willful overinsurance of any property or health insurance risk.

(8) If a life agent, violation of the code of ethics.

(9) Cheating on an examination required for licensure or violating test center or examination procedures published orally, in writing, or electronically at the test site by authorized representatives of the examination program administrator. Communication of test center and examination procedures must be clearly established and documented.

(10) Failure to inform the department in writing within 30 days after pleading guilty or nolo contendere to, or being convicted or found guilty of, any felony or a crime punishable by imprisonment of 1 year or more under the law of the United States or of any state thereof, or under the law of any other country without regard to whether a judgment of conviction has been entered by the court having jurisdiction of the case.

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

(12) Has been the subject of or has had a license, permit, appointment, registration, or other authority to conduct business subject to any decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, final

agency action, or administrative order by any court of competent jurisdiction, administrative law proceeding, state agency, federal agency, national securities, commodities, or option exchange, or national securities, commodities, or option association involving a violation of any federal or state securities or commodities law or any rule or regulation adopted thereunder, or a violation of any rule or regulation of any national securities, commodities, or options exchange or national securities, commodities, or options association.

(13) Failure to comply with any civil, criminal, or administrative action taken by the child support enforcement program under Title IV-D of the Social Security Act, 42 U.S.C. ss. 651 et seq., to determine paternity or to establish, modify, enforce, or collect support.

(14) Directly or indirectly accepting any compensation, inducement, or reward from an inspector for the referral of the owner of the inspected property to the inspector or inspection company. This prohibition applies to an inspection intended for submission to an insurer in order to obtain property insurance coverage or establish the applicable property insurance premium.

(15) Denial, suspension, or revocation of, or any other adverse administrative action against, a license to practice or conduct any regulated profession, business, or vocation by this state, any other state, any nation, any possession or district of the United States, any court, or any lawful agency thereof.

(16) Taking an action that allows the personal financial or medical information of a consumer or customer to be made available or accessible to the general public, regardless of the format in which the record is stored.

(17) Initiating in-person or telephone solicitation after 9 p.m. or before 8 a.m. local time of the prospective customer unless requested by the prospective customer.

(18) Cancellation of the applicant's, licensee's, or appointee's resident license in a state other than Florida.

Section 23. Subsection (1) of section 626.731, Florida Statutes, is amended to read:

626.731 Qualifications for general lines agent's license.—

(1) The department may ~~shall~~ not grant or issue a license as general lines agent to any individual found by it to be untrustworthy or incompetent or who does not meet each all of the following qualifications:

(a) The applicant is a natural person at least 18 years of age.

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Bureau of Citizenship and Immigration Services and is a bona fide resident of this state. ~~An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence at the time of application for license of a license in his or her~~

~~name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

(c) The applicant's place of business will be located in this state and he or she will be actively engaged in the business of insurance and will maintain a place of business, the location of which is identifiable by and accessible to the public.

(d) The license is not being sought for the purpose of writing or handling controlled business, in violation of s. 626.730.

(e) The applicant is qualified as to knowledge, experience, or instruction in the business of insurance and meets the requirements provided in s. 626.732.

(f) The applicant has passed any required examination for license required under s. 626.221.

Section 24. Subsection (2) of section 626.785, Florida Statutes, is amended to read:

626.785 Qualifications for license.—

~~(2) An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of paragraph (1)(b), notwithstanding the existence at the time of application for license of a license in his or her name on the~~

~~records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

Section 25. Section 626.831, Florida Statutes, is amended to read:

626.831 Qualifications for license.—

~~(1)~~ The department may ~~shall~~ not grant or issue a license as health agent as to any individual found by it to be untrustworthy or incompetent, or who does not meet all of the following qualifications:

(1)~~(a)~~ Is ~~Must be~~ a natural person of at least 18 years of age.

(2)~~(b)~~ Is ~~Must be~~ a United States citizen or legal alien who possesses work authorization from the United States Bureau of Citizenship and Immigration Services and is a bona fide resident of this state.

(3)~~(c)~~ Is ~~Must~~ not ~~be~~ an employee of the United States Department of Veterans Affairs or state service office, as referred to in s. 626.833.

(4)~~(d)~~ Has taken ~~Must take~~ and passed ~~pass~~ any examination for license required under s. 626.221.

(5)~~(e)~~ Is ~~Must be~~ qualified as to knowledge, experience, or instruction in the business of insurance and meets ~~meet~~ the

requirements relative thereto provided in s. 626.8311.

~~(2) An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of paragraph (1)(b), notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

Section 26. Subsection (24) is added to section 626.854, Florida Statutes, to read:

626.854 "Public adjuster" defined; prohibitions.—The Legislature finds that it is necessary for the protection of the public to regulate public insurance adjusters and to prevent the unauthorized practice of law.

(24) A public adjuster, public adjuster apprentice, or public adjusting firm must respond with specific information to a written or electronic request for claims status from a claimant or insured or their designated representative within 14 days after the date of the request and shall document in the file the response or information provided.

Section 27. Subsection (4) of section 648.34, Florida Statutes, is amended to read:

648.34 Bail bond agents; qualifications.—

(4) The applicant shall furnish, with his or her application, a complete set of his or her fingerprints in accordance with s. 626.171(4) ~~and a recent credential-sized, fullface photograph of the applicant~~. The department may ~~shall~~ not authorize an applicant to take the required examination until the department has received a report from the Department of Law Enforcement and the Federal Bureau of Investigation relative to the existence or nonexistence of a criminal history report based on the applicant's fingerprints.

Section 28. Subsection (2) of section 648.382, Florida Statutes, is amended to read:

648.382 Appointment of bail bond agents and bail bond agencies; effective date of appointment.—

(2) Before any appointment, an appropriate officer or official of the appointing insurer must obtain all of the following information ~~submit~~:

(a) A certified statement or affidavit to the department stating what investigation has been made concerning the proposed appointee and the proposed appointee's background and the appointing person's opinion to the best of his or her knowledge and belief as to the moral character and reputation of the proposed appointee. In lieu of such certified statement or affidavit, by authorizing the effectuation of an appointment for a licensee, the appointing entity certifies to the department that such investigation has been made and that the results of

the investigation and the appointing person's opinion is that the proposed appointee is a person of good moral character and reputation and is fit to engage in the bail bond business.~~;~~

(b) An affidavit under oath on a form prescribed by the department, signed by the proposed appointee, stating that premiums are not owed to any insurer and that the appointee will discharge all outstanding forfeitures and judgments on bonds previously written. If the appointee does not satisfy or discharge such forfeitures or judgments, the former insurer shall file a notice, with supporting documents, with the appointing insurer, the former agent or agency, and the department, stating under oath that the licensee has failed to timely satisfy forfeitures and judgments on bonds written and that the insurer has satisfied the forfeiture or judgment from its own funds. Upon receipt of such notification and supporting documents, the appointing insurer shall immediately cancel the licensee's appointment. The licensee may be reappointed only upon certification by the former insurer that all forfeitures and judgments on bonds written by the licensee have been discharged. The appointing insurer or former agent or agency may, within 10 days, file a petition with the department seeking relief from this paragraph. Filing of the petition stays the duty of the appointing insurer to cancel the appointment until the department grants or denies the petition.~~;~~

(c) Any other information that the department reasonably

requires concerning the proposed appointee.~~; and~~

(d) Effective January 1, 2025, a certification that the appointing entity obtained from each appointee the following sworn statement:

Pursuant to section 648.382(2)(b), Florida Statutes, I do solemnly swear that I owe no premium to any insurer or agency and that I will discharge all outstanding forfeitures and judgments on bonds that have been previously written. I acknowledge that failure to do this will result in my active appointments being canceled.

An appointed bail bond agency must have the attestation under this paragraph signed by its owner.

Section 29. Section 717.001, Florida Statutes, is amended to read:

717.001 Short title.—This chapter may be cited as the "Florida Disposition of Abandoned Personal ~~Unclaimed~~ Property Act."

Section 30. Present subsections (1) through (4), (5) through (8), (10) through (13), (15) through (20), (21), (22) through (28), and (31), (32), and (33) of section 717.101, Florida Statutes, are redesignated as subsections (4) through (7), (9) through (12), (13) through (16), (17) through (22),

(24), (26) through (32), and (33), (34), and (35), respectively, new subsections (1), (2), (3), (8), (23), and (25) are added to that section, and present subsections (1), (2), (5), (6), (8), (9), (12), (14), (16), (18), (19), (20), (22), (25), (29), and (30) of that section are amended, to read:

717.101 Definitions.—As used in this chapter, unless the context otherwise requires:

(1) "Abandoned property" means property held by a holder for which all of the following are true:

(a) The apparent owner has shown no activity or indication of interest for the duration of the applicable dormancy period established under this chapter.

(b) The holder has complied with the due diligence requirements set forth in this chapter, including the issuance of notice to the apparent owner, and has received no response or contact sufficient to demonstrate continued interest in the property.

(2) "Abandoned Property Purchase Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant representative to purchase abandoned property from an owner.

(3) "Abandoned Property Recovery Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant representative to obtain consent and authority to recover

abandoned property on behalf of a person.

(4) ~~(1)~~ "Aggregate" means the amounts reported for owners of abandoned ~~unclaimed~~ property of less than $10 or where there is no name for the individual or entity listed on the holder's records, regardless of the amount to be reported.

(5) ~~(2)~~ "Apparent owner" means the person whose name appears on the records of the holder as the owner of the abandoned property, but whose status as the true owner entitled to receive the property may be subject to change due to the passage of time or changes in circumstances ~~person entitled to property held, issued, or owing by the holder~~.

(8) "Authorized representative" means a person or entity legally empowered to act on behalf of the apparent owner or his or estate, including, but not limited to, an agent, a fiduciary, a personal representative, a trustee, a legal heir, a guardian, or any other individual or entity authorized by law or agreement.

(9) ~~(5)~~ "Banking or financial organization" means any and all banks, trust companies, private bankers, savings banks, industrial banks, safe-deposit companies, savings and loan associations, credit unions, savings associations, banking organizations, international bank agencies, cooperative banks, building and loan associations, and investment companies in this state, organized under or subject to the laws of this state or of the United States, including entities organized under 12

U.S.C. s. 611, but does not include federal reserve banks. The term also includes any corporation, business association, or other organization that:

(a) Is a wholly or partially owned subsidiary of any banking, banking corporation, or bank holding company that performs any or all of the functions of a banking organization; or

(b) Performs functions pursuant to the terms of a contract with any banking organization.

(10) ~~(6)~~ "Business association" means any for-profit or nonprofit corporation other than a public corporation; joint stock company; investment company; unincorporated association or association of two or more individuals for business purposes, whether or not for profit; partnership; joint venture; limited liability company; sole proprietorship; business trust; trust company; land bank; safe-deposit company; safekeeping depository; banking or financial organization; insurance company; federally chartered entity; utility company; transfer agent; or other business entity, whether or not for profit.

(12) ~~(8)~~ "Claimant ~~Claimant's~~ representative" means an attorney who is a member in good standing with ~~of~~ The Florida Bar, a certified public accountant licensed in this state, or a private investigator ~~who is duly~~ licensed ~~to do business~~ in this ~~the~~ state, who is registered with the department, and authorized to file claims on behalf of persons with the department ~~by the~~

~~claimant to claim unclaimed property on the claimant's behalf~~. The term does not include a person acting in a representative or fiduciary capacity, such as a personal representative, guardian, trustee, or attorney, whose representation is not contingent upon the discovery or location of abandoned ~~unclaimed~~ property, and it expressly excludes locators, who engage in locating owners of abandoned property for a fee but are not registered with the department~~; provided, however, that any agreement entered into for the purpose of evading s. 717.135 is invalid and unenforceable~~.

~~(9) "Credit balance" means an account balance in the customer's favor.~~

(15)~~(12)~~ "Due diligence" means the use of reasonable and prudent methods under particular circumstances to locate apparent owners of presumed abandoned property ~~inactive accounts~~ using the taxpayer identification number or social security number, if known, which may include, but are not limited to, using a nationwide database, cross-indexing with other records of the holder, mailing to the last known address unless the last known address is known to be inaccurate, providing written notice as described in this chapter by electronic mail if an apparent owner has elected such delivery, or engaging a licensed agency or company capable of conducting such search and providing updated addresses.

~~(14) "Financial organization" means a savings association,~~

~~savings and loan association, savings bank, industrial bank, bank, banking organization, trust company, international bank agency, cooperative bank, building and loan association, or credit union.~~

(18) ~~(16)~~ "Holder" means a person who is in possession of property belonging to another or who owes a debt or an obligation to another person, including, but not limited to, financial institutions, insurance companies, corporations, partnerships, fiduciaries, and government agencies~~:~~

~~(a) A person who is in possession or control or has custody of property or the rights to property belonging to another; is indebted to another on an obligation; or is obligated to hold for the account of, or to deliver or pay to, the owner, property subject to this chapter; or~~

~~(b) A trustee in case of a trust~~.

(20) ~~(18)~~ "Intangible property" includes, by way of illustration and not limitation:

(a) Moneys, checks, virtual currency, drafts, deposits, interest, dividends, and income.

(b) Credit balances, customer overpayments, security deposits and other instruments as defined by chapter 679, refunds, unpaid wages, unused airline tickets, and unidentified remittances.

(c) Stocks, and other intangible ownership interests in business associations except for:

1. A non-freely transferable security; or

2. A security that is subject to a lien, legal hold, or restriction evidenced on the records of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security.

(d) Moneys deposited to redeem stocks, bonds, bearer bonds, original issue discount bonds, coupons, and other securities, or to make distributions.

(e) Amounts due and payable under the terms of insurance policies.

(f) Amounts distributable from a trust or custodial fund established under a plan to provide any health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefit.

(21) ~~(19)~~ "Last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail. For the purposes of identifying, reporting, and remitting property to the department ~~which is presumed to be unclaimed~~, the term ~~"last known address"~~ includes any partial description of the location of the apparent owner sufficient to establish the apparent owner was a resident of this state at the time of last contact with the apparent owner or at the time the property became due and payable.

(22)~~(20)~~ "Lawful charges" means charges against the property or the account in which the property is held ~~dormant accounts~~ that are authorized by statute for the purpose of offsetting the costs of maintaining the property or the account in which the property is held ~~dormant account~~.

(23) "Locator" means a private individual or business that locates owners of abandoned property in exchange for a fee, typically a percentage of the recovered property. Locators are not employees or agents of the state and are not registered with the department.

(25) "Non-freely transferable security" means a security that cannot be delivered to the administrator by the Depository Trust Clearing Corporation or similar custodian of securities providing post-trade clearing and settlement services to financial markets or cannot be delivered because there is no agent to effect transfer. The term includes a worthless security.

(26)~~(22)~~ "Owner" means the ~~a~~ person~~, or the person's legal representative,~~ entitled to receive or having a legal or equitable interest in the abandoned property. An owner establishes his or her entitlement by filing a valid claim with the department pursuant ~~or claim against property subject~~ to this chapter~~; a depositor in the case of a deposit; a beneficiary in the case of a trust or a deposit in trust; or a payee in the case of a negotiable instrument or other intangible~~

~~property~~.

(29)~~(25)~~ "Record" means information that is captured or maintained in any format, including written, printed, electronic, audio, visual, or other forms, and that can be made perceptible or understandable to a person, either directly or through technological means, including assistive technologies ~~inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form~~.

~~(29) "Unclaimed Property Purchase Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant's representative to purchase unclaimed property from an owner.~~

~~(30) "Unclaimed Property Recovery Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant's representative to obtain an owner's consent and authority to recover unclaimed property on the owner's behalf.~~

Section 31. Section 717.102, Florida Statutes, is amended to read:

717.102 Property presumed abandoned ~~unclaimed~~; general rule.—

(1) Except as otherwise provided by this chapter, all intangible property, including any income or increment thereon less any lawful charges, that is held, issued, or owing in the

ordinary course of the holder's business and for which the apparent owner or authorized representative fails to demonstrate continued interest for more than the applicable dormancy period prescribed by this chapter shall be presumed abandoned ~~claim such property for more than 5 years after the property becomes payable or distributable is presumed unclaimed, except as otherwise provided by this chapter~~. Unless otherwise specified by law, the dormancy period shall be 5 years from the date the property becomes payable or distributable. For the purposes of this chapter, property shall be considered payable or distributable once the holder's obligation to pay or deliver the property arises, regardless of whether the apparent owner or authorized representative has failed to demand or to present documents required to receive payment.

(2) ~~Property is payable or distributable for the purpose of this chapter notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.~~

~~(3)~~ A presumption that property is abandoned may be ~~unclaimed is~~ rebutted by the affirmative demonstration of continued interest by the apparent owner or authorized representative ~~an apparent owner's expression of interest in the property~~. Such demonstration ~~An owner's expression~~ of continued interest ~~in property~~ includes, but is not limited to, any of the following:

(a) A record communicated by the apparent owner or authorized representative to the holder or its agent ~~of the holder~~ concerning the property or the account in which the property is held.~~;~~

(b) An oral communication by the apparent owner or authorized representative to the holder or its agent ~~of the holder~~ concerning the property or the account in which the property is held, if the holder or its agent contemporaneously records ~~makes~~ and preserves evidence ~~a record~~ of the ~~fact of the apparent owner's~~ communication.~~;~~

(c) Presentment of a check or other instrument for ~~of~~ payment of ~~a~~ dividends ~~dividend~~, interest ~~payment~~, or other distributions related to the property. ~~distribution, with respect to an account, underlying security, or interest in a business association;~~

(d) Any account activity initiated ~~directed~~ by an apparent owner or authorized representative ~~in the account in which the property is held~~, including accessing the account or directing changes to information concerning the account~~,~~ or to the amount or type of property held, excluding routine automatic transactions previously authorized, ~~a direction by the apparent owner~~ to increase, decrease, or otherwise change the amount or type of property held in the account.~~;~~

(e) Any ~~A~~ deposit into or withdrawal from the property or the ~~an~~ account in which the property is held ~~at a financial~~

~~organization~~, excluding ~~an~~ automatic deposits, withdrawals, or reinvestments ~~deposit or withdrawal~~ previously authorized by the apparent owner or authorized representative. ~~an automatic reinvestment of dividends or interest, which does not constitute an expression of interest; or~~

(f) Any other action by the apparent owner or authorized representative which reasonably demonstrates to the holder that the apparent owner or authorized representative is aware of and maintains an interest in ~~knows that~~ the property ~~exists~~.

(3)~~(4)~~ If a holder learns or receives confirmation of an apparent owner's death, the property shall be presumed abandoned ~~unclaimed~~ 2 years after the date of death, unless an authorized representative makes an affirmative demonstration ~~a fiduciary appointed to represent the estate of the apparent owner has made an expression~~ of interest in the property before the expiration of the 2-year period. This subsection may not be construed to extend the otherwise applicable dormancy period prescribed by this chapter.

Section 32. Section 717.103, Florida Statutes, is amended to read:

717.103 General rules for taking custody of intangible abandoned ~~unclaimed~~ property.—Unless otherwise provided in this chapter or by other statute of this state, intangible property is subject to the custody of the department as abandoned ~~unclaimed~~ property when ~~if~~ the conditions leading to a

presumption that the property is abandoned ~~unclaimed~~ as described in ss. 717.102 and 717.105-717.116 are satisfied and the holder has fulfilled all required due diligence obligations without receiving any response or claim from the apparent owner, and one or more of the following criteria apply:

(1) The last known address, as shown on the records of the holder, of the apparent owner is in this state.~~;~~

(2) The records of the holder do not identify the name of the apparent owner, but do reflect ~~the identity of the person entitled to the property, and it is established~~ that the last known address of the apparent owner ~~person entitled to the property~~ is in this state.~~;~~

(3) The records of the holder do not reflect the last known address of the apparent owner, but ~~and~~ it is established that either of the following conditions apply:

(a) The last known address of the apparent owner ~~person entitled to the property~~ is in this state.~~; or~~

(b) The holder is domiciled in this state, ~~a domiciliary~~ or is a government entity or ~~governmental~~ subdivision ~~or agency~~ of this state, and has not previously paid the property to the state of the last known address of the apparent owner. ~~or other person entitled to the property;~~

(4) The last known address, as shown on the records of the holder, of the apparent owner ~~or other person entitled to the property~~ is in a jurisdiction ~~state~~ that does not have

applicable ~~provide by law for the~~ escheat, abandoned, or unclaimed property laws ~~custodial taking of the property, or its escheat or unclaimed property law is not applicable to the property~~, and the holder is domiciled in this state ~~a domiciliary~~ or is a government entity ~~or governmental subdivision~~ or agency of this state.~~;~~

(5) The last known address, as shown on the records of the holder, of the apparent owner is in a foreign nation and the holder is domiciled in this state ~~a domiciliary~~ or is a government entity ~~or governmental subdivision or agency~~ of this state.~~; or~~

(6) The transaction out of which the property arose occurred in this state~~,~~ and both of the following are true:~~;~~

(a)~~1.~~ The last known address of the apparent owner ~~or other person entitled to the property~~ is unknown.~~; or~~

~~2. The last known address of the apparent owner or other person entitled to the property is in a state that does not provide by law for the escheat or custodial taking of the property, or its escheat or unclaimed property law is not applicable to the property; and~~

(b) The holder is domiciled in a jurisdiction ~~a domiciliary of a state~~ that does not have applicable ~~provide by law for the~~ escheat, abandoned, or ~~custodial taking of the property, or its escheat or~~ unclaimed property laws ~~law is not applicable to the property~~.

Section 33. Section 717.1035, Florida Statutes, is repealed.

Section 34. Section 717.104, Florida Statutes, is amended to read:

717.104 Traveler's checks and money orders.—

(1) Subject to subsection (4), any sum payable on a traveler's check that has been outstanding for more than 15 years after its issuance is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 15 years, has demonstrated a continued interest in the property in accordance with s. 717.102 ~~communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file with the issuer~~.

(2) Subject to subsection (4), any sum payable on a money order or similar written instrument, other than a third party bank check, that has been outstanding for more than 7 years after its issuance is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 7 years, has demonstrated a continued interest in the property in accordance with s. 717.102 ~~communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file with the issuer~~.

(3) A ~~No~~ holder may not deduct from the amount of any traveler's check or money order any charges imposed by reason of

the failure to present those instruments for payment unless there is a valid and enforceable written contract between the holder ~~issuer~~ and the apparent owner of the property pursuant to which the holder ~~issuer~~ may impose those charges and the holder ~~issuer~~ regularly imposes those charges and does not regularly reverse or otherwise cancel those charges with respect to the property.

(4) No sum payable on a traveler's check, money order, or similar written instrument, other than a third party bank check, described in subsections (1) and (2) may be subjected to the custody of this state as abandoned ~~unclaimed~~ property unless any of the following conditions are met:

(a) The records of the holder ~~issuer~~ show that the traveler's check, money order, or similar written instrument was purchased in this state.~~;~~

(b) The holder ~~issuer~~ has its principal place of business in this state and its ~~the~~ records ~~of the issuer~~ do not show the state in which the traveler's check, money order, or similar written instrument was purchased.~~; or~~

(c) The holder ~~issuer~~ has its principal place of business in this state; the holder's records ~~of the issuer~~ show the state in which the traveler's check, money order, or similar written instrument was purchased; and the ~~laws of the~~ state of purchase does not provide applicable ~~do not provide for the~~ escheat, abandoned, or unclaimed property laws ~~or custodial taking of the~~

~~property, or its escheat or unclaimed property law is not applicable to the property~~.

(5) Notwithstanding any other provision of this chapter, subsection (4) applies to sums payable on traveler's checks, money orders, and similar written instruments presumed abandoned ~~unclaimed~~ on or after February 1, 1965, except to the extent that those sums have been paid over to a state prior to January 1, 1974.

Section 35. Section 717.1045, Florida Statutes, is amended to read:

717.1045 Gift certificates and similar credit items.—Notwithstanding s. 717.117, an unredeemed gift certificate or credit memo as defined in s. 501.95 is not required to be reported as abandoned ~~unclaimed~~ property.

(1) The consideration paid for an unredeemed gift certificate or credit memo is the property of the issuer of the unredeemed gift certificate or credit memo.

(2) An unredeemed gift certificate or credit memo is subject only to any rights of a purchaser or owner thereof and is not subject to a claim made by any state acting on behalf of a purchaser or owner.

(3) It is the intent of the Legislature that this section apply to the custodial holding of unredeemed gift certificates and credit memos.

(4) However, a gift certificate or credit memo described

in s. 501.95(2)(b) shall be reported as abandoned ~~unclaimed~~ property. The consideration paid for such a gift certificate or credit memo is the property of the owner of the gift certificate or credit memo.

Section 36. Section 717.105, Florida Statutes, is amended to read:

717.105 Checks, drafts, and similar instruments issued or certified by banking and financial organizations.—

(1) Any sum payable on a check, draft, or similar instrument, except those subject to ss. 717.104 and 717.115, on which a banking or financial organization is directly liable, including, but not limited to, a cashier's check or a certified check, which has been outstanding for more than 5 years after it was payable or after its issuance if payable on demand, is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 5 years, has communicated in writing with the banking or financial organization concerning it or otherwise demonstrated a continued interest in the property in accordance with s. 717.102 ~~indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization~~.

(2) A ~~No~~ holder may not deduct from the amount of any instrument subject to this section any charges imposed by reason of the failure to present the instrument for encashment unless there is a valid and enforceable written contract between the

holder and the apparent owner of the instrument pursuant to which the holder may impose those charges and does not regularly reverse or otherwise cancel those charges with respect to the instrument.

Section 37. Subsection (1), paragraphs (a) and (b) of subsection (3), and subsections (4) and (5) of section 717.106, Florida Statutes, are amended to read:

717.106 Bank deposits and funds in financial organizations.—

(1) Any demand, savings, or matured time deposit with a banking or financial organization, including deposits that are automatically renewable, and any funds paid toward the purchase of shares, a mutual investment certificate, or any other interest in a banking or financial organization is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative has, within 5 years, engaged in any of the following activities:

(a) Increased or decreased the amount of the deposit or presented the passbook or other similar evidence of the deposit for the crediting of interest.~~;~~

(b) Communicated in writing or by documented telephone contact with the banking or financial organization concerning the property.~~;~~

(c) Otherwise demonstrated a continued ~~indicated an~~ interest in the property as evidenced by a memorandum or other

record on file with the banking or financial organization.~~;~~

(d) Owned other property to which paragraph (a), paragraph (b), or paragraph (c) is applicable and if the banking or financial organization communicates in writing with the owner with regard to the property that would otherwise be presumed abandoned ~~unclaimed~~ under this subsection at the address to which communications regarding the other property regularly are sent.~~; or~~

(e) Had another relationship with the banking or financial organization concerning which the apparent owner has:

1. Communicated in writing with the banking or financial organization; or

2. Otherwise demonstrated a continued ~~indicated an~~ interest as evidenced by a memorandum or other record on file with the banking or financial organization and if the banking or financial organization communicates in writing with the apparent owner or authorized representative with regard to the property that would otherwise be presumed abandoned ~~unclaimed~~ under this subsection at the address to which communications regarding the other relationship regularly are sent.

(3) A ~~No~~ holder may not impose with respect to property described in subsection (1) any charges due to dormancy or inactivity or cease payment of interest unless:

(a) There is an enforceable written contract between the holder and the apparent owner of the property pursuant to which

the holder may impose those charges or cease payment of interest.

(b) For property in excess of $2, the holder, no more than 3 months prior to the initial imposition of those charges or cessation of interest, has given written notice to the apparent owner of the amount of those charges at the last known address of the apparent owner stating that those charges shall be imposed or that interest shall cease, but the notice provided in this section need not be given with respect to charges imposed or interest ceased before July 1, 1987.

(4) Any property described in subsection (1) that is automatically renewable is matured for purposes of subsection (1) upon the expiration of its initial time period except that, in the case of any renewal to which the apparent owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured upon the expiration of the last time period for which consent was given. If, at the time provided for delivery in s. 717.119, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time for delivery is extended until the time when no penalty or forfeiture would result.

(5) If the documents establishing a deposit described in

subsection (1) state the address of a beneficiary of the deposit, and the account has a value of at least $50, notice shall be given to the beneficiary as provided for notice to the apparent owner under s. 717.117 ~~s. 717.117(6)~~. This subsection shall apply to accounts opened on or after October 1, 1990.

Section 38. Subsection (1) of section 717.107, Florida Statutes, is amended to read:

717.107 Funds owing under life insurance policies, annuity contracts, and retained asset accounts; fines, penalties, and interest; United States Social Security Administration Death Master File.—

(1) Funds held or owing under any life or endowment insurance policy or annuity contract which has matured or terminated are presumed abandoned ~~unclaimed~~ if unclaimed for more than 5 years after the date of death of the insured, the annuitant, or the retained asset account holder, but property described in paragraph (3)(d) is presumed abandoned ~~unclaimed~~ if such property is not claimed for more than 2 years. The amount presumed abandoned ~~unclaimed~~ shall include any amount due and payable under s. 627.4615.

Section 39. Section 717.1071, Florida Statutes, is amended to read:

717.1071 Lost owners of abandoned ~~unclaimed~~ demutualization, rehabilitation, or related reorganization proceeds.—

(1) Property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company is deemed abandoned 2 years after the date the property is first distributable if, at the time of the first distribution, the last known address of the apparent owner on the books and records of the holder is known to be incorrect or the distribution or statements are returned by the post office as undeliverable; and the apparent owner or authorized representative ~~owner~~ has not communicated in writing with the holder or its agent regarding the interest or otherwise communicated with the holder regarding the interest as evidenced by a memorandum or other record on file with the holder or its agent.

(2) Property distributable in the course of demutualization, rehabilitation, or related reorganization of a mutual insurance company that is not subject to subsection (1) shall be reportable as otherwise provided by this chapter.

(3) Property subject to this section shall be reported and delivered no later than May 1 as of the preceding December 31; however, the initial report under this section shall be filed no later than November 1, 2003, as of December 31, 2002.

Section 40. Section 717.108, Florida Statutes, is amended to read:

717.108 Deposits held by utilities.—Any deposit, including any interest thereon, made by a subscriber with a utility to

secure payment or any sum paid in advance for utility services to be furnished, less any lawful charges, that remains unclaimed by the apparent owner for more than 1 year after termination of the services for which the deposit or advance payment was made is presumed abandoned ~~unclaimed~~.

Section 41. Section 717.109, Florida Statutes, is amended to read:

717.109 Refunds held by business associations.—Except as otherwise provided by law, any sum that a business association has been ordered to refund by a court or administrative agency which has been unclaimed by the apparent owner for more than 1 year after it became payable in accordance with the final determination or order providing for the refund, regardless of whether the final determination or order requires any person entitled to a refund to make a claim for it, is presumed abandoned ~~unclaimed~~.

Section 42. Section 717.1101, Florida Statutes, is amended to read:

717.1101 Abandoned ~~Unclaimed~~ equity and debt of business associations.—

(1)(a) Stock, ~~or~~ other equity interests, or debt of ~~interest in~~ a business association is presumed abandoned ~~unclaimed~~ on the date of the earliest of any of the following:

1. Three years after the date a communication, other than communications required by s. 717.117, sent by the holder by

first-class United States mail to the apparent owner is returned to the holder undelivered by the United States Postal Service. If such returned communication is resent within 1 month to the apparent owner, the 3-year dormancy period does not begin until the day the resent item is returned as undelivered.

2. Five ~~Three~~ years after the most recent of any account ~~owner-generated~~ activity or communication initiated by the apparent owner or authorized representative which demonstrates continued interest in the ~~related to the~~ account, as recorded and maintained by ~~in~~ the holder. Routine automatic reinvestments or other routine transactions previously authorized by the apparent owner or authorized representative do not prevent, interrupt, or reset the dormancy period and do not constitute an affirmative demonstration of continued interest. ~~holder's database and records systems sufficient enough to demonstrate the owner's continued awareness or interest in the property;~~

3.~~2.~~ Two ~~Three~~ years after the date of the death of the apparent owner, as evidenced by:

a. Notice to the holder of the apparent owner's death by an authorized representative ~~administrator, beneficiary, relative, or trustee, or by a personal representative or other legal representative of the owner's estate~~;

b. Receipt by the holder of a copy of the death certificate of the apparent owner;

c. Confirmation by the holder of the apparent owner's

death through ~~though~~ other means; or

d. Other evidence from which the holder may reasonably conclude that the apparent owner is deceased.~~; or~~

~~3. One year after the date on which the holder receives notice under subparagraph 2. if the notice is received 2 years or less after the owner's death and the holder lacked knowledge of the owner's death during that period of 2 years or less.~~

(b) If the holder does not send communication to the apparent owner of a security by first-class United States mail on an annual basis, the holder shall attempt to confirm the apparent owner's interest in the equity interest by sending the apparent owner an e-mail communication not later than 3 years after the apparent owner's or authorized representative's last demonstration of continued interest in the equity interest. However, the holder shall promptly attempt to contact the apparent owner by first-class United States mail if:

1. The holder does not have information needed to send the apparent owner an e-mail communication or the holder believes that the apparent owner's e-mail address in the holder's records is not valid;

2. The holder received notification that the e-mail communication was not received; or

3. The apparent owner does not respond to the e-mail communication within 30 days after the communication was sent.

(c) If first-class United States mail sent under paragraph

(b) is returned to the holder undelivered by the United States Postal Service, the equity interest is presumed abandoned in accordance with paragraph (1)(a).

(d) Unmatured or unredeemed debt, other than a bearer bond or an original issue discount bond, is presumed abandoned 5 ~~unclaimed 3~~ years after the date of the most recent interest payment unclaimed by the owner.

(e) ~~(c)~~ Matured or redeemed debt is presumed abandoned 5 ~~unclaimed 3~~ years after the date of maturity or redemption.

(f) ~~(d)~~ At the time property is presumed abandoned ~~unclaimed~~ under paragraph (a) or paragraph (b), any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed abandoned ~~unclaimed~~ is also presumed abandoned ~~unclaimed~~.

(2) The running of the applicable dormancy period under this section ~~such 3-year period~~ ceases if the apparent owner or authorized representative demonstrates continued interest under s. 717.102, including by any of the following actions ~~person~~:

(a) ~~1.~~ Communicating ~~Communicates~~ in writing or by other means with the association or its agent regarding the interest, ~~or a~~ dividend, distribution, or other sum payable as a result of the interest, as recorded by the association or its agent ~~; or~~

~~2. Otherwise communicates with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or~~

~~other record on file with the association or its agent~~.

(b) Presenting ~~Presents~~ an instrument issued to pay interest, ~~or~~ a dividend, or other ~~cash~~ distribution. If any future dividend, distribution, or other sum payable ~~to the owner~~ as a result of the interest is subsequently unclaimed ~~not claimed by the owner~~, a new period in which the property is presumed abandoned ~~unclaimed~~ commences and relates back only to the time a subsequent dividend, distribution, or other sum became due and payable.

(3) At the same time any interest is presumed abandoned ~~unclaimed~~ under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, is presumed abandoned ~~unclaimed~~.

(4) Any dividend, profit, distribution, interest redemption, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificateholder, member, bondholder, or other security holder, who has not claimed such amount or corresponded in writing with the business association concerning such amount, within 5 ~~3~~ years after the date prescribed for payment or delivery, is presumed abandoned ~~unclaimed~~.

Section 43. Section 717.111, Florida Statutes, is amended to read:

717.111 Property of business associations held in course of dissolution.—All intangible property distributable in the

course of a voluntary or involuntary dissolution of a business association which is not claimed by the apparent owner for more than 6 months after the date specified for final distribution is presumed abandoned ~~unclaimed~~.

Section 44. Subsections (1) and (5) of section 717.112, Florida Statutes, are amended to read:

717.112 Property held by agents and fiduciaries.—

(1) All intangible property and any income or increment thereon held in a fiduciary capacity for the benefit of another person, including property held by an attorney in fact or an agent, except as provided in ss. 717.1125 and 733.816, is presumed abandoned ~~unclaimed~~ unless the apparent owner has within 5 years after it has become payable or distributable increased or decreased the principal, accepted payment of principal or income, communicated in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary.

(5) All intangible property, and any income or increment thereon, issued by a government or governmental subdivision or agency, public corporation, or public authority and held in an agency capacity for the governmental subdivision, agency, public corporation, or public authority for the benefit of the owner of record~~,~~ is presumed abandoned ~~unclaimed~~ unless the apparent owner has, within 1 year after such property has become payable or distributable, increased or decreased the principal, accepted

payment of the principal or income, communicated concerning the property, or otherwise indicated an interest in the property as evidenced by a memorandum or other record on file with the fiduciary.

Section 45. Section 717.1125, Florida Statutes, is amended to read:

717.1125 Property held by fiduciaries under trust instruments.—All intangible property and any income or increment thereon held in a fiduciary capacity for the benefit of another person under a trust instrument is presumed abandoned ~~unclaimed~~ unless the apparent owner has, within 2 years after it has become payable or distributable, increased or decreased the principal, accepted payment of principal or income, communicated concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary. This section does not relieve a fiduciary of his or her duties under the Florida Trust Code.

Section 46. Section 717.113, Florida Statutes, is amended to read:

717.113 Property held by courts and public agencies.—All intangible property held for the apparent owner by any court, government or governmental subdivision or agency, public corporation, or public authority that has not been claimed by the apparent owner for more than 1 year after it became payable or distributable is presumed abandoned ~~unclaimed~~. Except as

provided in s. 45.032(3)(c), money held in the court registry and for which no court order has been issued to determine an owner does not become payable or distributable and is not subject to reporting under this chapter. Notwithstanding the provisions of this section, funds deposited in the Minerals Trust Fund pursuant to s. 377.247 are presumed abandoned ~~unclaimed~~ only if the funds have not been claimed by the apparent owner for more than 5 years after the date of first production from the well.

Section 47. Section 717.115, Florida Statutes, is amended to read:

717.115 Wages.—Unpaid wages, including wages represented by unpresented payroll checks, owing in the ordinary course of the holder's business that have not been claimed by the apparent owner for more than 1 year after becoming payable are presumed abandoned ~~unclaimed~~.

Section 48. Section 717.116, Florida Statutes, is amended to read:

717.116 Contents of safe-deposit box or other safekeeping repository.—All tangible and intangible property held by a banking or financial organization in a safe-deposit box or any other safekeeping repository in this state in the ordinary course of the holder's business, and proceeds resulting from the sale of the property permitted by law, that has not been claimed by the apparent owner or authorized representative for more than

3 years after the lease or rental period on the box or other repository has expired are presumed abandoned ~~unclaimed~~.

Section 49. Section 717.117, Florida Statutes, is amended to read:

717.117 Holder due diligence and report of abandoned ~~unclaimed~~ property.—

(1) Property is presumed abandoned upon expiration of the applicable dormancy period under this chapter. However, such property is not deemed abandoned for purposes of reporting or remittance to the department until the holder has conducted reasonable due diligence as required by this section, resulting in no indication of interest from the apparent owner or authorized representative.

(2) Holders of property presumed abandoned that has a value of $50 or more shall use due diligence to locate and notify the apparent owner that the holder is in possession of property subject to this chapter. At least 90 days, but not more than 180 days, before filing the report required by this section, a holder in possession of presumed abandoned property shall send written notice by first-class United States mail to the apparent owner's last known address as shown in the holder's records or from other available sources, or by e-mail if the apparent owner has elected for e-mail delivery, informing the apparent owner that the holder is in possession of property subject to this chapter, provided that the holder's records

contain a mailing or e-mail address for the apparent owner which is not known by the holder to be inaccurate. The holder may provide notice by mail, by e-mail, or by both methods. If the holder's records indicate that the mailing address is inaccurate, notice may be provided by e-mail if the apparent owner has elected e-mail delivery.

(3) If the value of the property is greater than $1,000, the holder shall send a second written notice by certified United States mail, return receipt requested, to the apparent owner's last known address at least 60 days before filing the report required by this section, if the holder's records contain a mailing address for the apparent owner which is not known by the holder to be inaccurate. Reasonable costs paid to the United States Postal Service for certified mail, return receipt requested, may be deducted from the property as a service charge. A signed return receipt received in response to the certified mail notice constitutes an affirmative demonstration of continued interest as described in s. 717.102.

(4) The written notice required under this section must include:

(a) A heading that reads substantially as follows: "Notice: The State of Florida requires us to notify you that your property may be transferred to the custody of the Florida Department of Financial Services if you do not contact us before ...(insert date that is at least 30 days after the date of

notice)...."

(b) A description of the type, nature, and, unless the property does not have a fixed value, value of the property that is the subject of the notice.

(c) A statement that the property will be turned over to the custody of the department as abandoned property if no response is received.

(d) A statement that noncash property will be sold or liquidated by the department.

(e) A statement that, after the property is remitted to the department, a claim must be filed with the department to recover the property.

(f) A statement that the property is currently in the custody of the holder and that the apparent owner may prevent transfer of the property by contacting the holder before the deadline stated in the notice.

(5) Every holder of abandoned ~~person holding funds or other~~ property, tangible or intangible, ~~presumed unclaimed and~~ subject to custody ~~as unclaimed property~~ under this chapter shall submit a report to the department via electronic medium as the department may prescribe by rule. The report must include:

(a) Except for traveler's checks and money orders, the name, social security number or taxpayer identification number, date of birth, if known, and last known address, if any, of each apparent ~~person appearing from the records of the holder to be~~

~~the~~ owner of any property which is abandoned ~~presumed unclaimed~~ and which has a value of $10 or more.

(b) For abandoned ~~unclaimed~~ funds that have a value of $10 or more held or owing under any life or endowment insurance policy or annuity contract, the identifying information provided in paragraph (a) for both the insured or annuitant and the beneficiary according to records of the insurance company holding or owing the funds.

(c) For all tangible property held in a safe-deposit box or other safekeeping repository, a description of the property and the place where the property is held and may be inspected by the department, and any amounts owing to the holder. Contents of a safe-deposit box or other safekeeping repository which consist of documents or writings ~~of a private nature and~~ which have little or no commercial value may ~~apparent value shall~~ not be reported as abandoned property ~~presumed unclaimed~~.

(d) The nature or type of property, any accounting or identifying number associated with the property, a description of the property, and the amount appearing from the records to be due. Items of value of less than $10 each may be reported in the aggregate.

(e) The date the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property.

(f) Any other information the department may prescribe by

rule as necessary for the administration of this chapter.

(6) ~~(2)~~ If the total value of all abandoned ~~presumed unclaimed~~ property, whether tangible or intangible, held by a person is less than $10, a zero balance report may be filed for that reporting period.

(7) ~~(3)~~ Credit balances, customer overpayments, security deposits, and refunds having a value of less than $10 may not be reported as abandoned property ~~shall not be presumed unclaimed~~.

(8) A security identified by the holder as non-freely transferable or worthless may not to be included in a report filed under this section. If the holder determines that a security is no longer non-freely transferable or worthless, the holder shall report and deliver the security on the next regular report date prescribed for delivery of securities by the holder under this chapter.

(9) ~~(4)~~ If the holder of abandoned property ~~presumed unclaimed and~~ subject to custody under this chapter ~~as unclaimed property~~ is a successor holder or if the holder has changed the holder's name while in possession of the property, the holder shall file with the holder's report all known names and addresses of each prior holder of the property. Compliance with this subsection means the holder exercises reasonable and prudent efforts to determine the names of all prior holders.

(10) The report must be signed by or on behalf of the holder and verified as to its completeness and accuracy, and the

holder must state that it has complied with the due diligence requirements of this section.

(11)~~(5)~~ The report must be filed before May 1 of each year. The report applies to the preceding calendar year. Upon written request by any person required to file a report, and upon a showing of good cause, the department may extend the reporting date. The department may impose and collect a penalty of $10 per day up to a maximum of $500 for the failure to timely report, if an extension was not provided or if the holder of the property failed to include in a report information required by this chapter which was in the holder's possession at the time of reporting. The penalty shall be remitted to the department within 30 days after the date of the notification to the holder that the penalty is due and owing. As necessary for proper administration of this chapter, the department may waive any penalty due with appropriate justification. The department must provide information contained in a report filed with the department to any person requesting a copy of the report or information contained in a report, to the extent the information requested is not confidential, within 45 days after the department determines that the report is accurate and acceptable and that the reported property is the same as the remitted property.

~~(6) Holders of inactive accounts having a value of $50 or more shall use due diligence to locate and notify apparent~~

~~owners that the entity is holding unclaimed property available for them to recover. Not more than 120 days and not less than 60 days prior to filing the report required by this section, the holder in possession of property presumed unclaimed and subject to custody as unclaimed property under this chapter shall send written notice by first-class United States mail to the apparent owner at the apparent owner's last known address from the holder's records or from other available sources, or via electronic mail if the apparent owner has elected this method of delivery, informing the apparent owner that the holder is in possession of property subject to this chapter, if the holder has in its records a mailing or electronic address for the apparent owner which the holder's records do not disclose to be inaccurate. These two means of contact are not mutually exclusive; if the mailing address is determined to be inaccurate, electronic mail may be used if so elected by the apparent owner.~~

~~(7) The written notice to the apparent owner required under this section must:~~

~~(a) Contain a heading that reads substantially as follows: "Notice. The State of Florida requires us to notify you that your property may be transferred to the custody of the Florida Department of Financial Services if you do not contact us before ...(insert date that is at least 30 days after the date of notice)...."~~

~~(b) Identify the type, nature, and, except for property that does not have a fixed value, value of the property that is the subject of the notice.~~

~~(c) State that the property will be turned over to the custody of the department as unclaimed property if no response to this letter is received.~~

~~(d) State that any property that is not legal tender of the United States may be sold or liquidated by the department.~~

~~(e) State that after the property is turned over to the department, an apparent owner seeking return of the property may file a claim with the department.~~

~~(f) State that the property is currently with a holder and provide instructions that the apparent owner must follow to prevent the holder from reporting and paying for the property or from delivering the property to the department.~~

(12) ~~(8)~~ Any holder of intangible property may file with the department a petition for determination that the property is abandoned and ~~unclaimed~~ requesting the department to accept custody of the property. The petition shall state any special circumstances that exist, contain the information required by subsection (9) ~~subsection (4)~~, and show that a diligent search has been made to locate the apparent owner. If the department finds that the proof of diligent search is satisfactory, it shall give notice as provided in s. 717.118 and accept custody of the property.

(13)~~(9)~~ Upon written request by any entity or person required to file a report, stating such entity's or person's justification for such action, the department may place that entity or person in an inactive status as an abandoned ~~unclaimed~~ property "holder."

(14)~~(10)~~(a) This section does not apply to the abandoned ~~unclaimed~~ patronage refunds as provided for by contract or through bylaw provisions of entities organized under chapter 425 or that are exempt from ad valorem taxation pursuant to s. 196.2002.

(b) This section does not apply to intangible property held, issued, or owing by a business association subject to the jurisdiction of the United States Surface Transportation Board or its successor federal agency if the apparent owner of such intangible property is a business association. The holder of such property does not have any obligation to report, to pay, or to deliver such property to the department.

(c) This section does not apply to credit balances, overpayments, refunds, or outstanding checks owed by a health care provider to a managed care payor with whom the health care provider has a managed care contract, provided that the credit balances, overpayments, refunds, or outstanding checks become due and owing pursuant to the managed care contract.

(15)~~(11)~~(a) As used in this subsection, the term "property identifier" means the descriptor used by the holder to identify

the abandoned ~~unclaimed~~ property.

(b) Social security numbers and property identifiers contained in reports required under this section, held by the department, are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(c) This exemption applies to social security numbers and property identifiers held by the department before, on, or after the effective date of this exemption.

Section 50. Section 717.118, Florida Statutes, is amended to read:

717.118 Notification of apparent owners of abandoned ~~unclaimed~~ property.—

(1) It is specifically recognized that the state has an obligation to make an effort to notify apparent owners in a cost-effective manner that their abandoned property has been reported and remitted to the department ~~of unclaimed property in a cost-effective manner~~. In order to provide all the citizens of this state an effective and efficient program for the recovery of abandoned personal ~~unclaimed~~ property, the department shall use cost-effective means to make at least one active attempt to notify apparent owners of abandoned ~~unclaimed~~ property ~~accounts~~ valued at $50 or more, abandoned tangible property, and abandoned shares of stock for which ~~more than $250 with~~ a reported address or taxpayer identification number is available. Such active attempt to notify apparent owners shall include any

attempt by the department to directly contact the apparent owner. Other means of notification, such as publication of the names of apparent owners in the newspaper, on television, on the Internet, or through other promotional efforts and items in which the department does not directly attempt to contact the apparent owner are expressly declared to be passive attempts. ~~Nothing in~~ This subsection does not preclude ~~precludes~~ other agencies or entities of state government from notifying owners of the existence of abandoned ~~unclaimed~~ property or attempting to notify apparent owners of abandoned ~~unclaimed~~ property.

(2) Notification provided directly to individual apparent owners shall contain ~~consist of~~ a description of the abandoned property and information regarding recovery of the ~~unclaimed~~ property from the department. The form and content of the department's notice shall be tailored to the type of property reported and shall include any information necessary to reasonably inform the apparent owner of the consequences of failure to claim the property, including potential sale or disposition under s. 717.122.

(3) The department shall maintain a publicly accessible, electronically searchable website that includes the names of apparent owners of abandoned property reported to the department and instructions for filing a claim. The website must list property valued at $10 or more and provide instructions for filing a claim. Abandoned property valued at less than $10

remains recoverable from the department in accordance with this chapter.

(4) This section is not applicable to abandoned sums payable on traveler's checks, money orders, and other written instruments ~~presumed unclaimed~~ under s. 717.104, or any other abandoned property reported without the necessary identifying information to establish ownership.

Section 51. Section 717.119, Florida Statutes, is amended to read:

717.119 Payment or delivery of abandoned ~~unclaimed~~ property.—

(1) Every person who is required to file a report under s. 717.117 shall simultaneously pay or deliver to the department all abandoned ~~unclaimed~~ property required to be reported. Such payment or delivery shall accompany the report as required in this chapter for the preceding calendar year.

(2) Payment of abandoned ~~unclaimed~~ funds may be made to the department by electronic funds transfer.

(3) If the apparent owner establishes the right to receive the abandoned ~~unclaimed~~ property to the satisfaction of the holder before the property has been delivered to the department or it appears that for some other reason ~~the presumption~~ that the property was erroneously classified as abandoned ~~is unclaimed is erroneous~~, the holder need not pay or deliver the property to the department. In lieu of delivery, the holder

shall file a verified written explanation of the proof of claim or of the error in classification of ~~the presumption that~~ the property as abandoned ~~was unclaimed~~.

(4) All virtual currency reported under this chapter on the annual report filing required in s. 717.117 shall be remitted to the department with the report. The holder shall liquidate the virtual currency and remit the proceeds to the department. The liquidation must occur within 30 days before the filing of the report. Upon delivery of the virtual currency proceeds to the department, the holder is relieved of all liability of every kind in accordance with the provisions of s. 717.1201 to every person for any losses or damages resulting to the person by the delivery to the department of the virtual currency proceeds.

(5) All stock or other intangible ownership interest reported under this chapter on the annual report filing required in s. 717.117 shall be remitted to the department with the report. Upon delivery of the stock or other intangible ownership interest to the department, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder is relieved of all liability of every kind in accordance with the provisions of s. 717.1201 to every person for any losses or damages resulting to the person by the delivery to the department of the stock or other intangible ownership interest.

(6) All intangible and tangible property held in a safe-

deposit box or any other safekeeping repository reported under s. 717.117 shall not be delivered to the department until 120 days after the report due date. The delivery of the property, through the United States mail or any other carrier, shall be insured by the holder at an amount equal to the estimated value of the property. Each package shall be clearly marked on the outside "Deliver Unopened." A holder's safe-deposit box contents shall be delivered to the department in a single shipment. In lieu of a single shipment, holders may provide the department with a single detailed shipping schedule that includes package tracking information for all packages being sent pursuant to this section.

(a) Holders may remit the value of cash and coins found in abandoned ~~unclaimed~~ safe-deposit boxes to the department by cashier's check or by electronic funds transfer, unless the cash or coins have a value above face value. The department shall identify by rule those cash and coin items having a numismatic value. Cash and coin items identified as having a numismatic value shall be remitted to the department in their original form.

(b) Any firearm or ammunition found in an abandoned ~~unclaimed~~ safe-deposit box or any other safekeeping repository shall be delivered by the holder to a law enforcement agency for property handling or disposal pursuant to s. 705.103(2)(b). If the firearm is sold by the law enforcement agency, ~~with~~ the

balance of the proceeds shall be deposited into the State School Fund ~~if the firearm is sold~~. ~~However,~~ The department is authorized to make a reasonable attempt to ascertain the historical value to collectors of any firearm that has been delivered to the department. Any firearm appearing to have historical value to collectors may be sold by the department pursuant to s. 717.122 to a person having a federal firearms license. Any firearm which is not sold pursuant to s. 717.122 shall be delivered by the department to a law enforcement agency in this state for proper handling or disposal. In accordance with ~~pursuant to~~ s. 705.103(2)(b), if the firearm is sold by the law enforcement agency, ~~with~~ the balance of the proceeds shall be deposited into the State School Fund ~~if the firearm is sold~~. The department shall not be administratively, civilly, or criminally liable for any firearm delivered by the department to a law enforcement agency in this state for disposal.

(c) If such property is not paid or delivered to the department on or before the applicable payment or delivery date, the holder shall pay to the department a penalty for each safe-deposit box shipment received late. The penalty shall be $100 for a safe-deposit box shipment container that is late 30 days or less. Thereafter, the penalty shall be $500 for a safe-deposit box shipment container that is late for each additional successive 30-day period. The penalty assessed against a holder for a late safe-deposit box shipment container shall not exceed

$4,000 annually. The penalty shall be remitted to the department within 30 days after the date of the notification to the holder that the penalty is due and owing.

(d) The department may waive any penalty due with appropriate justification, as provided by rule.

(e) If a will or trust instrument is included among the contents of an abandoned ~~a~~ safe-deposit box or other safekeeping repository delivered to the department, the department must provide a copy of the will, trust, and any codicils or amendments to such will or trust instrument, upon request, to anyone who provides the department with a certified copy of the death certificate ~~evidence of the death~~ of the testator or settlor.

(7) Any holder may request an extension in writing of up to 60 days for the delivery of property if extenuating circumstances exist for the late delivery of the property. Any such extension the department may grant shall be in writing.

(8) A holder may not assign or otherwise transfer its obligation to report, pay, or deliver property or to comply with the provisions of this chapter, other than to a parent, subsidiary, or affiliate of the holder.

(a) Unless otherwise agreed to by the parties to a transaction, the holder's successor by merger or consolidation, or any person or entity that acquires all or substantially all of the holder's capital stock or assets, is responsible for

fulfilling the holder's obligation to report, pay, or deliver property or to comply with the duties of this chapter regarding the transfer of property owed to the holder's successor and being held for an owner resulting from the merger, consolidation, or acquisition.

(b) This subsection does not prohibit a holder from contracting with a third party for the reporting of abandoned ~~unclaimed~~ property, but the holder remains responsible to the department for the complete, accurate, and timely reporting of the property.

Section 52. Subsections (1), (2), and (4) of section 717.1201, Florida Statutes, are amended to read:

717.1201 Custody by state; holder liability; reimbursement of holder paying claim; reclaiming for owner; payment of safe-deposit box or repository charges.—

(1) Upon the good faith payment or delivery of abandoned ~~unclaimed~~ property to the department, the state assumes custody and responsibility for the safekeeping of the property. Any person who pays or delivers abandoned ~~unclaimed~~ property to the department in good faith is relieved of all liability to the extent of the value of the property paid or delivered for any claim then existing or which thereafter may arise or be made with ~~in~~ respect to the property.

(a) A holder's substantial compliance with the due diligence provisions in s. 717.117 ~~s. 717.117(6)~~ and good faith

payment or delivery of abandoned ~~unclaimed~~ property to the department releases the holder from liability that may arise from such payment or delivery, and such delivery and payment may be pleaded as a defense in any suit or action brought by reason of such delivery or payment. This section does not relieve a fiduciary of his or her duties under the Florida Trust Code or Florida Probate Code.

(b) If the holder pays or delivers property to the department in good faith and thereafter any other person claims the property from the holder paying or delivering, or another state claims the money or property under that state's laws relating to escheat or abandoned or unclaimed property, the department, upon written notice of the claim, shall defend the holder against the claim and indemnify the holder against any liability on the claim, except that a holder may not be indemnified against penalties imposed by another state.

(2) For the purposes of this section, a payment or delivery of abandoned ~~unclaimed~~ property is made in good faith if:

(a) The payment or delivery was made in conjunction with an accurate and acceptable report.

(b) The payment or delivery was made in a reasonable attempt to comply with this chapter and other applicable general law.

(c) The holder had a reasonable basis for believing, based

on the facts then known, that the property was abandoned ~~unclaimed~~ and subject to this chapter.

(d) There is no showing that the records pursuant to which the delivery was made did not meet reasonable commercial standards of practice in the industry.

(4) Any holder who has delivered property, including a certificate of any interest in a business association, other than money to the department pursuant to this chapter may reclaim the property if still in the possession of the department, without payment of any fee or other charges, upon filing proof that the person entitled to the property ~~owner~~ has claimed it ~~the property~~ from the holder.

Section 53. Section 717.122, Florida Statutes, is amended to read:

717.122 Public sale of abandoned ~~unclaimed~~ property.—

(1) Except as provided in paragraph (2)(a), the department after the receipt of abandoned ~~unclaimed~~ property shall sell it to the highest bidder at public sale on the Internet or at a specified physical location wherever in the judgment of the department the most favorable market for the property involved exists. The department may decline the highest bid and reoffer the property for sale if in the judgment of the department the bid is insufficient. The department shall have the discretion to withhold from sale any abandoned ~~unclaimed~~ property that the department deems to be of benefit to the people of the state. If

in the judgment of the department the probable cost of sale exceeds the value of the property, it need not be offered for sale and may be disposed of as the department determines appropriate. Any sale at a specified physical location held under this section must be preceded by a single publication of notice, at least 3 weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold. The department shall proportionately deduct auction fees, preparation costs, and expenses from the amount posted to an ~~the owner's~~ account for an abandoned ~~when~~ safe-deposit box when the contents are sold. No action or proceeding may be maintained against the department for or on account of any decision to decline the highest bid or withhold any abandoned ~~unclaimed~~ property from sale.

(2)(a) Securities listed on an established stock exchange must be sold at prices prevailing at the time of sale on the exchange. Other securities may be sold over the counter at prices prevailing at the time of sale or by any other method the department deems advisable. The department may authorize the agent or broker acting on behalf of the department to deduct fees from the proceeds of these sales at a rate agreed upon in advance by the agent or broker and the department. The department shall reimburse owners' accounts for these brokerage fees from the State School Fund unless the securities are sold at the owner's request.

(b) Unless the department deems it to be in the public interest to do otherwise, all abandoned securities ~~presumed unclaimed and~~ delivered to the department may be sold upon receipt. Any person making a claim pursuant to this chapter is entitled to receive either the securities delivered to the department by the holder, if they still remain in the hands of the department, or the proceeds received from sale, but no person has any claim under this chapter against the state, the holder, any transfer agent, any registrar, or any other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the state.

(c) Certificates for abandoned ~~unclaimed~~ stock or other equity interest of business associations that cannot be canceled and registered in the department's name or that cannot be readily liquidated and converted into the currency of the United States may be sold for the value of the certificate, if any, in accordance with subsection (1) or may be destroyed in accordance with s. 717.128.

(3) The purchaser of property at any sale conducted by the department pursuant to this chapter is entitled to ownership of the property purchased free from all claims of the owner or previous holder thereof and of all persons claiming through or under them. The department shall execute all documents necessary to complete the transfer of ownership.

(4) The sale of abandoned ~~unclaimed~~ tangible personal property is not subject to tax under chapter 212 when such property is sold by or on behalf of the department pursuant to this section.

Section 54. Section 717.123, Florida Statutes, is amended to read:

717.123 Deposit of funds.—

(1) All funds received under this chapter, including the proceeds from the sale of abandoned ~~unclaimed~~ property under s. 717.122, shall immediately ~~forthwith~~ be deposited by the department in the Abandoned ~~Unclaimed~~ Property Trust Fund. The department shall retain, from funds received under this chapter, an amount not exceeding $15 million from which the department shall make prompt payment of claims allowed by the department and shall pay the costs incurred by the department in administering and enforcing this chapter. All remaining funds received by the department under this chapter shall be deposited by the department into the State School Fund.

(2) The department shall record the name and last known address of each person appearing from the holder's reports to be entitled to the abandoned ~~unclaimed~~ property in the total amounts of $5 or greater; the name and the last known address of each insured person or annuitant; and with respect to each policy or contract listed in the report of an insurance corporation, its number, the name of the corporation, and the

amount due.

Section 55. Section 717.1235, Florida Statutes, is amended to read:

717.1235 Dormant campaign accounts~~; report of unclaimed property~~.—Abandoned ~~Unclaimed~~ funds reported in the name of a campaign for public office, for any campaign that must dispose of surplus funds in its campaign account pursuant to s. 106.141, after being reported to the department, shall be deposited with the Chief Financial Officer to the credit of the State School Fund.

Section 56. Section 717.124, Florida Statutes, is amended to read:

717.124 Abandoned ~~Unclaimed~~ property claims.—

(1) Any person, excluding another state, claiming an interest in any property paid or delivered to the department under this chapter may file with the department a claim on a form prescribed by the department and verified by the claimant or the claimant ~~claimant's~~ representative. ~~The claimant's representative must be an attorney licensed to practice law in this state, a licensed Florida-certified public accountant, or a private investigator licensed under chapter 493.~~ The claimant ~~claimant's~~ representative must be registered with the department under this chapter. The claimant, or the claimant ~~claimant's~~ representative, shall provide the department with a legible copy of a valid driver license of the claimant at the time the

original claim form is filed. If the claimant has not been issued a valid driver license at the time the original claim form is filed, the department shall be provided with a legible copy of a photographic identification of the claimant issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. In lieu of photographic identification, a notarized sworn statement by the claimant may be provided which affirms the claimant's identity and states the claimant's full name and address. The claimant must produce to the notary photographic identification of the claimant issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. The notary shall indicate the notary's full address on the notarized sworn statement. Any claim filed without the required identification or the sworn statement with the original claim form and the original Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement, if applicable, is void.

(a) Within 90 days after receipt of a claim, the department may return any claim that provides for the receipt of fees and costs greater than that permitted under this chapter or that contains any apparent errors or omissions. The department may also request that the claimant or the claimant ~~claimant's~~

representative provide additional information. The department shall retain a copy or electronic image of the claim.

(b) A claim is considered to have been withdrawn by a claimant or the claimant ~~claimant's~~ representative if the department does not receive a response to its request for additional information within 60 days after the notification of any apparent errors or omissions.

(c) Within 90 days after receipt of the claim, or the response of the claimant or the claimant ~~claimant's~~ representative to the department's request for additional information, whichever is later, the department shall determine each claim. Such determination shall contain a notice of rights provided by ss. 120.569 and 120.57. The 90-day period shall be extended by 60 days if the department has good cause to need additional time or if the abandoned ~~unclaimed~~ property:

1. Is owned by a person who has been a debtor in bankruptcy;

2. Was reported with an address outside of the United States;

3. Is being claimed by a person outside of the United States; or

4. Contains documents filed in support of the claim that are not in the English language and have not been accompanied by an English language translation.

(2) A claim for a cashier's check or a stock certificate

without the original instrument may require an indemnity bond equal to the value of the claim to be provided prior to issue of the stock or payment of the claim by the department.

(3) The department may require an affidavit swearing to the authenticity of the claim, lack of documentation, and an agreement to allow the department to provide the name and address of the claimant to subsequent claimants coming forward with substantiated proof to claim the account. This shall apply to claims equal to or less than $250. The exclusive remedy of a subsequent claimant to the property shall be against the person who received the property from the department.

(4)(a) Except as otherwise provided in this chapter, if a claim is determined in favor of the claimant, the department shall deliver or pay over to the claimant the property or the amount the department actually received or the proceeds if it has been sold by the department, together with any additional amount required by s. 717.121.

(b) If a claimant ~~an owner~~ authorizes a claimant representative ~~an attorney licensed to practice law in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493, and~~ registered with the department under this chapter, to claim the abandoned ~~unclaimed~~ property on the claimant's ~~owner's~~ behalf, the department is authorized to make distribution of the property or money in accordance with the Abandoned ~~Unclaimed~~ Property Recovery

Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement under s. 717.135. The original Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement must be executed by the claimant or seller and must be filed with the department.

(c)1. Payments of approved claims for unclaimed cash accounts must be made to the owner after deducting any fees and costs authorized by the claimant under an Abandoned ~~Unclaimed~~ Property Recovery Agreement. The contents of a safe-deposit box or shares of securities must be delivered directly to the claimant.

2. Payments of fees and costs authorized under an Abandoned ~~Unclaimed~~ Property Recovery Agreement for approved claims must be made or issued to the law firm of the designated attorney licensed to practice law in this state, the public accountancy firm of the licensed Florida-certified public accountant, or the designated employing private investigative agency licensed by this state. Such payments shall be made by electronic funds transfer and may be made on such periodic schedule as the department may define by rule, provided the payment intervals do not exceed 31 days. Payment made to an attorney licensed in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493, operating individually or as a sole practitioner, must be to the attorney, certified public accountant, or private

investigator.

(5) The department shall not be administratively, civilly, or criminally liable for any property or funds distributed pursuant to this section, provided such distribution is made in good faith.

(6) This section does not supersede the licensing requirements of chapter 493.

(7) The department may allow an apparent owner to electronically submit a claim for abandoned ~~unclaimed~~ property to the department. If a claim is submitted electronically for $2,000 or less, the department may use a method of identity verification other than a copy of a valid driver license, other government-issued photographic identification, or a sworn notarized statement. The department may adopt rules to implement this subsection.

(8) Notwithstanding any other provision of this chapter, the department may develop and implement an identification verification and disbursement process by which an account valued at $2,000 or less, after being received by the department and added to the abandoned ~~unclaimed~~ property database, may be disbursed to an apparent owner after the department has verified that the apparent owner is living and that the apparent owner's current address is correct. The department shall include with the payment a notification and explanation of the dollar amount, the source, and the property type of each account included in

the disbursement. The department shall adopt rules to implement this subsection.

(9)(a) Notwithstanding any other provision of this chapter, the department may develop and implement a verification and disbursement process by which an account, after being received by the department and added to the abandoned ~~unclaimed~~ property database, for which the apparent owner entity is:

1. A state agency in this state or a subdivision or successor agency thereof;

2. A county government in this state or a subdivision thereof;

3. A public school district in this state or a subdivision thereof;

4. A municipality in this state or a subdivision thereof; or

5. A special taxing district or authority in this state,

may be disbursed to the apparent owner entity or successor entity. The department shall include with the payment a notification and explanation of the dollar amount, the source, and the property type of each account included in the disbursement.

(b) The department may adopt rules to implement this subsection.

(10) Notwithstanding any other provision of this chapter,

the department may develop a process by which a claimant ~~claimant's~~ representative ~~or a buyer of unclaimed property~~ may electronically submit to the department an electronic image of a completed claim and claims-related documents under this chapter, including an Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement that has been signed and dated by a claimant or seller under s. 717.135, after the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ receives the original documents provided by the claimant or the seller for any claim. Each claim filed by a claimant ~~claimant's~~ representative ~~or a buyer of unclaimed property~~ must include a statement by the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ attesting that all documents are true copies of the original documents and that all original documents are physically in the possession of the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~. All original documents must be kept in the original form, by claim number, under the secure control of the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ and must be available for inspection by the department in accordance with s. 717.1315. The department may adopt rules to implement this subsection.

(11) This section applies to all abandoned ~~unclaimed~~ property reported and remitted to the Chief Financial Officer, including, but not limited to, property reported pursuant to ss.

45.032, 732.107, 733.816, and 744.534.

Section 57. Section 717.12403, Florida Statutes, is amended to read:

717.12403 Abandoned ~~Unclaimed~~ demand, savings, or checking account in a financial institution held in the name of more than one person.—

(1)(a) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported as an "and" account in the name of two or more persons who are not beneficiaries, it is presumed that each person must claim the account in order for the claim to be approved by the department. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "or" account.

(b) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported as an "and" account and one of the persons on the account is deceased, it is presumed that the account is a survivorship account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account is not a survivorship account.

(2) If an abandoned ~~unclaimed~~ demand, savings, or checking

account in a financial institution is reported as an "or" account in the name of two or more persons who are not beneficiaries, it is presumed that either person listed on the account may claim the entire amount held in the account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "and" account.

(3) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported in the name of two or more persons who are not beneficiaries without identifying whether the account is an "and" account or an "or" account, it is presumed that the account is an "or" account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "and" account.

(4) The department shall be deemed to have made a distribution in good faith if the department remits funds consistent with this section.

Section 58. Subsection (2) of section 717.12404, Florida Statutes, is amended to read:

717.12404 Claims on behalf of a business entity or trust.—

(2) Claims on behalf of an active or ~~a~~ dissolved

corporation, a business entity ~~other than an active corporation~~, or a trust must include a legible copy of a valid driver license of the person acting on behalf of the ~~dissolved~~ corporation, business entity ~~other than an active corporation~~, or trust. If the person has not been issued a valid driver license, the department shall be provided with a legible copy of a photographic identification of the person issued by the United States, a foreign nation, or a political subdivision or agency thereof. In lieu of photographic identification, a notarized sworn statement by the person may be provided which affirms the person's identity and states the person's full name and address. The person must produce his or her photographic identification issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. The notary shall indicate the notary's full address on the notarized sworn statement. Any claim filed without the required identification or the sworn statement with the original claim form and the original Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement, if applicable, is void.

Section 59. Section 717.12405, Florida Statutes, is amended to read:

717.12405 Claims by estates.—An estate or any person representing an estate or acting on behalf of an estate may

claim abandoned ~~unclaimed~~ property only after the heir or legatee of the decedent entitled to the property has been located. Any estate, or any person representing an estate or acting on behalf of an estate, that receives abandoned ~~unclaimed~~ property before the heir or legatee of the decedent entitled to the property has been located, is personally liable for the abandoned ~~unclaimed~~ property and must immediately return the full amount of the abandoned ~~unclaimed~~ property or the value thereof to the department in accordance with s. 717.1341.

Section 60. Section 717.12406, Florida Statutes, is amended to read:

717.12406 Joint ownership of abandoned ~~unclaimed~~ securities or dividends.—For the purpose of determining joint ownership of abandoned ~~unclaimed~~ securities or dividends, the term:

(1) "TEN COM" means tenants in common.

(2) "TEN ENT" means tenants by the entireties.

(3) "JT TEN" or "JT" means joint tenants with the right of survivorship and not as tenants in common.

(4) "And" means tenants in common with each person entitled to an equal pro rata share.

(5) "Or" means that each person listed on the account is entitled to all of the funds.

Section 61. Section 717.1241, Florida Statutes, is amended to read:

717.1241 Conflicting claims.—

(1) For purposes of this section, the term "conflicting claim" means two or more claims received by the department for the same abandoned property account or accounts in which two or more claimants appear to be equally entitled to the property. The term also includes circumstances in which the same claimant has more than one claim pending for the same property, including when the claimant is represented by more than one claimant representative or submits both a personal claim and a claim through a representative.

(2) When conflicting claims have been received by the department for the same abandoned ~~unclaimed~~ property account or accounts, the property shall be remitted in accordance with the claim filed by the person as follows, notwithstanding the withdrawal of a claim:

(a) To the person submitting the first claim received by the ~~Division of Unclaimed Property of the~~ department that is complete or made complete.

(b) If a claimant's claim and a claimant ~~claimant's~~ representative's claim for the recovery of property are received by the ~~Division of Unclaimed Property of the~~ department on the same day and both claims are complete, to the claimant.

(c) If a buyer's claim or a purchasing claimant representative's claim and a claimant's claim or a claimant ~~claimant's~~ representative's claim for the recovery of property

are received by the ~~Division of Unclaimed Property of the~~ department on the same day and the claims are complete, to the buyer.

(d) As between two or more claimant representatives' ~~claimant's representative's~~ claims received by the ~~Division of Unclaimed Property of~~ the department that are complete or made complete on the same day, to the claimant ~~claimant's~~ representative who has agreed to receive the lowest fee. If the two or more claimant ~~claimant's~~ representatives whose claims received by ~~the Division of Unclaimed Property of~~ the department were complete or made complete on the same day are charging the same ~~lowest~~ fee, the fee shall be divided equally between the claimant ~~claimant's~~ representatives.

(e) If more than one buyer's claim received by the ~~Division of Unclaimed Property of the~~ department is complete or made complete on the same day, the department shall remit the abandoned ~~unclaimed~~ property to the buyer who paid the highest amount to the seller. If the buyers paid the same amount to the seller, the department shall remit the abandoned ~~unclaimed~~ property to the buyers divided in equal amounts.

(3) ~~(2)~~ The purpose of this section is solely to provide guidance to the department regarding to whom it should remit the abandoned ~~unclaimed~~ property and is not intended to extinguish or affect any private cause of action that any person may have against another person for breach of contract or other statutory

or common-law remedy. A buyer's sole remedy, if any, shall be against the claimant ~~claimant's~~ representative or the seller, or both. A claimant ~~claimant's~~ representative's sole remedy, if any, shall be against the buyer or the seller, or both. A claimant's or seller's sole remedy, if any, shall be against the buyer or the claimant ~~claimant's~~ representative, or both. Nothing in this section forecloses the right of a person to challenge the department's determination of completeness in a proceeding under ss. 120.569 and 120.57.

(4) ~~(3)~~ A claim is complete when entitlement to the abandoned ~~unclaimed~~ property has been established.

Section 62. Subsection (1) of section 717.1242, Florida Statutes, is amended to read:

717.1242 Restatement of jurisdiction of the circuit court sitting in probate and the department.—

(1) It is and has been the intent of the Legislature that, pursuant to s. 26.012(2)(b), circuit courts have jurisdiction of proceedings relating to the settlement of the estates of decedents and other jurisdiction usually pertaining to courts of probate. It is and has been the intent of the Legislature that, pursuant to this chapter, the department determines the merits of claims and entitlement to abandoned ~~unclaimed~~ property paid or delivered to the department under this chapter. Consistent with this legislative intent, any beneficiary, devisee, heir, personal representative, or other interested person, as those

terms are defined in the Florida Probate Code and the Florida Trust Code, of an estate seeking to obtain property paid or delivered to the department under this chapter must file a claim with the department as provided in s. 717.124.

Section 63. Subsections (1) and (4) of section 717.1243, Florida Statutes, are amended to read:

717.1243 Small estate accounts.—

(1) A claim for abandoned ~~unclaimed~~ property made by a beneficiary, as defined in s. 731.201, of a deceased owner need not be accompanied by an order of a probate court if the claimant files with the department an affidavit, signed by all beneficiaries, stating that all the beneficiaries have amicably agreed among themselves upon a division of the estate and that all funeral expenses, expenses of the last illness, and any other lawful claims have been paid, and any additional information reasonably necessary to make a determination of entitlement. If the owner died testate, the claim shall be accompanied by a copy of the will.

(4) This section applies only if all of the abandoned ~~unclaimed~~ property held by the department on behalf of the owner has an aggregate value of $20,000 or less and no probate proceeding is pending.

Section 64. Section 717.1244, Florida Statutes, is amended to read:

717.1244 Determinations of abandoned ~~unclaimed~~ property

claims.—In rendering a determination regarding the merits of an abandoned ~~unclaimed~~ property claim, the department shall rely on the applicable statutory, regulatory, common, and case law. Agency statements applying the statutory, regulatory, common, and case law to abandoned ~~unclaimed~~ property claims are not agency statements subject to s. 120.56(4).

Section 65. Section 717.1245, Florida Statutes, is amended to read:

717.1245 Garnishment of abandoned ~~unclaimed~~ property.—If any person files a petition for writ of garnishment seeking to obtain property paid or delivered to the department under this chapter, the petitioner shall be ordered to pay the department reasonable costs and attorney ~~attorney's~~ fees in any proceeding brought by the department to oppose, appeal, or collaterally attack the petition or writ if the department is the prevailing party in any such proceeding.

Section 66. Subsection (1) of section 717.125, Florida Statutes, is amended to read:

717.125 Claim of another state to recover property; procedure.—

(1) At any time after property has been paid or delivered to the department under this chapter, another state may recover the property if:

(a) The property was subjected to custody by this state because the records of the holder did not reflect the last known

address of the apparent owner when the property was presumed abandoned ~~unclaimed~~ under this chapter, and the other state establishes that the last known address of the apparent owner or other person entitled to the property was in that state and under the laws of that state the property escheated to or was subject to a claim of abandonment or being unclaimed by that state;

(b) The last known address of the apparent owner or other person entitled to the property, as reflected by the records of the holder, is in the other state and under the laws of that state the property has escheated to or become subject to a claim of abandonment by that state;

(c) The records of the holder were erroneous in that they did not accurately reflect the actual owner of the property and the last known address of the actual owner is in the other state and under laws of that state the property escheated to or was subject to a claim of abandonment by that state;

(d) The property was subject to custody by this state under s. 717.103(6) and under the laws of the state of domicile of the holder the property has escheated to or become subject to a claim of abandonment by that state; or

(e) The property is the sum payable on a traveler's check, money order, or other similar instrument that was subjected to custody by this state under s. 717.104, and the instrument was purchased in the other state, and under the laws of that state

the property escheated to or became subject to a claim of abandonment by that state.

Section 67. Subsection (1) of section 717.126, Florida Statutes, is amended to read:

717.126 Administrative hearing; burden of proof; proof of entitlement; venue.—

(1) Any person aggrieved by a decision of the department may petition for a hearing as provided in ss. 120.569 and 120.57. In any proceeding for determination of a claim to property paid or delivered to the department under this chapter, the burden shall be upon the claimant to establish entitlement to the property by a preponderance of evidence. Having the same name as that reported to the department is not sufficient, in the absence of other evidence, to prove entitlement to abandoned ~~unclaimed~~ property.

Section 68. Section 717.1261, Florida Statutes, is amended to read:

717.1261 Death certificates.—Any person who claims entitlement to abandoned ~~unclaimed~~ property by means of the death of one or more persons shall file a copy of the death certificate of the decedent or decedents that has been certified as being authentic by the issuing governmental agency.

Section 69. Section 717.1262, Florida Statutes, is amended to read:

717.1262 Court documents.—Any person who claims

entitlement to abandoned ~~unclaimed~~ property by reason of a court document shall file a certified copy of the court document with the department. A certified copy of each pleading filed with the court to obtain a court document establishing entitlement, filed within 180 days before the date the claim form was signed by the claimant or claimant ~~claimant's~~ representative, must also be filed with the department.

Section 70. Section 717.129, Florida Statutes, is amended to read:

717.129 Periods of limitation.—

(1) The expiration before or after July 1, 1987, of any period of time specified by contract, statute, or court order, during which a claim for money or property may be made or during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or to recover property, does not prevent the money or property from being presumed abandoned ~~unclaimed~~ or affect any duty to file a report or to pay or deliver abandoned ~~unclaimed~~ property to the department as required by this chapter.

(2) The department may not commence an action or proceeding to enforce this chapter with respect to the reporting, payment, or delivery of property or any other duty of a holder under this chapter more than 10 years after the duty arose. The period of limitation established under this subsection is tolled by the earlier of the department's or audit

agent's delivery of a notice that a holder is subject to an audit or examination under s. 717.1301 or the holder's written election to enter into an abandoned ~~unclaimed~~ property voluntary disclosure agreement.

Section 71. Subsections (3) and (4) of section 717.1301, Florida Statutes, are amended to read:

717.1301 Investigations; examinations; subpoenas.—

(3) The department may authorize a compliance review of a report for a specified reporting year. The review must be limited to the contents of the report filed, as required by s. 717.117 and subsection (2), and all supporting documents related to the reports. If the review results in a finding of a deficiency in abandoned ~~unclaimed~~ property due and payable to the department, the department shall notify the holder in writing of the amount of deficiency within 1 year after the authorization of the compliance review. If the holder fails to pay the deficiency within 90 days, the department may seek to enforce the assessment under subsection (1). The department is not required to conduct a review under this section before initiating an audit.

(4) Notwithstanding any other provision of law, in a contract providing for the location or collection of abandoned ~~unclaimed~~ property, the department may authorize the contractor to deduct its fees and expenses for services provided under the contract from the abandoned ~~unclaimed~~ property that the

contractor has recovered or collected under the contract. The department shall annually report to the Chief Financial Officer the total amount collected or recovered by each contractor during the previous fiscal year and the total fees and expenses deducted by each contractor.

Section 72. Section 717.1315, Florida Statutes, is amended to read:

717.1315 Retention of records by claimant ~~claimant's~~ representatives and buyers of abandoned ~~unclaimed~~ property.—

(1) Every claimant ~~claimant's~~ representative and buyer of abandoned ~~unclaimed~~ property shall keep and use in his or her business such books, accounts, and records of the business conducted under this chapter to enable the department to determine whether such person is complying with this chapter and the rules adopted by the department under this chapter. Every claimant ~~claimant's~~ representative and buyer of abandoned ~~unclaimed~~ property shall preserve such books, accounts, and records, including every Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement between the owner and such claimant ~~claimant's~~ representative or buyer, for at least 3 years after the date of the initial agreement.

(2) A claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property, operating at two or more places of business in this state, may maintain the books, accounts, and

records of all such offices at any one of such offices, or at any other office maintained by such claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property, upon the filing of a written notice with the department designating in the written notice the office at which such records are maintained.

(3) A claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property shall make all books, accounts, and records available at a convenient location in this state upon request of the department.

Section 73. Subsections (2) and (3) of section 717.132, Florida Statutes, are amended to read:

717.132 Enforcement; cease and desist orders; fines.—

(2) In addition to any other powers conferred upon it to enforce and administer the provisions of this chapter, the department may issue and serve upon a person an order to cease and desist and to take corrective action whenever the department finds that such person is violating, has violated, or is about to violate any provision of this chapter, any rule or order promulgated under this chapter, or any written agreement entered into with the department. For purposes of this subsection, the term "corrective action" includes refunding excessive charges, requiring a person to return abandoned ~~unclaimed~~ property, requiring a holder to remit abandoned ~~unclaimed~~ property, and requiring a holder to correct a report that contains errors or

omissions. Any such order shall contain a notice of rights provided by ss. 120.569 and 120.57.

(3) In addition to any other powers conferred upon it to enforce and administer the provisions of this chapter, the department or a court of competent jurisdiction may impose fines against any person found to have violated any provision of this chapter, any rule or order promulgated under this chapter, or any written agreement entered into with the department in an amount not to exceed $2,000 for each violation. All fines collected under this subsection shall be deposited as received in the Abandoned ~~Unclaimed~~ Property Trust Fund.

Section 74. Paragraphs (c), (d), and (j) of subsection (1), subsections (2) and (3), paragraph (b) of subsection (4), and subsection (5) of section 717.1322, Florida Statutes, are amended to read:

717.1322 Administrative and civil enforcement.—

(1) The following acts are violations of this chapter and constitute grounds for an administrative enforcement action by the department in accordance with the requirements of chapter 120 and for civil enforcement by the department in a court of competent jurisdiction:

(c) ~~Fraudulent~~ Misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to the department or to an owner or apparent owner under this chapter~~, regardless of reliance by or damage to the owner or~~

~~apparent owner~~.

(d) ~~Willful~~ Imposition of illegal or excessive charges in any abandoned ~~unclaimed~~ property transaction.

(j) Requesting or receiving compensation for notifying a person of his or her abandoned ~~unclaimed~~ property or assisting another person in filing a claim for abandoned ~~unclaimed~~ property, ~~unless the person is an attorney licensed to practice law in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493,~~ or entering into, or making a solicitation to enter into, an agreement to file a claim for abandoned ~~unclaimed~~ property owned by another, unless such person is a registered claimant representative ~~registered with the department~~ under this chapter ~~and an attorney licensed to practice law in this state in the regular practice of her or his profession, a Florida-certified public accountant who is acting within the scope of the practice of public accounting as defined in chapter 473, or a private investigator licensed under chapter 493~~. This paragraph does not apply to a person who has been granted a durable power of attorney to convey and receive all of the real and personal property of the owner, is the court-appointed guardian of the owner, has been employed as an attorney or qualified representative to contest the department's denial of a claim, or has been employed as an attorney to probate the estate of the owner or an heir or legatee of the owner.

(2) Upon a finding by the department that any person has committed any of the acts set forth in subsection (1), the department may enter an order doing any of the following:

(a) Revoking for a minimum of 5 years or suspending for a maximum of 5 years a registration previously granted under this chapter during which time the registrant may not reapply for a registration under this chapter.~~;~~

(b) Placing a claimant representative ~~registrant~~ or an applicant for a registration on probation for a period of time and subject to such conditions as the department may specify.~~;~~

(c) Placing permanent restrictions or conditions upon issuance or maintenance of a registration under this chapter;

(d) Issuing a reprimand.~~;~~

(e) Imposing an administrative fine not to exceed $2,000 for each such act.~~; or~~

(f) Prohibiting any person from being a director, officer, agent, employee, or ultimate equitable owner of a 10 percent ~~10-percent~~ or greater interest in an employer of a claimant representative ~~registrant~~.

(3) A claimant ~~claimant's~~ representative is subject to civil enforcement and the disciplinary actions specified in subsection (2) for violations of subsection (1) by an agent or employee of the claimant representative's ~~registrant's~~ employer if the claimant ~~claimant's~~ representative knew or should have known that such agent or employee was violating any provision of

this chapter.

(4)

(b) The disciplinary guidelines shall specify a meaningful range of designated penalties based upon the severity or repetition of specific offenses, or both. It is the legislative intent that minor violations be distinguished from more serious violations; that such guidelines consider the amount of the claim involved, the complexity of locating the owner, the steps taken to ensure the accuracy of the claim by the person filing the claim, the acts of commission and omission of the claimant ~~ultimate owners~~ in establishing themselves as rightful owners of the funds, the acts of commission or omission of the agent or employee of a claimant representative or its ~~an~~ employer in the filing of the claim, the actual knowledge of the agent, employee, employer, or owner in the filing of the claim, the departure, if any, by the agent or employee from the internal controls and procedures established by the claimant representative or its employer with regard to the filing of a claim, the number of defective claims previously filed by the agent, employee, employer, or owner; that such guidelines provide reasonable and meaningful notice of likely penalties that may be imposed for proscribed conduct; and that such penalties be consistently applied by the department.

(5) The department may seek any appropriate civil legal remedy available to it by filing a civil action in a court of

competent jurisdiction against any person who has, directly or through a claimant ~~claimant's~~ representative, wrongfully submitted a claim as the ~~ultimate~~ owner of property and improperly received funds from the department in violation of this chapter.

Section 75. Subsections (1) and (3) of section 717.133, Florida Statutes, are amended to read:

717.133 Interstate agreements and cooperation; joint and reciprocal actions with other states.—

(1) The department may enter into agreements with other states to exchange information needed to enable this or another state to audit or otherwise determine abandoned ~~unclaimed~~ property that it or another state may be entitled to subject to a claim of custody. The department may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

(3) At the request of another state, the department may bring an action in the name of the other state in any court of competent jurisdiction to enforce the abandoned ~~unclaimed~~ property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred in bringing the action.

Section 76. Subsection (2) of section 717.1333, Florida Statutes, is amended to read:

717.1333 Evidence; estimations; audit reports and worksheets, investigator reports and worksheets, other related documents.—

(2) If the records of the holder that are available for the periods subject to this chapter are insufficient to permit the preparation of a report of the abandoned ~~unclaimed~~ property due and owing by a holder, or if the holder fails to provide records after being requested to do so, the amount due to the department may be reasonably estimated.

Section 77. Paragraph (a) of subsection (1) and subsections (2) and (4) of section 717.1341, Florida Statutes, are amended to read:

717.1341 Invalid claims, recovery of property, interest and penalties.—

(1)(a) A ~~No~~ person may not ~~shall~~ receive abandoned ~~unclaimed~~ property that the person is not entitled to receive. Any person who receives, or assists another person to receive, abandoned ~~unclaimed~~ property that the person is not entitled to receive is strictly, jointly, personally, and severally liable for the abandoned ~~unclaimed~~ property and shall immediately return the property, or the reasonable value of the property if the property has been damaged or disposed of, to the department plus interest at the rate set in accordance with s. 55.03(1). Assisting another person to receive abandoned ~~unclaimed~~ property includes executing a claim form on the person's behalf.

(2) The department may maintain a civil or administrative action:

(a) To recover abandoned ~~unclaimed~~ property that was paid or remitted to a person who was not entitled to the abandoned ~~unclaimed~~ property or to offset amounts owed to the department against amounts owed to an owner representative;

(b) Against a person who assists another person in receiving, or attempting to receive, abandoned ~~unclaimed~~ property that the person is not entitled to receive; or

(c) Against a person who attempts to receive abandoned ~~unclaimed~~ property that the person is not entitled to receive.

(4) A ~~No~~ person may not ~~shall~~ knowingly file, knowingly conspire to file, or knowingly assist in filing~~,~~ a claim for abandoned ~~unclaimed~~ property the person is not entitled to receive. Any person who violates this subsection regarding abandoned ~~unclaimed~~ property of an aggregate value:

(a) Greater than $50,000, commits ~~is guilty of~~ a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(b) Greater than $10,000 up to $50,000, commits ~~is guilty of~~ a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(c) Greater than $250 up to $10,000, commits ~~is guilty of~~ a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(d) Greater than $50 up to $250, commits ~~is guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083; or

(e) Up to $50, commits ~~is guilty of~~ a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

Section 78. Section 717.135, Florida Statutes, is amended to read:

717.135 Recovery agreements and purchase agreements for claims filed by a claimant ~~claimant's~~ representative; fees and costs or total net gain.—

(1) In order to protect the interests of owners of abandoned ~~unclaimed~~ property, the department shall adopt by rule a form entitled "Abandoned ~~Unclaimed~~ Property Recovery Agreement" and a form entitled "Abandoned ~~Unclaimed~~ Property Purchase Agreement."

(2) The Abandoned ~~Unclaimed~~ Property Recovery Agreement and the Abandoned ~~Unclaimed~~ Property Purchase Agreement must include and disclose all of the following:

(a) The total dollar amount of abandoned ~~unclaimed~~ property accounts claimed or sold.

(b) The total percentage of all authorized fees and costs to be paid to the claimant ~~claimant's~~ representative or the percentage of the value of the property to be paid as net gain to the purchasing claimant ~~claimant's~~ representative.

(c) The total dollar amount to be deducted and received from the claimant as fees and costs by the claimant ~~claimant's~~ representative or the total net dollar amount to be received by the purchasing claimant ~~claimant's~~ representative.

(d) The net dollar amount to be received by the claimant or the seller.

(e) For each account claimed, the abandoned ~~unclaimed~~ property account number.

(f) For the Abandoned ~~Unclaimed~~ Property Purchase Agreement, a statement that the amount of the purchase price will be remitted to the seller by the purchaser within 30 days after the execution of the agreement by the seller.

(g) The name, address, e-mail address, phone number, and license number of the claimant ~~claimant's~~ representative.

(h)1. The manual signature of the claimant or seller and the date signed, affixed on the agreement by the claimant or seller.

2. Notwithstanding any other provision of this chapter to the contrary, the department may allow ~~an apparent owner, who is also~~ the claimant or seller~~,~~ to sign the agreement electronically. All electronic signatures on the Abandoned ~~Unclaimed~~ Property Recovery Agreement and the Abandoned ~~Unclaimed~~ Property Purchase Agreement must be affixed on the agreement by the claimant or seller using the specific, exclusive eSignature product and protocol authorized by the

department.

(i) The social security number or taxpayer identification number of the claimant or seller, if a number has been issued to the claimant or seller.

(j) The total fees and costs, or the total discount in the case of a purchase agreement, which may not exceed 30 percent of the claimed amount. In the case of a recovery agreement, if the total fees and costs exceed 30 percent, the fees and costs shall be reduced to 30 percent and the net balance shall be remitted directly by the department to the claimant. In the case of a purchase agreement, if the total net gain of the claimant ~~claimant's~~ representative exceeds 30 percent, the claim will be denied.

(3) For an Abandoned ~~Unclaimed~~ Property Purchase Agreement form, proof that the purchaser has made payment must be filed with the department along with the claim. If proof of payment is not provided, the claim is void.

(4) A claimant ~~claimant's~~ representative must use the Abandoned ~~Unclaimed~~ Property Recovery Agreement or the Abandoned ~~Unclaimed~~ Property Purchase Agreement as the exclusive means of entering into an agreement or a contract with a claimant or seller to file a claim with the department.

(5) Fees and costs may be owed or paid to, or received by, a claimant ~~claimant's~~ representative only after a filed claim has been approved and if the claimant's representative used an

agreement authorized by this section.

(6) A claimant ~~claimant's~~ representative may not use or distribute any other agreement of any type, conveyed by any method, with respect to the claimant or seller which relates, directly or indirectly, to abandoned ~~unclaimed~~ property accounts held by the department or the Chief Financial Officer other than the agreements authorized by this section. Any engagement, authorization, recovery, or fee agreement that is not authorized by this section is void. A claimant ~~claimant's~~ representative is subject to administrative and civil enforcement under s. 717.1322 if he or she uses an agreement that is not authorized by this section and if the agreement is used to apply, directly or indirectly, to abandoned ~~unclaimed~~ property held by this state. This subsection does not prohibit lawful nonagreement, noncontractual, or advertising communications between or among the parties.

(7) The Abandoned ~~Unclaimed~~ Property Recovery Agreement may not contain language that makes the agreement irrevocable or that creates an assignment of any portion of abandoned ~~unclaimed~~ property held by the department.

(8) When a claim is approved, the department may pay any additional account that is owned by the claimant but has not been claimed at the time of approval, provided that a subsequent claim has not been filed or is not pending for the claimant at the time of approval.

(9) This section does not supersede s. 717.1241.

~~(10) This section does not apply to the sale and purchase of Florida-held unclaimed property accounts through a bankruptcy estate representative or other person or entity authorized pursuant to Title XI of the United States Code or an order of a bankruptcy court to act on behalf or for the benefit of the debtor, its creditors, and its bankruptcy estate.~~

Section 79. Section 717.1356, Florida Statutes, is created to read:

717.1356 Purchase of abandoned property.—

(1) Agreements for the purchase of abandoned property reported to the department shall be valid only if all of the following conditions are met:

(a) The agreement is entitled "Florida Abandoned Property Purchase Agreement" and is in writing, in minimum 12-point type.

(b) The agreement includes the social security number or taxpayer identification number of the seller, if a number has been issued to the seller; a valid e-mail address, mailing address, and telephone number for the seller; and is manually signed and dated by the seller with the signature notarized.

(c) The agreement discloses with specificity the nature and value of the abandoned property, including the name of the apparent owner as shown by the records of the department, the name of the holder who remitted the property, the date of last contact, and the property category. With respect to the value of

the abandoned property, the agreement must contain the following:

1. The total dollar amount of all abandoned property to be sold.

2. The total percentage of the value of the abandoned property to be paid as net gain to the purchaser.

3. The total net dollar amount to be received by the purchaser.

4. The net dollar amount to be received by the seller.

(d) The agreement states the abandoned property account number for each abandoned property account sold.

(e) The purchase price does not discount the total value of all abandoned property subject to the sale by more than 30 percent.

(f) The agreement states that the amount of the purchase price will be remitted to the seller by the purchaser within 30 days after the execution of the agreement by the seller.

(g) The agreement includes the name, address, e-mail address, and phone number of the purchaser.

(h) The agreement states that the abandoned property is currently in the department's custody and that the seller can claim the property directly from the department on its electronically searchable website without being charged a fee. The agreement must provide the department's website address.

(2) A seller may cancel a purchase agreement without

penalty or obligation within 15 business days after the date on which the agreement was executed. The agreement must contain the following language in minimum 12-point type: "You may cancel this agreement for any reason without penalty or obligation to you within 15 days after the date of this agreement by providing notice to . . .(name of purchaser). . ., submitted in writing and sent by certified mail, return receipt requested, or other form of mailing that provides proof thereof, at the address or e-mail address specified in the agreement."

(3) A copy of an executed Florida Abandoned Property Purchase Agreement must be filed with the purchaser's claim, along with proof that the purchaser has made payment in full, and all other required documentation. If proof of payment is not provided, the department may not approve the claim.

(4) A purchase agreement under this section that discounts the value of abandoned property by more than the amount authorized in paragraph (1)(e) is enforceable only by the seller.

Section 80. Section 717.138, Florida Statutes, is amended to read:

717.138 Rulemaking authority.—The department shall administer and provide for the enforcement of this chapter. The department has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. The department may adopt rules to allow for electronic

filing of fees, forms, and reports required by this chapter. The authority to adopt rules pursuant to this chapter applies to all abandoned ~~unclaimed~~ property reported and remitted to the Chief Financial Officer, including, but not limited to, property reported and remitted pursuant to ss. 45.032, 732.107, 733.816, and 744.534.

Section 81. Section 717.1382, Florida Statutes, is amended to read:

717.1382 United States savings bond; abandoned ~~unclaimed~~ property; escheatment; procedure.—

(1) Notwithstanding any other provision of law, a United States savings bond in possession of the department or registered to a person with a last known address in the state, including a bond that is lost, stolen, or destroyed, is presumed abandoned ~~and unclaimed~~ 5 years after the bond reaches maturity and no longer earns interest and shall be reported and remitted to the department by the financial institution or other holder in accordance with ss. 717.117(5) and (11) ~~ss. 717.117(1) and (5)~~ and 717.119, if the department is not in possession of the bond.

(2)(a) After a United States savings bond is abandoned ~~and unclaimed~~ in accordance with subsection (1), the department may commence a civil action in a court of competent jurisdiction in Leon County for a determination that the bond shall escheat to the state. Upon determination of escheatment, all property

rights to the bond or proceeds from the bond, including all rights, powers, and privileges of survivorship of an owner, co-owner, or beneficiary, shall vest solely in the state.

(b) Service of process by publication may be made on a party in a civil action pursuant to this section. A notice of action shall state the name of any known owner of the bond, the nature of the action or proceeding in short and simple terms, the name of the court in which the action or proceeding is instituted, and an abbreviated title of the case.

(c) The notice of action shall require a person claiming an interest in the bond to file a written defense with the clerk of the court and serve a copy of the defense by the date fixed in the notice. The date must not be less than 28 or more than 60 days after the first publication of the notice.

(d) The notice of action shall be published once a week for 4 consecutive weeks in a newspaper of general circulation published in Leon County. Proof of publication shall be placed in the court file.

(e)1. If no person files a claim with the court for the bond and if the department has substantially complied with the provisions of this section, the court shall enter a default judgment that the bond, or proceeds from such bond, has escheated to the state.

2. If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant

is not entitled to the bonds claimed by such claimant, the court shall enter a judgment that such bonds, or proceeds from such bonds, have escheated to the state.

3. If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant is entitled to the bonds claimed by such claimant, the court shall enter a judgment in favor of the claimant.

(3) The department may redeem a United States savings bond escheated to the state pursuant to this section or, in the event that the department is not in possession of the bond, seek to obtain the proceeds from such bond. Proceeds received by the department shall be deposited in accordance with s. 717.123.

Section 82. Section 717.139, Florida Statutes, is amended to read:

717.139 Uniformity of application and construction.—

(1) The Legislature finds that laws governing abandoned property serve a vital public purpose by protecting the property rights of owners, facilitating the return abandoned property to its owners, preventing private escheatment, and ensuring that abandoned assets are preserved and safeguarded from waste or misuse. It is the public policy of the state to protect the interests of owners of abandoned ~~unclaimed~~ property. ~~It is declared to be in the best interests of owners of unclaimed property that such owners receive the full amount of any unclaimed property without any fee.~~

(2) This chapter shall be applied and construed as to effectuate its general purpose of protecting the interest of missing owners of abandoned property, while providing that the benefit of all ~~unclaimed and~~ abandoned property shall go to all the people of the state, and to make uniform the law with respect to the subject of this chapter among states enacting it. It is the intent of the Legislature that property reported under this chapter remains the property of the owner and that the State of Florida acts solely as a custodian, not as the owner, of such property. Title to abandoned property may not transfer to the state except as expressly provided by law and only after all reasonable efforts to identify and return the property to its rightful owner have been exhausted.

Section 83. Section 717.1400, Florida Statutes, is amended to read:

717.1400 Registration.—

(1) In order to file claims as a claimant ~~claimant's~~ representative, receive a distribution of fees and costs for approved claims from the department, and obtain information regarding abandoned ~~unclaimed~~ property dollar amounts and numbers of reported shares of stock held by the department, an individual must meet all of the following requirements:

(a) Be one of the following:

1. A Florida-licensed private investigator holding a Class "C" individual license under chapter 493;

2. A Florida-certified public account; or

3. A Florida-licensed attorney.

(b) Have obtained a certificate of registration from ~~Must register with~~ the department.

(2) An application for registration as a claimant representative must be submitted in writing on a form prescribed by the department and must be accompanied by all of the following:

(a) A legible color copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of photo identification must be provided which shows the full name and current address of such person.

(b) If the applicant is a private investigator:

1. ~~on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, a private investigator must provide:~~

~~(a)~~ A legible copy of the applicant's Class "A" business license under chapter 493 or that of the applicant's firm or employer which holds a Class "A" business license under chapter 493; and~~.~~

2.~~(b)~~ A legible copy of the applicant's Class "C" individual license issued under chapter 493.

(c) If the applicant is a certified public account, the applicant's Florida Board of Accountancy number.

(d) If the applicant is a licensed attorney, the applicant's Florida Bar number.

(e) ~~(c)~~ The business address, ~~and~~ telephone number, tax identification number, and state of domicile or incorporation of the applicant's ~~private investigative~~ firm or employer.

(f) ~~(d)~~ The names of agents, ~~or~~ employees, or independent contractors, if any, who are designated or authorized to act on behalf of the applicant ~~private investigator~~, together with a legible color copy of their photo identification issued by an agency of the United States, or a state, or a political subdivision thereof.

(g) A statement that the applicant has not, during the 5-year period immediately preceding the submission of the application, violated any part of the Florida Disposition of Abandoned Personal Property Act.

(h) A statement that the applicant has not been convicted of, or plead guilty to, a felony or any offense involving moral turpitude; dishonesty; deceit; or breach of fiduciary duty, including theft, attempted theft, falsification, tampering with records, securing writings by deception, fraud, forgery, or perjury.

(i) ~~(e)~~ Sufficient information to enable the department to disburse funds by electronic funds transfer.

(j) The applicant's notarized signature immediately following an acknowledgment that any false or perjured statement

subjects the applicant to criminal liability under the laws of this state

~~(f) The tax identification number of the private investigator's firm or employer which holds a Class "A" business license under chapter 493.~~

~~(2) In order to file claims as a claimant's representative, receive a distribution of fees and costs from the department, and obtain unclaimed property dollar amounts and numbers of reported shares of stock held by the department, a Florida-certified public accountant must register with the department on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, a Florida-certified public accountant must provide:~~

~~(a) The applicant's Florida Board of Accountancy number.~~

~~(b) A legible copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of identification showing the full name and current address of such person or persons shall be filed with the department.~~

~~(c) The business address and telephone number of the applicant's public accounting firm or employer.~~

~~(d) The names of agents or employees, if any, who are designated to act on behalf of the Florida-certified public accountant, together with a legible copy of their photo identification issued by an agency of the United States, or a~~

~~state, or a political subdivision thereof.~~

~~(e) Sufficient information to enable the department to disburse funds by electronic funds transfer.~~

~~(f) The tax identification number of the accountant's public accounting firm employer~~.

(3) ~~In order to file claims as a claimant's representative, receive a distribution of fees and costs from the department, and obtain unclaimed property dollar amounts and numbers of reported shares of stock held by the department, an attorney licensed to practice in this state must register with the department on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, such attorney must provide:~~

~~(a) The applicant's Florida Bar number.~~

~~(b) A legible copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of identification showing the full name and current address of such person or persons shall be filed with the department.~~

~~(c) The business address and telephone number of the applicant's firm or employer.~~

~~(d) The names of agents or employees, if any, who are designated to act on behalf of the attorney, together with a legible copy of their photo identification issued by an agency of the United States, or a state, or a political subdivision~~

~~thereof.~~

~~(e) Sufficient information to enable the department to disburse funds by electronic funds transfer.~~

~~(f) The tax identification number of the attorney's firm or employer.~~

~~(4)~~ Information and documents already on file with the department before the effective date of this provision need not be resubmitted in order to complete the registration.

(4)~~(5)~~ If a material change in the status of a registration occurs, the claimant representative ~~a registrant~~ must, within 30 days, provide the department with the updated documentation and information in writing. Material changes include, but are not limited to, the following,~~:~~ a designated agent or employee ceasing to act on behalf of the designating person, a surrender, suspension, or revocation of a license, or a license renewal.

(a) If a designated agent or employee ceases to act on behalf of the person who has designated the agent or employee to act on such person's behalf, the designating person must, within 30 days, inform the department ~~the Division of Unclaimed Property~~ in writing of the termination of agency or employment.

(b) If a registrant surrenders the registrant's license or the license is suspended or revoked, the registrant must, within 30 days, inform the division in writing of the surrender, suspension, or revocation.

(c) If a private investigator's Class "C" individual license under chapter 493 or a private investigator's employer's Class "A" business license under chapter 493 is renewed, the private investigator must provide a copy of the renewed license to the department within 30 days after the receipt of the renewed license by the private investigator or the private investigator's employer.

(5)~~(6)~~ An applicant's claimant representative's ~~A registrant's~~ firm or employer may not have a name that might lead another person to conclude that the claimant representative's ~~registrant's~~ firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state. The department shall deny an application for registration or revoke a registration if the applicant's or claimant representative's ~~registrant's~~ firm or employer has a name that might lead another person to conclude that the firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state. Names that might lead another person to conclude that the firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state, include, but are not limited to, the words United States, Florida, state, bureau, division, department, or government.

(6)~~(7)~~ The licensing and other requirements of this section must be maintained as a condition of registration with the department.

(7) To maintain active registration under this section, a claimant representative must file and obtain payment on at least 10 claims per calendar year following the date of initial registration.

(a) If a claimant representative fails to meet this requirement, the department must notify the claimant representative in writing and provide 30 days to demonstrate compliance or good cause for noncompliance.

(b) If the claimant representative does not cure the deficiency or demonstrate good cause within the time provided, the department must revoke the registration.

(c) A claimant representative whose registration is revoked under this subsection may not reapply for registration under this section for a period of 1 year following the effective date of the revocation.

Section 84. Subsection (1) of section 1001.281, Florida Statutes, is amended to read:

1001.281 Operating Trust Fund.—

(1) The Operating Trust Fund~~, FLAIR number 48-2-510,~~ is created within the Department of Education.

Section 85. Subsection (1) of section 1001.282, Florida Statutes, is amended to read:

1001.282 Administrative Trust Fund.—

(1) The Administrative Trust Fund~~, FLAIR number 48-2-021,~~ is created within the Department of Education.

Section 86. Paragraph (a) of subsection (2) of section 197.582, Florida Statutes, is amended to read:

197.582 Disbursement of proceeds of sale.—

(2)(a) If the property is purchased for an amount in excess of the statutory bid of the certificateholder, the surplus must be paid over and disbursed by the clerk as set forth in subsections (3), (5), and (6). If the opening bid included the homestead assessment pursuant to s. 197.502(6)(c), that amount must be treated as surplus and distributed in the same manner. The clerk shall distribute the surplus to the governmental units for the payment of any lien of record held by a governmental unit against the property, including any tax certificates not incorporated in the tax deed application and omitted taxes, if any. If there remains a balance of undistributed funds, the balance must be retained by the clerk for the benefit of persons described in s. 197.522(1)(a), except those persons described in s. 197.502(4)(h), as their interests may appear. The clerk shall mail notices to such persons notifying them of the funds held for their benefit at the addresses provided in s. 197.502(4). Such notice constitutes compliance with the requirements of s. 717.117 ~~s. 717.117(6)~~. Any service charges and costs of mailing notices shall be paid

out of the excess balance held by the clerk. Notice must be provided in substantially the following form:

NOTICE OF SURPLUS FUNDS
FROM TAX DEED SALE

CLERK OF COURT
.... COUNTY, FLORIDA

Tax Deed #.....
Certificate #.....
Property Description: .....

Pursuant to chapter 197, Florida Statutes, the above property was sold at public sale on ...(date of sale)..., and a surplus of $...(amount)... (subject to change) will be held by this office for 120 days beginning on the date of this notice to benefit the persons having an interest in this property as described in section 197.502(4), Florida Statutes, as their interests may appear (except for those persons described in section 197.502(4)(h), Florida Statutes).

To the extent possible, these funds will be used to satisfy in full each claimant with a senior mortgage or lien in the property before distribution of any funds to any junior mortgage or lien claimant or to the former property owner. To be considered for funds when they are distributed, you must file a

notarized statement of claim with this office within 120 days of this notice. If you are a lienholder, your claim must include the particulars of your lien and the amounts currently due. Any lienholder claim that is not filed within the 120-day deadline is barred.

A copy of this notice must be attached to your statement of claim. After the office examines the filed claim statements, it will notify you if you are entitled to any payment.

Dated: .....

Clerk of Court

Section 87. Paragraph (t) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(t) *Certain life insurance relations with funeral directors prohibited.*—

1. No life insurer shall permit any funeral director or direct disposer to act as its representative, adjuster, claim agent, special claim agent, or agent for such insurer in soliciting, negotiating, or effecting contracts of life insurance on any plan or of any nature issued by such insurer or in collecting premiums for holders of any such contracts except

as prescribed in s. 626.785(2) ~~s. 626.785(3)~~.

2. No life insurer shall:

a. Affix, or permit to be affixed, advertising matter of any kind or character of any licensed funeral director or direct disposer to such policies of insurance.

b. Circulate, or permit to be circulated, any such advertising matter with such insurance policies.

c. Attempt in any manner or form to influence policyholders of the insurer to employ the services of any particular licensed funeral director or direct disposer.

3. No such insurer shall maintain, or permit its agent to maintain, an office or place of business in the office, establishment, or place of business of any funeral director or direct disposer in this state.

Section 88. For the purpose of incorporating the amendment made by this act to section 717.101, Florida Statutes, in a reference thereto, paragraph (a) of subsection (6) of section 772.13, Florida Statutes, is reenacted to read:

772.13 Civil remedy for terrorism or facilitating or furthering terrorism.—

(6)(a) In any postjudgment execution proceedings to enforce a judgment entered against a terrorist party under this section or under 18 U.S.C. s. 2333 or a substantially similar law of the United States or of any state or territory of the United States, including postjudgment execution proceedings

against any agency or instrumentality of the terrorist party not named in the judgment pursuant to s. 201(a) of the Terrorism Risk Insurance Act, 28 U.S.C. s. 1610:

1. There is no right to a jury trial under s. 56.18 or s. 77.08;

2. A defendant or a person may not use the resources of the courts of this state in furtherance of a defense or an objection to postjudgment collection proceedings if the defendant or person purposely leaves the jurisdiction of this state or the United States, declines to enter or reenter this state or the United States to submit to its jurisdiction, or otherwise evades the jurisdiction of the court in which a criminal case is pending against the defendant or person. This subparagraph applies to any entity that is owned or controlled by a person to whom this paragraph applies;

3. Creditor process issued under chapter 56 or chapter 77 may be served upon any person or entity over whom the court has personal jurisdiction. Writs of garnishment issued under s. 77.01 and proceedings supplementary under s. 56.29 apply to intangible assets wherever located, without territorial limitation, including bank accounts as defined in s. 674.104(1)(a), financial assets as defined in s. 678.1021(1), or other intangible property as defined in s. 717.101. The situs of any intangible assets held or maintained by or in the possession, custody, or control of a person or entity so served

shall be deemed to be in this state for the purposes of a proceeding under chapter 56 or chapter 77. Service of a writ or notice to appear under this section shall provide the court with in rem jurisdiction over any intangible assets regardless of the location of the assets;

4. Notwithstanding s. 678.1121, the interest of a debtor in a financial asset or security entitlement may be reached by a creditor by legal process upon the securities intermediary with whom the debtor's securities account is maintained, or, if that is a foreign entity, legal process under chapter 56 or chapter 77 may be served upon the United States securities custodian or intermediary that has reported holding, maintaining, possessing, or controlling the blocked financial assets or security entitlements to the Office of Foreign Assets Control of the United States Department of the Treasury, and such financial assets or security entitlements shall be subject to execution, garnishment, and turnover by the United States securities custodian or intermediary; and

5. Notwithstanding s. 670.502(4), when an electronic funds transfer is not completed within 5 banking days and is canceled pursuant to s. 670.211(4) because a United States intermediary financial institution has blocked the transaction in compliance with a United States sanctions program, and a terrorist party or any agency or instrumentality thereof was either the originator or the intended beneficiary, then the blocked funds shall be

deemed owned by the terrorist party or its agency or instrumentality and shall be subject to execution and garnishment.

Section 89. This act shall take effect upon becoming a law.

COMMERCE COMMITTEE

CS/CS/HB 1221 by Rep. LaMarca
Department of Financial Services

AMENDMENT SUMMARY
February 26, 2026

Amendment #925823 by Rep. LaMarca (strike-all):

- Removes the language authorizing DFS to purchase multiyear software licenses and purchase insurance without going through DMS.
- Clarifies that title insurers, designated officers of title insurers, and attorneys are exempt from licensing requirements for title insurance agents.
- Removes the requirements for insurers to provide DFS a list of persons who are exempt from having to obtain licensure as a title insurance agent.
- Makes permanent the requirement that only low-income and moderate-income persons with homes less than $700,000 qualify for the My Safe Florida Home Program.
- Extends the time period for securities to be considered unclaimed/abandoned property from 3 years to 10 years.
- Requires additional due diligence steps for equity/securities holders prior to the property being presumed abandoned.
- Provides that if unclaimed/abandoned property is digital currency, it must be liquidated by the holder before it is remitted to DFS.
- Expands qualifying documentation of evidence of death if a will or trust instrument is included in the contents of an abandoned safe-deposit box or repository.
- Provides conditions for claims to be considered withdrawn and specifies that withdrawn claims are not considered when competing claims exist.
- Creates an exemption from the reporting requirements for large businesses that purchase unclaimed/abandoned property in bankruptcy proceedings.
- Removes the provision in the My Safe Florida Condominium Pilot Program that limits the program to associations located within 15 miles of the coast.
    - Limits the program to associations with at least 80% of the occupied units are owned or occupied by a person or family whose income is at or below 80% of the median income.
- Provides that single- and two-family homes being used to house migrant farm workers or support people living with a mental health disorder may not be reclassified under the Building Code or Fire Code.
- Provides that when redeeming a deferred presentment transaction, a debit card used for payment will be treated the same as cash.
- Provides that the federal Fair Debt Collection Practices Act only applies to money services business licensees if the licensee is utilizing a third-party debt.
- Ratifies rules which designate qualifying gold and silver coin as 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 LaMarca offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Subsection (2) of section 17.11, Florida Statutes, is amended to read:

17.11 To report disbursements made.—

(2) The Chief Financial Officer shall also cause to have reported from the Financial Management ~~Florida Accounting Information Resource~~ Subsystem no less than quarterly the disbursements which agencies made to small businesses, as defined in the Florida Small and Minority Business Assistance Act; to certified minority business enterprises in the aggregate; and to certified minority business enterprises broken down into categories of minority persons, as well as gender and

nationality subgroups. This information shall be made available to the agencies, the Office of Supplier Diversity, the Governor, the President of the Senate, and the Speaker of the House of Representatives. Each agency shall be responsible for the accuracy of information entered into the Financial Management ~~Florida Accounting Information Resource~~ Subsystem for use in this reporting.

Section 2. Section 17.13, Florida Statutes, is amended to read:

17.13 To replace ~~duplicate~~ warrants lost or destroyed.—

(1) The Chief Financial Officer is required to replace ~~duplicate~~ any Chief Financial Officer's warrants that may have been lost or destroyed, or may hereafter be lost or destroyed, upon the owner thereof or the owner's agent or attorney presenting the Chief Financial Officer the statement, under oath, reciting the number, date, and amount of any warrant or the best and most definite description in his or her knowledge and the circumstances of its loss; if the Chief Financial Officer deems it necessary, the owner or the owner's agent or attorney shall file in the office of the Chief Financial Officer a surety bond, or a bond with securities, to be approved by one of the judges of the circuit court or one of the justices of the Supreme Court, in a penalty of not less than twice the amount of any warrants so replaced ~~duplicated~~, conditioned to indemnify

the state and any innocent holders thereof from any damages that may accrue from such replacement ~~duplication~~.

(2) The Chief Financial Officer is required to replace ~~duplicate~~ any Chief Financial Officer's warrant that may have been lost or destroyed, or may hereafter be lost or destroyed, when sent to any payee via any state agency when such warrant is lost or destroyed prior to being received by the payee and provided the director of the state agency to whom the warrant was sent presents to the Chief Financial Officer a statement, under oath, reciting the number, date, and amount of the warrant lost or destroyed, the circumstances surrounding the loss or destruction of such warrant, and any additional information that the Chief Financial Officer shall request in regard to such warrant.

(3) Any replacement ~~duplicate~~ Chief Financial Officer's warrant issued in pursuance of the above provisions shall be of the same validity as the original was before its loss.

Section 3. Subsection (1) of section 110.113, Florida Statutes, is amended to read:

110.113 Pay periods for state officers and employees; salary payments by direct deposit.—

(1) The normal pay period for salaries of state officers and employees shall be 1 month. The Department of Financial Services shall issue either monthly or biweekly salary payments by state warrants or by direct deposit pursuant to s. 17.076 ~~or~~

~~make semimonthly salary payments by direct deposit pursuant to s. 17.076~~, as requested by the head of each state agency and approved by the Executive Office of the Governor and the Department of Financial Services.

Section 4. Paragraph (c) is added to subsection (2) of section 112.3135, Florida Statutes, to read:

112.3135 Restriction on employment of relatives.—

(2)

(c) To aid the recruitment of firefighters within this state, notwithstanding paragraph (a), a public official may appoint, employ, promote, or advance, or advocate for the appointment, employment, promotion, or advancement of a relative as a firefighter as defined in s. 633.102 if such appointment, employment, promotion, or advancement is part of a competitive process provided for in a collective bargaining agreement.

Section 5. Subsection (16) of section 215.422, Florida Statutes, is amended to read:

215.422 Payments, warrants, and invoices; processing time limits; dispute resolution; agency or judicial branch compliance.—

(16) Nothing contained in this section shall be construed to be an appropriation. Any interest which becomes due and owing pursuant to this section must be paid ~~shall only be payable~~ from the appropriation charged for such goods or services. However, if insufficient funds are available within the appropriation

charged for such goods or services, the agency must pay the interest from a similar or appropriate appropriation category.

Section 6. Subsections (4) through (10) of section 215.5586, Florida Statutes, are renumbered as subsections (5) through (11), respectively, paragraphs (a) through (e) of subsection (1), subsections (2) and (3), paragraph (a) of present subsection (8), and present subsection (10) are amended, and a new subsection (4) is added to that section, to read:

215.5586 My Safe Florida Home Program.—There is established within the Department of Financial Services the My Safe Florida Home Program. The department shall provide fiscal accountability, contract management, and strategic leadership for the program, consistent with this section. This section does not create an entitlement for property owners or obligate the state in any way to fund the inspection or retrofitting of residential property in this state. Implementation of this program is subject to annual legislative appropriations. It is the intent of the Legislature that, subject to the availability of funds, the My Safe Florida Home Program provide licensed inspectors to perform hurricane mitigation inspections of eligible homes and grants to fund hurricane mitigation projects on those homes. The department shall implement the program in such a manner that the total amount of funding requested by accepted applications, whether for inspections, grants, or other services or assistance, does not exceed the total amount of

available funds. If, after applications are processed and approved, funds remain available, the department may accept applications up to the available amount. The program shall develop and implement a comprehensive and coordinated approach for hurricane damage mitigation pursuant to the requirements provided in this section.

(1) HURRICANE MITIGATION INSPECTIONS.—

(a)1. For the purposes of this paragraph, the term:

a. "Attached" means a dwelling unit that shares a wall with another dwelling unit.

b. "Detached" means a dwelling that does not share a wall with another dwelling unit or building and has greater than zero clearance between it and any other building. This term includes a garage that is located under a contiguous roof with a residence.

c. "Single-family" means a residence designed for and containing only one dwelling unit.

2. An applicant is ~~To be~~ eligible for a hurricane mitigation inspection under the program if all of the following conditions are met:

a.~~1.~~ The ~~A~~ home for which the inspection is sought is ~~must be~~ a single-family~~,~~ unit on an individual parcel of land that is:

(I) A detached residential property; or

(II) An attached residential property not exceeding three stories. ~~A townhouse as defined in s. 481.203;~~

b.~~2.~~ The ~~A~~ home for which the inspection is sought is ~~must be~~ site-built and owner-occupied.~~; and~~

c.~~3.~~ The applicant is ~~homeowner must have been~~ granted a homestead exemption on the home under chapter 196.

(b)1. An application for a hurricane mitigation inspection must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only one inspection application on the home or that the application is allowed under subparagraph 2., and the application must have documents attached which demonstrate that the applicant meets the requirements of paragraph (a).

2. An applicant may submit a subsequent hurricane mitigation inspection application for the same home only if:

a. The original hurricane mitigation inspection application has been denied or withdrawn because of material errors or omissions in the application;

b. The original hurricane mitigation inspection application was denied or withdrawn because the applicant ~~home~~ did not meet the eligibility criteria for an inspection at the time of the previous application, and the applicant ~~homeowner~~ reasonably believes that he or she is ~~the home~~ now ~~is~~ eligible for an inspection; ~~or~~

c. The program's eligibility requirements for an inspection have changed since the original application date, and the applicant reasonably believes that her or she ~~the home~~ is eligible under the new requirements; or~~.~~

d. More than 24 months have passed since the applicant received a hurricane mitigation inspection under this section, and the applicant has not received a grant payment through the program for that inspection.

(c) An applicant meeting the requirements of paragraph (a) may receive an inspection of the ~~a~~ home through ~~under~~ the program without being eligible for a grant under subsection (2) or applying for such grant.

(d) Licensed inspectors are to provide initial ~~home~~ inspections of eligible homes to determine ~~what mitigation measures are needed,~~ what insurance premium discounts may be available~~,~~ and what improvements to existing residential properties are needed to reduce the property's vulnerability to hurricane damage. ~~An inspector may inspect a townhouse as defined in s. 481.203 to determine if opening protection mitigation as listed in subparagraph (2)(e)1. would provide improvements to mitigate hurricane damage.~~

(e) The department shall contract with wind certification entities to provide hurricane mitigation inspections. The initial inspections provided to applicants ~~homeowners~~, at a minimum, must include:

1. A home inspection and report that summarizes the inspection results and identifies recommended improvements an applicant ~~a homeowner~~ may make ~~take~~ to mitigate hurricane damage.

2. A range of cost estimates regarding the recommended mitigation improvements.

3. Information regarding estimated premium discounts, correlated to the current mitigation features and the recommended mitigation improvements identified by the inspection.

(2) HURRICANE MITIGATION GRANTS.—Financial grants shall be used by applicants ~~homeowners~~ to make improvements recommended by an initial inspection which increase a home's resistance to hurricane damage.

(a) An applicant ~~A homeowner~~ is eligible for a hurricane mitigation grant if all of the following criteria are met:

1. The applicant ~~home~~ must be eligible for an inspection under subsection (1).

2. The home must be a dwelling with an insured value of $700,000 or less. Applicants ~~Homeowners~~ who are low-income persons, as defined in s. 420.0004(11), are exempt from this requirement.

3. The home must undergo an initial ~~acceptable~~ hurricane mitigation inspection through the program as provided in subsection (1).

4. The ~~building permit application for initial construction of the~~ home must have been built ~~made~~ before January 1, 2008, as reflected on the county property appraiser's website.

5. The applicant ~~homeowner~~ must agree to make his or her home available for a final inspection once a mitigation project is completed.

6. The applicant ~~homeowner~~ must agree to provide to the department information received from the applicant's ~~homeowner's~~ insurer identifying the discounts realized by the applicant ~~homeowner~~ because of the mitigation improvements funded through the program.

7.a. The applicant ~~homeowner~~ must be a low-income person or moderate-income person as defined in s. 420.0004.

b. The hurricane mitigation inspection must have occurred within the previous 24 months from the date of application.

c. Notwithstanding subparagraph 2., applicants ~~homeowners~~ who are low-income persons, as defined in s. 420.0004(11), are not exempt from the requirement that the home must be a dwelling with an insured value of $700,000 or less.

~~d. This subparagraph expires July 1, 2026.~~

(b)1. An application for a grant must contain a signed or electronically verified statement made under penalty of perjury that the applicant has submitted only one grant application or that the application is allowed under subparagraph 2., and the

application must have documents attached demonstrating that the applicant meets the requirements of paragraph (a).

2. An applicant may submit a subsequent grant application if:

a. The original grant application was denied or withdrawn because the application contained errors or omissions;

b. The original grant application was denied or withdrawn because the applicant ~~home~~ did not meet the eligibility criteria for a grant at the time of the previous application, and the applicant ~~homeowner~~ reasonably believes that he or she is ~~the home~~ now is eligible for a grant; or

c. The program's eligibility requirements for a grant have changed since the original application date, and the applicant reasonably believes that he or she is ~~an~~ eligible ~~homeowner~~ under the new requirements.

3. A grant application must include a statement from the applicant ~~homeowner~~ which contains the name and state license number of the contractor that the applicant ~~homeowner~~ acknowledges as the intended contractor for the mitigation work. The program must ~~electronically~~ verify that the contractor's state license number is valid ~~accurate and up to date before grant approval~~.

(c) All grants must be matched on the basis of $1 provided by the applicant for $2 provided by the state up to a maximum

state contribution of $10,000 toward the actual cost of the mitigation project, except as provided in paragraph (h).

(d) All hurricane mitigation performed under the program must be based upon the securing of all required local permits and inspections and must be performed by properly licensed contractors.

(e) When recommended by an initial ~~a~~ hurricane mitigation inspection, grants for eligible applicants ~~homes~~ may be used for all of the following improvements:

1. Opening protection improvements, including:

a. Exterior doors.~~,~~

b. Garage doors.~~,~~

c. Windows.~~, and~~

d. Skylights.

2. Roof improvements, including:

a. Reinforcing roof-to-wall connections.

b.~~3.~~ Improving the strength of roof-deck attachments.

c.~~4.~~ Installing secondary water resistance for roof and replacing the roof covering.

(f) Improvements must be identified by the final hurricane mitigation inspection to receive grant funds ~~When recommended by a hurricane mitigation inspection, grants for townhouses, as defined in s. 481.203, may only be used for opening protection~~.

(g) The department may require that improvements be made to all openings, including exterior doors, garage doors,

windows, and skylights, as a condition of reimbursing an applicant ~~a homeowner~~ approved for a grant. The department may adopt, by rule, the maximum grant allowances for any improvement allowable under paragraph (e) ~~or paragraph (f)~~.

(h) Low-income applicants ~~homeowners~~, as defined in s. 420.0004(11), who otherwise meet the applicable requirements of this subsection are eligible for a grant of up to $10,000 and are not required to provide a matching amount to receive the grant.

(i)1. The department shall develop a process that ensures the most efficient means to collect and verify inspection applications and grant applications to determine eligibility. The department may direct hurricane mitigation inspectors to collect and verify grant application information or use the Internet or other electronic means to collect information and determine eligibility.

2. The department shall prioritize the review and approval of such inspection applications and grant applications in the following order:

a. First, applications from low-income persons, as defined in s. 420.0004, who are at least 60 years old;

b. Second, applications from all other low-income persons, as defined in s. 420.0004;

c. Third, applications from moderate-income persons, as defined in s. 420.0004, who are at least 60 years old;

d. Fourth, applications from all other moderate-income persons, as defined in s. 420.0004; and

e. Last, all other applications.

3. The department shall start accepting inspection applications and grant applications no earlier than the effective date of a legislative appropriation funding inspections and grants, as follows:

a. Initially, from applicants prioritized under sub-subparagraph 2.a.;

b. From applicants prioritized under sub-subparagraph 2.b., beginning 15 days after the program initially starts accepting applications;

c. From applicants prioritized under sub-subparagraph 2.c., beginning 30 days after the program initially starts accepting applications;

d. From applicants described in sub-subparagraph 2.d., beginning 45 days after the program initially starts accepting applications; and

e. From all other applicants, beginning 60 days after the program initially starts accepting applications.

4. The program may accept a certification directly from a low-income applicant ~~homeowner~~ or moderate-income applicant ~~homeowner~~ who meets the requirements of s. 420.0004(11) or (12), respectively, if the applicant ~~homeowner~~ provides such

certification in a signed or electronically verified statement made under penalty of perjury.

5. The program may accept a certification directly from an applicant attesting to his or her age if the applicant provides such certification in a signed or electronically verified statement made under penalty of perjury.

(j) An applicant ~~A homeowner~~ who receives a grant shall finalize construction and request a final inspection~~, or request an extension for an additional 6 months,~~ within 18 months ~~1 year~~ after grant application approval. If an applicant ~~a homeowner~~ fails to comply with this paragraph, his or her application is deemed abandoned and the grant money reverts to the department.

(3) REQUESTS FOR INFORMATION.—The department may request that an applicant provide additional information. An application is deemed abandoned ~~withdrawn~~ by the applicant if the department does not receive a response to its request for additional information within 60 days after the notification of any apparent error or omission.

(4) ABANDONED APPLICATIONS.—The department must notify an applicant at least 5 business days before an application is deemed abandoned. If the applicant responds to such notification within 5 business days after receiving the notice and demonstrates good cause for why the application should not be deemed abandoned, the applicant may submit a subsequent grant

application or the department may determine the application is not abandoned.

(9) ~~(8)~~ CONTRACT MANAGEMENT.—

(a) The department may contract with third parties for grants management, inspection services, contractor services for low-income applicants ~~homeowners~~, information technology, educational outreach, and auditing services. Such contracts are considered direct costs of the program and are not subject to administrative cost limits. The department shall contract with providers that have a demonstrated record of successful business operations in areas directly related to the services to be provided and shall ensure the highest accountability for use of state funds, consistent with this section.

(11) ~~(10)~~ REPORTS.—The department shall make an annual report on the activities of the program that shall account for the use of state funds and indicate the number of inspections requested, the number of inspections performed, the number of grant applications received, the number and value of grants approved, and the estimated average annual amount of insurance premium discounts and total estimated annual amount of insurance premium discounts applicants ~~homeowners~~ received from insurers as a result of mitigation funded through the program. The report must be delivered to the President of the Senate and the Speaker of the House of Representatives by February 1 of each year.

Section 7. Subsections (1) and (2) and paragraphs (a) and (j) of subsection (5) of section 215.55871, Florida Statutes, are amended to read:

215.55871 My Safe Florida Condominium Pilot Program.—There is established within the Department of Financial Services the My Safe Florida Condominium Pilot Program to be implemented pursuant to appropriations. The department shall provide fiscal accountability, contract management, and strategic leadership for the pilot program, consistent with this section. This section does not create an entitlement for associations or unit owners or obligate the state in any way to fund the inspection or retrofitting of condominiums in the state. Implementation of this pilot program is subject to annual legislative appropriations. It is the intent of the Legislature that the My Safe Florida Condominium Pilot Program provide licensed inspectors to perform inspections for and grants to eligible associations as funding allows.

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

(a) "Area median income" means the median household income, as published annually by the United States Department of Housing and Urban Development, for the county in which the condominium property is located.

(b) ~~(a)~~ "Association" has the same meaning as in s. 718.103.

(c) ~~(b)~~ "Association property" means property, real and personal, which is owned or leased by, or is dedicated by a recorded plat to, an association for the use and benefit of its members ~~and is located in the service area~~.

(d) ~~(c)~~ "Board of administration" has the same meaning as in s. 718.103.

(e) ~~(d)~~ "Condominium" has the same meaning as in s. 718.103. For purposes of this section, the term does not include detached units on individual parcels of land.

(f) ~~(e)~~ "Condominium property" means the lands, leaseholds, and personal property that are subjected to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the condominium ~~and are located in the service area~~.

(g) ~~(f)~~ "Department" means the Department of Financial Services.

(h) ~~(g)~~ "Property" means association property and condominium property, as applicable~~, located in the service area~~.

~~(h) "Service area" means the area of the state which is 15 miles inward of a coastline, as that term is defined in s. 376.031.~~

(i) "Unit" has the same meaning as in s. 718.103.

(j) "Unit owner" has the same meaning as in s. 718.103.

(2) PARTICIPATION.—

(a) Participation in the pilot program is limited to:

1. Condominium associations in which at least 80 percent of the occupied units within the condominium are owned or occupied by a person or family whose annual income is at or below 80 percent of the area median income, adjusted for household size, applicable to the county in which the condominium is located. Eligibility must be determined using the area median income published at the time an application is submitted. For purposes of determining if a condominium association meets the 80 percent unit-occupied threshold:

a. Only occupied residential units may be counted.

b. Both owner-occupied and tenant-occupied residential units may be counted as long as the persons or families living in such residential units provide income documentation to the department and the department has verified that such person or family meets the income requirements of this subparagraph.

2. Structures or buildings on the condominium property which are three or more stories in height, provided that each structure or building that is the subject of a mitigation grant contains at least two single-family dwellings.

(b) The department shall adopt rules establishing acceptable methods for verifying household income, including, but not limited to, owner self-certification, tax returns, income statements, or other documentation deemed sufficient by

the department. The department may require periodic recertification of income eligibility to ensure compliance with this section.

(c) A condominium with mixed-income occupancies is eligible to participate in the pilot program under this section if the income threshold in subparagraph (a)1. is met.

(d) ~~(b)~~ In order to apply for an inspection under subsection (4) or a grant under subsection (5) for association property or condominium property, an association must receive approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association to participate in the pilot program. An association may not apply for an inspection under subsection (4) or a grant under subsection (5) for association property or condominium property unless the association has complied with the inspection requirements in ss. 553.899 and 718.112(2)(g) and (h). An association may not apply for a grant under subparagraph (5)(e)1. for association property or condominium property unless the windows of the association property or condominium property are established as common elements in the declaration.

(e) ~~(c)~~ In order to apply for a grant under subsection (5) which improves one or more units within a condominium, an association must receive both of the following:

1. Approval by a majority vote of the board of administration or a majority vote of the total voting interests of the association to participate in a mitigation inspection.

2. Approval by at least 75 percent of all unit owners who reside within the structure or building that is the subject of the mitigation grant.

(f) ~~(d)~~ A unit owner may participate in the pilot program through a mitigation grant awarded to the association but may not participate individually in the pilot program.

(g) ~~(e)~~ The votes required under this subsection may take place at the annual budget meeting of the association or at a unit owner meeting called for the purpose of taking such vote. Before a vote of the unit owners may be taken, the association must provide to the unit owners a clear disclosure of the pilot program on a form created by the department. The president and the treasurer of the board of administration must sign the disclosure form indicating that a copy of the form was provided to each unit owner of the association. The signed disclosure form and the minutes from the meeting at which the unit owners voted to participate in the pilot program must be maintained as part of the official records of the association. Within 14 days after an affirmative vote to participate in the pilot program, the association must provide written notice in the same manner as required under s. 718.112(2)(d) to all unit owners of the decision to participate in the pilot program.

(5) MITIGATION GRANTS.—Financial grants may be used by associations to make improvements recommended in a hurricane mitigation inspection report which increase the condominium's resistance to hurricane damage.

(a) An application for a mitigation grant must:

1. Contain a signed or electronically verified statement made under penalty of perjury by the president of the board of administration that the association has submitted only a single application for each property that the association operates or maintains.

2. Include a notarized statement from the president of the board of administration containing the name and license number of each contractor the association intends to use for the mitigation project.

3. Include a notarized statement from the president of the board of administration which commits to the department that the association will complete the mitigation improvements. If the grant will be used to improve units, the application must also include an acknowledged statement from each unit owner who is required to provide approval for a grant under paragraph (2)(d) ~~(2)(c)~~.

4. Include documentation deemed sufficient by the department under paragraph (2)(b) for verifying household income.

(j) Grant funds may only be awarded for a mitigation

improvement that addresses the common elements of the condominium property ~~that will result in a mitigation credit, discount, or other rate differential for the building or structure to which the improvement is made~~. As a condition of receiving ~~awarding~~ a grant, the association ~~department~~ must complete 100 percent of the opening protection improvements to the common elements which were recommended in the final hurricane mitigation inspection report ~~require mitigation improvements to be made to all openings~~, including exterior doors, garage doors, windows, and skylights that are a part of the common elements~~, if doing so is necessary for the building or structure to qualify for a mitigation credit, discount, or other rate differential~~.

Section 8. Subsection (3) of section 215.89, Florida Statutes, is amended to read:

215.89 Charts of account.—

~~(3) REPORTING STRUCTURE.—~~

~~(a) The Chief Financial Officer shall accept comments from state agencies, local governments, educational entities, entities of higher education, and other interested parties regarding the proposed charts of account until November 1, 2013.~~

~~(b) By January 15, 2014, the Chief Financial Officer, after consultation with affected state agencies, local governments, educational entities, entities of higher education, and the Auditor General, shall submit to the Governor, the~~

~~President of the Senate, and the Speaker of the House of Representatives a report recommending a uniform charts of account which requires specific enterprise-wide information related to revenues and expenditures of state agencies, local governments, educational entities, and entities of higher education. The report must include the estimated cost of adopting and implementing a uniform enterprise-wide charts of account.~~

Section 9. Subsections (1) and (5) of section 215.93, Florida Statutes, are amended to read:

215.93 Florida Financial Management Information System.—

(1) To provide the information necessary to carry out the intent of the Legislature, there shall be a Florida Financial Management Information System. The Florida Financial Management Information System shall be fully implemented and shall be upgraded as necessary to ensure the efficient operation of an integrated financial management information system and to provide necessary information for the effective operation of state government. Upon the recommendation of the coordinating council and approval of the board, the Florida Financial Management Information System may require data from any state agency information system or information subsystem or may request data from any judicial branch information system or information subsystem that the coordinating council and board have determined to have statewide financial management

significance. Each functional owner information subsystem within the Florida Financial Management Information System shall be developed in such a fashion as to allow for timely, positive, preplanned, and prescribed data transfers between the Florida Financial Management Information System functional owner information subsystems and from other information systems. The principal unit of the system shall be the functional owner information subsystem, and the system shall include, but shall not be limited to, the following:

(a) Planning and Budgeting Subsystem.

~~(b) Florida Accounting Information Resource Subsystem.~~

(b) ~~(c)~~ Financial Management Subsystem.

(c) ~~(d)~~ Purchasing Subsystem.

(d) ~~(e)~~ Personnel Information System.

(5) Functional owners are legally responsible for the security and integrity of all data records existing within or transferred from their information subsystems. Each agency and the judicial branch shall be responsible for the accuracy of the information entered into the Florida Financial Management Information System. A request for a copy of a document or an accounting record, whether by public records request or subpoena, must be made to the state entity for which the document or accounting record is recorded. The request may not be made to the functional owner of the subsystem unless the document or accounting record was recorded for such entity.

Section 10. Subsections (4) through (7) of section 215.94, Florida Statutes, are renumbered as subsections (3) through (6), respectively, and subsection (2) and present subsection (3) of that section are amended to read:

215.94 Designation, duties, and responsibilities of functional owners.—

(2) The Department of Financial Services shall be the functional owner of the Financial Management ~~Florida Accounting Information Resource~~ Subsystem established pursuant to ss. 17.03, 215.86, 216.141, and 216.151 and further developed in accordance with the provisions of ss. 215.90-215.96. The subsystem shall include, but shall not be limited to, the following functions:

(a) Accounting and reporting so as to provide timely data for producing financial statements for the state in accordance with generally accepted accounting principles.

(b) Auditing and settling claims against the state.

~~(3) The Chief Financial Officer shall be the functional owner of the Financial Management Subsystem. The Chief Financial Officer shall design, implement, and operate the subsystem in accordance with the provisions of ss. 215.90-215.96. The subsystem shall include, but shall not be limited to, functions for:~~

(c) ~~(a)~~ Recording and reconciling credits and debits to treasury fund accounts.

(d) ~~(b)~~ Monitoring cash levels and activities in state bank accounts.

(e) ~~(c)~~ Monitoring short-term investments of idle cash.

(f) ~~(d)~~ Administering the provisions of the Federal Cash Management Improvement Act of 1990.

Section 11. Subsections (2) and (3) of section 215.96, Florida Statutes, are amended to read:

215.96 Coordinating council and design and coordination staff.—

(2) The coordinating council shall consist of the Chief Financial Officer; the Commissioner of Agriculture; the Attorney General; the Secretary of Management Services; the state chief information officer; the executive director of the Department of Revenue; and the Director of Planning and Budgeting, Executive Office of the Governor, or their designees. The Chief Financial Officer, or his or her designee, shall be chair of the council, and the design and coordination staff shall provide administrative and clerical support to the council and the board. ~~The design and coordination staff shall maintain the~~ Minutes of each meeting shall be ~~and make such minutes~~ available to any interested person. The Auditor General, the State Courts Administrator, a ~~an executive officer of the Florida Association of~~ state agency administrative services director selected by the council ~~Directors~~, and a ~~an executive officer of the Florida Association of~~ state budget officer selected by the council

~~Officers~~, or their designees, shall serve without voting rights as ex officio members of the council. The chair may call meetings of the council as often as necessary to transact business; however, the council shall meet at least once a year. Action of the council shall be by motion, duly made, seconded and passed by a majority of the council voting in the affirmative for approval of items that are to be recommended for approval to the Financial Management Information Board.

(3) The coordinating council, assisted by the design and coordination staff, shall have the following duties, powers, and responsibilities pertaining to the Florida Financial Management Information System:

(a) To review and coordinate annual workplans to ensure that the Florida Financial Management Information System remains aligned across participating entities. The coordination council shall ensure that each participating entity submits an annual workplan by October 1 of each year. The coordinating council shall review and discuss the workplans, identify potential impacts or conflicts, facilitate resolutions when practicable, and expedite unresolved issues as appropriate.

(b) To conduct such studies and to establish committees, workgroups, and teams to develop recommendations for rules, policies, procedures, principles, and standards to the board as necessary to assist the board in its efforts to design, implement, and perpetuate a financial management information

system, including, but not limited to, the establishment of common data codes, and the development of integrated financial management policies that address the information and management needs of the functional owner subsystems. The coordinating council shall make available a copy of the approved plan in writing or through electronic means to each of the coordinating council members, the fiscal committees of the Legislature, and any interested person.

(c) ~~(b)~~ To recommend to the board solutions, policy alternatives, and legislative budget request issues that will provide ~~ensure~~ a framework for the timely, positive, preplanned, and prescribed data transfer between information subsystems ~~and to recommend to the board solutions, policy alternatives, and legislative budget request issues that ensure the availability of data and information that support state planning, policy development, management, evaluation, and performance monitoring~~.

~~(c) To report to the board all actions taken by the coordinating council for final action.~~

~~(d) To review the annual work plans of the functional owner information subsystems by October 1 of each year. The review shall be conducted to assess the status of the Florida Financial Management Information System and the functional owner subsystems in regard to the provisions of s. 215.91. The coordinating council, as part of the review process, may make~~

~~recommendations for modifications to the functional owner information subsystems annual work plans.~~

Section 12. Paragraph (a) of subsection (4) of section 215.985, Florida Statutes, is amended to read:

215.985 Transparency in government spending.—

(4) The Executive Office of the Governor, in consultation with the appropriations committees of the Senate and the House of Representatives, shall establish and maintain a website that provides information relating to the approved operating budget for each branch of state government and state agency.

(a) At a minimum, the information must include:

1. Disbursement data for each appropriation by the account value ~~object code~~ associated with each expenditure established within the Financial Management ~~Florida Accounting Information Resource~~ Subsystem. Expenditure data must include the name of the payee, the date of the expenditure, the amount of the expenditure, and the voucher ~~statewide document~~ number. Such data must be searchable by the name of the payee, the paying agency, and fiscal year, and must be downloadable in a format that allows offline analysis.

2. For each appropriation, any adjustments, including vetoes, approved supplemental appropriations included in legislation other than the General Appropriations Act, budget amendments, other actions approved pursuant to chapter 216, and other adjustments authorized by law.

3. Status of spending authority for each appropriation in the approved operating budget, including released, unreleased, reserved, and disbursed balances.

4. Position and rate information for positions provided in the General Appropriations Act or approved through an amendment to the approved operating budget and position information for positions established in the legislative branch.

5. Allotments for planned expenditures of state appropriations established by state agencies in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem, and the current balances of such allotments.

6. Trust fund balance reports, including cash available, investments, and receipts.

7. General revenue fund balance reports, including revenue received and amounts disbursed.

8. Fixed capital outlay project data, including original appropriation and disbursements throughout the life of the project.

9. A 10-year history of appropriations indicated by agency.

10. Links to state audits or reports related to the expenditure and dispersal of state funds.

11. Links to program or activity descriptions for which funds may be expended.

Section 13. Subsections (1) and (2) and paragraph (f) of subsection (3) of section 216.102, Florida Statutes, are amended to read:

216.102 Filing of financial information; handling by Chief Financial Officer; penalty for noncompliance.—

(1) By September 30 of each year, each agency supported by any form of taxation, licenses, fees, imposts, or exactions, the judicial branch, and, for financial reporting purposes, each component unit of the state as determined by the Chief Financial Officer shall prepare, using generally accepted accounting principles, and file with the Chief Financial Officer the financial and other information necessary for the preparation of annual financial statements for the State of Florida as of June 30. In addition, each such agency and the judicial branch shall prepare financial statements showing the financial position and results of agency or branch operations as of June 30 for internal management purposes.

(a) Each state agency and the judicial branch shall record the receipt and disbursement of funds from federal sources in a form and format prescribed by the Chief Financial Officer. The access to federal funds by the administering agencies or the judicial branch may not be authorized until:

1. The deposit has been recorded in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem

using proper, consistent codes that designate deposits as federal funds.

2. The deposit and appropriate recording required by this paragraph have been verified by the office of the Chief Financial Officer.

(b) The Chief Financial Officer shall publish a statewide policy detailing the requirements for recording receipt and disbursement of federal funds into the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and provide technical assistance to the agencies and the judicial branch to implement the policy.

(2) Financial information must be contained within the Financial Management ~~Florida Accounting Information Resource~~ Subsystem. Other information must be submitted in the form and format prescribed by the Chief Financial Officer.

(a) Each component unit shall file financial information and other information necessary for the preparation of annual financial statements with the agency or branch designated by the Chief Financial Officer by the date specified by the Chief Financial Officer.

(b) The state agency or branch designated by the Chief Financial Officer to receive financial information and other information from component units shall include the financial information in the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and shall include the component

units' other information in its submission to the Chief Financial Officer.

(3) The Chief Financial Officer shall:

(f) Consult with and elicit comments from the Executive Office of the Governor on changes to the Financial Management ~~Florida Accounting Information Resource~~ Subsystem which clearly affect the accounting of federal funds, so as to ensure consistency of information entered into the Federal Aid Tracking System by state executive and judicial branch entities. While efforts shall be made to ensure the compatibility of the Financial Management ~~Florida Accounting Information Resource~~ Subsystem and the Federal Aid Tracking System, any successive systems serving identical or similar functions shall preserve such compatibility.

The Chief Financial Officer may furnish and publish in electronic form the financial statements and the annual comprehensive financial report required under paragraphs (a), (b), and (c).

Section 14. Subsection (3) of section 216.141, Florida Statutes, is amended to read:

216.141 Budget system procedures; planning and programming by state agencies.—

(3) The Chief Financial Officer, as chief fiscal officer, shall use the Financial Management ~~Florida Accounting~~

~~Information Resource~~ Subsystem developed pursuant to s. 215.94(2) for account purposes in the performance of and accounting for all of his or her constitutional and statutory duties and responsibilities. However, state agencies and the judicial branch continue to be responsible for maintaining accounting records necessary for effective management of their programs and functions.

Section 15. Paragraph (a) of subsection (7) and paragraph (j) of subsection (12) of section 440.13, Florida Statutes, are amended to read:

440.13 Medical services and supplies; penalty for violations; limitations.—

(7) UTILIZATION AND REIMBURSEMENT DISPUTES.—

(a) Any health care provider who elects to contest the disallowance or adjustment of payment by a carrier under subsection (6) must, within 60 ~~45~~ days after receipt of notice of disallowance or adjustment of payment, petition the department to resolve the dispute. The petitioner must serve, by the United States Postal Service certified mail or by common carrier with verifiable tracking methods, a copy of the petition on the carrier and on all affected parties listed on the notice of disallowance or adjustment ~~by certified mail~~. The petition must be accompanied by all documents and records that support the allegations contained in the petition. Failure of a

petitioner to submit such documentation to the department results in dismissal of the petition.

(12) CREATION OF THREE-MEMBER PANEL; GUIDES OF MAXIMUM REIMBURSEMENT ALLOWANCES.—

(j) In addition to establishing the uniform schedule of maximum reimbursement allowances, the panel shall:

1. Take testimony, receive records, and collect data to evaluate the adequacy of the workers' compensation fee schedule, nationally recognized fee schedules and alternative methods of reimbursement to health care providers and health care facilities for inpatient and outpatient treatment and care.

2. Survey health care providers and health care facilities to determine the availability and accessibility of workers' compensation health care delivery systems for injured workers.

3. Survey carriers to determine the estimated impact on carrier costs and workers' compensation premium rates by implementing changes to the carrier reimbursement schedule or implementing alternative reimbursement methods.

4. Submit recommendations on or before January 15, 2031 ~~2017~~, and every 5 years ~~biennially~~ thereafter, to the President of the Senate and the Speaker of the House of Representatives on methods to improve the workers' compensation health care delivery system.

The department, as requested, shall provide data to the panel, including, but not limited to, utilization trends in the workers' compensation health care delivery system. The department shall provide the panel with an annual report regarding the resolution of medical reimbursement disputes and any actions pursuant to subsection (8). The department shall provide administrative support and service to the panel to the extent requested by the panel. The department may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this subsection. For prescription medication purchased under the requirements of this subsection, a dispensing practitioner shall not possess such medication unless payment has been made by the practitioner, the practitioner's professional practice, or the practitioner's practice management company or employer to the supplying manufacturer, wholesaler, distributor, or drug repackager within 60 days of the dispensing practitioner taking possession of that medication.

Section 16. Section 497.1411, Florida Statutes, is created to read:

497.1411 Disqualification of applicants and licenses; penalties against licensees; rulemaking.—

(1) For purposes of this section, the term "applicant" means an individual applying for licensure or relicensure under this chapter, or an officer, director, majority owner, partner,

manager, or other person who manages or controls an entity applying for licensure or relicensure under this chapter.

(2) An applicant who has been found guilty of or has pleaded guilty or nolo contendere to any of the following offenses, regardless of adjudication, is permanently barred from licensure under this chapter:

(a) A felony of the first degree.

(b) A felony involving conduct prohibited under chapter 497, chapter 787, chapter 794, chapter 796, chapter 800, chapter 825, chapter 827, or chapter 847.

(c) A felony involving moral turpitude.

(3) An applicant who has been found guilty of, or has entered a plea of guilty or nolo contendere to an offense not subject to the permanent bar under subsection (2), regardless of adjudication, is subject to the following disqualifying periods:

(a) A 10-year disqualifying period for any felony to which the permanent bar in subsection (2) does not apply. Notwithstanding subsection (4), an applicant who has completed at least one-half of the disqualifying period may apply for a probationary license for the remainder of the disqualifying period if, during that time, the applicant has not been found guilty of, or has not entered a plea of guilty or nolo contendere to, any offense.

(b) A 5-year disqualifying period for all misdemeanors directly related to chapter 497.

(4) The board shall adopt rules to administer this section. Such rules must provide additional disqualifying periods for applicants who have committed multiple criminal offenses and may provide additional factors for disqualification reasonably related to the applicant's criminal history. The rules must also establish mitigating and aggravating factors. However, mitigation may not reduce any disqualifying period to less than 5 years and may not be applied to reduce the 5-year disqualifying period provided in paragraph (3)(b).

(5) For purposes of this section, a disqualifying period begins upon the applicant's final release from supervision or upon completion of the applicant's criminal sentence. The board may not approve issuance of a license to an applicant until the applicant provides proof that all related fines, court costs, fees, and court-ordered restitution have been paid.

(6) After the disqualifying period has expired, the burden is on the applicant to demonstrate to the board that he or she has been rehabilitated, does not pose a risk to the public, is fit and trustworthy to engage in business regulated by this chapter, and is otherwise qualified for licensure.

(7) Notwithstanding subsections (2) and (3), an applicant who has been found guilty of, or has pleaded guilty or nolo contendere to, a crime in subsection (2) or subsection (3), and who has subsequently been granted a pardon or the restoration of civil rights pursuant to chapter 940 and s. 8, Art. IV of the

State Constitution, or a pardon or the restoration of civil rights under the laws of another jurisdiction with respect to a conviction in that jurisdiction, is not barred or disqualified from licensure under this chapter; however, such a pardon or restoration of civil rights does not require the board to award such license.

(8)(a) The board may grant an exemption from disqualification to any person disqualified from licensure under subsection (3) if:

1. The applicant has paid in full any fee, fine, fund, lien, civil judgment, restitution, or cost of prosecution imposed by the court as part of the judgment and sentence for any disqualifying offense; and

2. At least 2 years have elapsed since the applicant completed or has been lawfully released from confinement, supervision, or any nonmonetary condition imposed by the court for a disqualifying offense.

(b) For the board to grant an exemption under this subsection, the applicant must clearly and convincingly demonstrate that he or she would not pose a risk to persons or property if licensed under this chapter, evidence of which must include, but need not be limited to, facts and circumstances surrounding the disqualifying offense, the time that has elapsed since the offense, the nature of the offense and harm caused to the victim, the applicant's history before and after the

offense, and any other evidence or circumstances indicating that the applicant will not present a danger if licensed or certified.

(c) The board has discretion whether to grant or deny an exemption under this subsection. The board's decision is subject to chapter 120.

(9) The disqualification periods provided in this section do not apply to the renewal of a license or to a new application for licensure if the applicant has an active license as of July 1, 2026, and the applicable criminal history was considered by the board on the prior approval of any active license held by the applicant. This section does not affect any criminal history disclosure requirements of this chapter.

Section 17. Subsection (9) and paragraph (c) of subsection (10) of section 497.142, Florida Statutes, are amended to read:

497.142 Licensing; fingerprinting and criminal background checks.—

(9) If any applicant under this chapter has been~~, within the 10 years preceding the application under this chapter,~~ convicted or found guilty of, or entered a plea of nolo contendere to, regardless of adjudication, any crime in any jurisdiction, the application may ~~shall~~ not be deemed complete until such time as the applicant provides such certified true copies of the court records evidencing the conviction, finding,

or plea, as required in this section or as the licensing authority may by rule require.

(10)

(c) Crimes to be disclosed are:

1. Any felony ~~or misdemeanor,~~ no matter when committed~~,~~ ~~that was directly or indirectly related to or involving any aspect of the practice or business of funeral directing, embalming, direct disposition, cremation, funeral or cemetery preneed sales, funeral establishment operations, cemetery operations, or cemetery monument or marker sales or installation~~.

2. Any misdemeanor, no matter when committed, that was directly related to the practice or activities regulated under this chapter ~~Any other felony not already disclosed under subparagraph 1. that was committed within the 20 years immediately preceding the application under this chapter~~.

3. Any other misdemeanor not already disclosed under subparagraph 2. which ~~subparagraph 1. that~~ was committed within the 5 years immediately preceding the application under this chapter.

Section 18. Subsection (11) is added to section 553.80, Florida Statutes, to read:

553.80 Enforcement.-

(11) For purposes of the design, construction, erection, alteration, fire protection, fire suppression, modification,

repair, and demolition of a single-family or two-family dwelling, such dwelling does not have a change of occupancy as defined in the Florida Building Code, solely due to the dwelling's use as or conversion into a dwelling used:

(a) By a tax-exempt charitable organization under s. 501(c)(3) of the Internal Revenue Code whose stated corporate purpose relates to the support of people who are living with a mental health disorder and has no fewer than two and no more than four bedrooms, is occupied by a group of or family of no more than six ambulatory adults living with a mental disorder, and has no more than two adults assigned to any bedroom; or

(b) For residential migrant housing, as defined in s. 381.008, that has a permit from the Department of Health pursuant to s. 381.0081.

Section 19. Subsection (10) of section 560.309, Florida Statutes, is amended to read:

560.309 Conduct of business.—

(10) If a check is returned to a licensee from a payor financial institution due to lack of funds, a closed account, or a stop-payment order, the licensee may seek collection pursuant to s. 68.065. In seeking collection, the licensee must comply with the prohibitions against harassment or abuse, false or misleading representations, and unfair practices in the Consumer Collection Practices Act under part VI of chapter 559, including s. 559.77. The licensee must also comply with the Fair Debt

Collections Practices Act, 15 U.S.C. ss. 1692d, 1692e, and 1692f if the licensee uses a third-party debt collector or any name other than its own to collect such debts. A violation of this subsection is a deceptive and unfair trade practice and constitutes a violation of the Deceptive and Unfair Trade Practices Act under part II of chapter 501. ~~In addition, a licensee must comply with the applicable provisions of the Consumer Collection Practices Act under part VI of chapter 559, including s. 559.77.~~

Section 20. Subsection (3) of section 560.405, Florida Statutes, is amended to read:

560.405 Deposit; redemption.—

(3) Notwithstanding subsection (1), in lieu of presentment, a deferred presentment provider may allow the check to be redeemed at any time upon payment of the outstanding transaction balance and earned fees. Redemption in cash or through a debit card transaction shall be treated the same. However, payment may not be made in the form of a personal check or through a credit card transaction. Upon redemption, the deferred presentment provider must return the drawer's check and provide a signed, dated receipt showing that the drawer's check has been redeemed.

Section 21. Subsection (2) of section 560.406, Florida Statutes, is amended to read:

560.406 Worthless checks.—

(2) If a check is returned to a deferred presentment provider from a payor financial institution due to insufficient funds, a closed account, or a stop-payment order, the deferred presentment provider may pursue all legally available civil remedies to collect the check, including, but not limited to, the imposition of all charges imposed on the deferred presentment provider by the financial institution. In its collection practices, a deferred presentment provider must comply with the prohibitions against harassment or abuse, false or misleading representations, and unfair practices that are contained in the Consumer Collection Practices Act under part VI of chapter 559, including s. 559.77. A deferred presentment provider must also comply with the Fair Debt Collections Practices Act, 15 U.S.C. ss. 1692d, 1692e, and 1692f if the deferred present provider uses a third-party debt collector or any name other than its own to collect such debts. A violation of this act is a deceptive and unfair trade practice and constitutes a violation of the Deceptive and Unfair Trade Practices Act under part II of chapter 501. ~~In addition, a deferred presentment provider must comply with the applicable provisions of the Consumer Collection Practices Act under part VI of chapter 559, including s. 559.77.~~

Section 22. Section 626.171, Florida Statutes, is amended to read:

626.171 Application for license as an agent, customer representative, adjuster, or service representative~~, or reinsurance intermediary~~.—

(1) The department may not issue a license as agent, customer representative, adjuster, or service representative~~, or reinsurance intermediary~~ to any person except upon written application filed with the department, meeting the qualifications for the license applied for as determined by the department, and payment in advance of all applicable fees. The application must be made under the oath of the applicant and be signed by the applicant. An applicant may permit a third party to complete, submit, and sign an application on the applicant's behalf, but is responsible for ensuring that the information on the application is true and correct and is accountable for any misstatements or misrepresentations. The department shall accept the uniform application for resident and nonresident agent and adjuster licensing. The department may adopt revised versions of the uniform application by rule.

(2) In the application, the applicant must include all of the following ~~shall set forth~~:

(a) The applicant's ~~His or her~~ full name, age, social security number, residence address, business address, mailing address, contact telephone numbers, including a business telephone number, and e-mail address.

(b) A statement indicating the method the applicant used or is using to meet any required prelicensing education, knowledge, experience, or instructional requirements for the type of license applied for.

(c) Whether the applicant ~~he or she~~ has been refused or has voluntarily surrendered or has had suspended or revoked a license to solicit insurance by the department or by the supervising officials of any state.

(d) Whether any insurer or any managing general agent claims the applicant is indebted under any agency contract or otherwise and, if so, the name of the claimant, the nature of the claim, and the applicant's defense thereto, if any.

(e) Proof that the applicant meets the requirements for the type of license for which he or she is applying.

(f) The applicant's gender (male or female).

(g) The applicant's native language.

(h) The highest level of education achieved by the applicant.

(i) The applicant's race or ethnicity (African American, white, American Indian, Asian, Hispanic, or other).

(j) Such other or additional information as the department may deem proper to enable it to determine the character, experience, ability, and other qualifications of the applicant to hold himself or herself out to the public as an insurance representative.

However, the application must contain a statement that an applicant is not required to disclose his or her race or ethnicity, gender, or native language, that he or she will not be penalized for not doing so, and that the department will use this information exclusively for research and statistical purposes and to improve the quality and fairness of the examinations. The department may ~~shall~~ make provisions for applicants to voluntarily submit their cellular telephone numbers as part of the application process solely ~~on a voluntary basis only~~ for the purpose of two-factor authentication of secure login credentials ~~only~~.

(3) Each application must be accompanied by payment of any applicable fee.

(4) An applicant for a license issued by the department under this chapter must submit a set of the individual applicant's fingerprints, or, if the applicant is not an individual, a set of the fingerprints of the sole proprietor, majority owner, partners, officers, and directors, to the department and must pay the fingerprint processing fee set forth in s. 624.501. Fingerprints must be processed in accordance with s. 624.34 and used to investigate the applicant's qualifications pursuant to s. 626.201. The fingerprints must be taken by a law enforcement agency or other department-approved entity. The department may not approve an application for licensure as an

agent, customer ~~service~~ representative, adjuster, or service representative~~, or reinsurance intermediary~~ if fingerprints have not been submitted.

(5) The application for license filing fee prescribed in s. 624.501 is not subject to refund.

(6) Members of the United States Armed Forces and their spouses, and veterans of the United States Armed Forces who have separated from service ~~within 24 months~~ before application for licensure, are exempt from the application filing fee prescribed in s. 624.501. Qualified individuals must provide a copy of a military identification card, military dependent identification card, military service record, military personnel file, veteran record, discharge paper or separation document that indicates such members are currently in good standing or such veterans were honorably discharged.

(7) Pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, each party is required to provide his or her social security number in accordance with this section. Disclosure of social security numbers obtained through this requirement must be limited to the purpose of administration of the Title IV-D program for child support enforcement.

Section 23. Subsection (3) of section 626.0428, Florida Statutes, is amended to read:

626.0428 Agency personnel powers, duties, and limitations.—

(3) An employee or an authorized representative located at a designated branch of an agent or agency may not initiate contact with any person for the purpose of soliciting insurance unless licensed and appointed as an agent or customer representative. As to title insurance, an employee of an agent or agency may not initiate contact with any individual proposed insured for the purpose of soliciting title insurance unless licensed as a title insurance agent or exempt from such licensure pursuant to s. 626.8417(4) ~~and (5)~~.

Section 24. Paragraph (c) of subsection (2) of section 626.292, Florida Statutes, is amended to read:

626.292 Transfer of license from another state.—

(2) To qualify for a license transfer, an individual applicant must meet the following requirements:

(c) The individual must submit a completed application for this state which is received by the department within 90 days after the date the individual became a resident of this state, along with payment of the applicable fees set forth in s. 624.501 and submission of the following documents:

1. A certification issued by the appropriate official of the applicant's home state identifying the type of license and lines of authority under the license and stating that~~, at the time the license from the home state was canceled,~~ the applicant

was in good standing in that state or that the state's Producer Database records, maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries, indicate that the agent or all-lines adjuster is or was licensed in good standing for the line of authority requested. An applicant may hold a resident license in another state for 30 days after the Florida resident license has been issued to facilitate the transfer of licensure between states.

2. A set of the applicant's fingerprints in accordance with s. 626.171(4).

Section 25. Subsection (1) of section 626.611, Florida Statutes, is amended to read:

626.611 Grounds for compulsory refusal, suspension, or revocation of agent's, title agency's, adjuster's, customer representative's, service representative's, or managing general agent's license or appointment.—

(1) The department shall require license reexamination, deny an application for, suspend, revoke, or refuse to renew or continue the license or appointment of any applicant, agent, title agency, adjuster, customer representative, service representative, or managing general agent, and it shall suspend or revoke the eligibility to hold a license or appointment of any such person, if it finds that as to the applicant, licensee, or appointee any one or more of the following applicable grounds exist:

(a) Lack of one or more of the qualifications for the license or appointment as specified in this code.

(b) Material misstatement, misrepresentation, or fraud in obtaining the license or appointment or in attempting to obtain the license or appointment.

(c) Failure to pass to the satisfaction of the department any examination required under this code, including cheating on an examination required for licensure or violating test center or examination procedures published orally, in writing, or electronically at the test site by authorized representatives of the examination program administrator.

(d) If the license or appointment is willfully used, or to be used, to circumvent any of the requirements or prohibitions of this code.

(e) Willful misrepresentation of any insurance policy or annuity contract or willful deception with regard to any such policy or contract, done either in person or by any form of dissemination of information or advertising.

(f) If, as an adjuster, or agent licensed and appointed to adjust claims under this code, he or she has materially misrepresented to an insured or other interested party the terms and coverage of an insurance contract with intent and for the purpose of effecting settlement of claim for loss or damage or benefit under such contract on less favorable terms than those provided in and contemplated by the contract.

(g) Demonstrated lack of fitness or trustworthiness to engage in the business of insurance.

(h) Demonstrated lack of reasonably adequate knowledge and technical competence to engage in the transactions authorized by the license or appointment.

(i) Fraudulent or dishonest practices in the conduct of business under the license or appointment.

(j) Misappropriation, conversion, or unlawful withholding of moneys belonging to insurers or insureds or beneficiaries or to others and received in conduct of business under the license or appointment.

(k) Unlawfully rebating, attempting to unlawfully rebate, or unlawfully dividing or offering to divide his or her commission with another.

(l) Having obtained or attempted to obtain, or having used or using, a license or appointment as agent or customer representative for the purpose of soliciting or handling "controlled business" as defined in s. 626.730 with respect to general lines agents, s. 626.784 with respect to life agents, and s. 626.830 with respect to health agents.

(m) Willful failure to comply with, or willful violation of, any proper order or rule of the department or willful violation of any provision of this code.

(n) Having been found guilty of or having pleaded guilty or nolo contendere to a misdemeanor directly related to the

financial services business, any felony, or any crime punishable by imprisonment of 1 year or more under the law of the United States of America or of any state thereof or under the law of any other country, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases.

(o) Fraudulent or dishonest practice in submitting or aiding or abetting any person in the submission of an application for workers' compensation coverage under chapter 440 containing false or misleading information as to employee payroll or classification for the purpose of avoiding or reducing the amount of premium due for such coverage.

(p) Sale of an unregistered security that was required to be registered, pursuant to chapter 517.

(q) In transactions related to viatical settlement contracts as defined in s. 626.9911:

1. Commission of a fraudulent or dishonest act.

2. No longer meeting the requirements for initial licensure.

3. Having received a fee, commission, or other valuable consideration for his or her services with respect to viatical settlements that involved unlicensed viatical settlement providers or persons who offered or attempted to negotiate on behalf of another person a viatical settlement contract as defined in s. 626.9911 and who were not licensed life agents.

4. Dealing in bad faith with viators.

Section 26. Section 626.621, Florida Statutes, is amended to read:

626.621 Grounds for discretionary refusal, suspension, or revocation of agent's, adjuster's, customer representative's, service representative's, or managing general agent's license or appointment.—The department may, in its discretion, require a license reexamination, deny an application for, suspend, revoke, or refuse to renew or continue the license or appointment of any applicant, agent, adjuster, customer representative, service representative, or managing general agent, and it may suspend or revoke the eligibility to hold a license or appointment of any such person, if it finds that as to the applicant, licensee, or appointee any one or more of the following applicable grounds exist under circumstances for which such denial, suspension, revocation, or refusal is not mandatory under s. 626.611:

(1) Any cause for which issuance of the license or appointment could have been refused had it then existed and been known to the department.

(2) Violation of any provision of this code or of any other law applicable to the business of insurance in the course of dealing under the license or appointment.

(3) Violation of any lawful order or rule of the department, commission, or office.

(4) Failure or refusal, upon demand, to pay over to any insurer he or she represents or has represented any money coming into his or her hands belonging to the insurer.

(5) Violation of the provision against twisting, as defined in s. 626.9541(1)(l).

(6) In the conduct of business under the license or appointment, engaging in unfair methods of competition or in unfair or deceptive acts or practices, as prohibited under part IX of this chapter, or having otherwise shown himself or herself to be a source of injury or loss to the public.

(7) Willful overinsurance of any property or health insurance risk.

(8) If a life agent, violation of the code of ethics.

(9) Cheating on an examination required for licensure or violating test center or examination procedures published orally, in writing, or electronically at the test site by authorized representatives of the examination program administrator. Communication of test center and examination procedures must be clearly established and documented.

(10) Failure to inform the department in writing within 30 days after pleading guilty or nolo contendere to, or being convicted or found guilty of, any felony or a crime punishable by imprisonment of 1 year or more under the law of the United States or of any state thereof, or under the law of any other

country without regard to whether a judgment of conviction has been entered by the court having jurisdiction of the case.

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

(12) Has been the subject of or has had a license, permit, appointment, registration, or other authority to conduct business subject to any decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, final agency action, or administrative order by any court of competent jurisdiction, administrative law proceeding, state agency, federal agency, national securities, commodities, or option exchange, or national securities, commodities, or option association involving a violation of any federal or state securities or commodities law or any rule or regulation adopted thereunder, or a violation of any rule or regulation of any national securities, commodities, or options exchange or national securities, commodities, or options association.

(13) Failure to comply with any civil, criminal, or administrative action taken by the child support enforcement program under Title IV-D of the Social Security Act, 42 U.S.C. ss. 651 et seq., to determine paternity or to establish, modify, enforce, or collect support.

(14) Directly or indirectly accepting any compensation, inducement, or reward from an inspector for the referral of the owner of the inspected property to the inspector or inspection company. This prohibition applies to an inspection intended for submission to an insurer in order to obtain property insurance coverage or establish the applicable property insurance premium.

(15) Denial, suspension, or revocation of, or any other adverse administrative action against, a license to practice or conduct any regulated profession, business, or vocation by this state, any other state, any nation, any possession or district of the United States, any court, or any lawful agency thereof.

(16) Taking an action that allows the personal financial or medical information of a consumer or customer to be made available or accessible to the general public, regardless of the format in which the record is stored.

(17) Initiating in-person or telephone solicitation after 9 p.m. or before 8 a.m. local time of the prospective customer unless requested by the prospective customer.

(18) Cancellation of the applicant's, licensee's, or appointee's resident license in a state other than Florida.

Section 27. Subsection (1) of section 626.731, Florida Statutes, is amended to read:

626.731 Qualifications for general lines agent's license.—

(1) The department may ~~shall~~ not grant or issue a license as general lines agent to any individual found by it to be

untrustworthy or incompetent or who does not meet each all of the following qualifications:

(a) The applicant is a natural person at least 18 years of age.

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Bureau of Citizenship and Immigration Services and is a bona fide resident of this state. ~~An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

(c) The applicant's place of business will be located in this state and he or she will be actively engaged in the business of insurance and will maintain a place of business, the location of which is identifiable by and accessible to the public.

(d) The license is not being sought for the purpose of writing or handling controlled business, in violation of s. 626.730.

(e) The applicant is qualified as to knowledge, experience, or instruction in the business of insurance and meets the requirements provided in s. 626.732.

(f) The applicant has passed any required examination for license required under s. 626.221.

Section 28. Subsection (2) of section 626.785, Florida Statutes, is amended to read:

626.785 Qualifications for license.—

~~(2) An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of paragraph (1)(b), notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

Section 29. Section 626.831, Florida Statutes, is amended to read:

626.831 Qualifications for license.—

~~(1)~~ The department may ~~shall~~ not grant or issue a license as health agent as to any individual found by it to be untrustworthy or incompetent, or who does not meet all of the following qualifications:

(1)~~(a)~~ Is ~~Must be~~ a natural person of at least 18 years of age.

(2)~~(b)~~ Is ~~Must be~~ a United States citizen or legal alien who possesses work authorization from the United States Bureau of Citizenship and Immigration Services and is a bona fide resident of this state.

(3)~~(c)~~ Is ~~Must~~ not ~~be~~ an employee of the United States Department of Veterans Affairs or state service office, as referred to in s. 626.833.

(4)~~(d)~~ Has taken ~~Must take~~ and passed ~~pass~~ any examination for license required under s. 626.221.

(5)~~(e)~~ Is ~~Must be~~ qualified as to knowledge, experience, or instruction in the business of insurance and meets ~~meet~~ the requirements relative thereto provided in s. 626.8311.

~~(2) An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of paragraph (1)(b), notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.~~

Section 30. Subsection (5) of section 626.8417, Florida Statutes, is amended to read:

626.8417 Title insurance agent licensure; exemptions.-

~~(5) An insurer may designate a corporate officer of the insuer to occasionally issue and countersign binders, commitments, and policies of title insurance. The designated officer is exempt from the provisions of this chapter relating to title insurance licensing and appointment requirements while the officer is acting within the scope of the designation.~~

Section 31. Subsection (24) is added to section 626.854, Florida Statutes, to read:

626.854 "Public adjuster" defined; prohibitions.—The Legislature finds that it is necessary for the protection of the public to regulate public insurance adjusters and to prevent the unauthorized practice of law.

(24) A public adjuster, public adjuster apprentice, or public adjusting firm must respond with specific information to a written or electronic request for claims status from a claimant or insured or their designated representative within 14 days after the date of the request and shall document in the file the response or information provided.

Section 32. Subsection (4) of section 648.34, Florida Statutes, is amended to read:

648.34 Bail bond agents; qualifications.—

(4) The applicant shall furnish, with his or her application, a complete set of his or her fingerprints in accordance with s. 626.171(4) ~~and a recent credential-sized,~~

~~fullface photograph of the applicant~~. The department may ~~shall~~ not authorize an applicant to take the required examination until the department has received a report from the Department of Law Enforcement and the Federal Bureau of Investigation relative to the existence or nonexistence of a criminal history report based on the applicant's fingerprints.

Section 33. Subsection (2) of section 648.382, Florida Statutes, is amended to read:

648.382 Appointment of bail bond agents and bail bond agencies; effective date of appointment.—

(2) Before any appointment, an appropriate officer or official of the appointing insurer must obtain all of the following information ~~submit~~:

(a) A certified statement or affidavit to the department stating what investigation has been made concerning the proposed appointee and the proposed appointee's background and the appointing person's opinion to the best of his or her knowledge and belief as to the moral character and reputation of the proposed appointee. In lieu of such certified statement or affidavit, by authorizing the effectuation of an appointment for a licensee, the appointing entity certifies to the department that such investigation has been made and that the results of the investigation and the appointing person's opinion is that the proposed appointee is a person of good moral character and reputation and is fit to engage in the bail bond business.~~:~~

(b) An affidavit under oath on a form prescribed by the department, signed by the proposed appointee, stating that premiums are not owed to any insurer and that the appointee will discharge all outstanding forfeitures and judgments on bonds previously written. If the appointee does not satisfy or discharge such forfeitures or judgments, the former insurer shall file a notice, with supporting documents, with the appointing insurer, the former agent or agency, and the department, stating under oath that the licensee has failed to timely satisfy forfeitures and judgments on bonds written and that the insurer has satisfied the forfeiture or judgment from its own funds. Upon receipt of such notification and supporting documents, the appointing insurer shall immediately cancel the licensee's appointment. The licensee may be reappointed only upon certification by the former insurer that all forfeitures and judgments on bonds written by the licensee have been discharged. The appointing insurer or former agent or agency may, within 10 days, file a petition with the department seeking relief from this paragraph. Filing of the petition stays the duty of the appointing insurer to cancel the appointment until the department grants or denies the petition.~~;~~

(c) Any other information that the department reasonably requires concerning the proposed appointee.~~; and~~

(d) Effective January 1, 2025, a certification that the appointing entity obtained from each appointee the following sworn statement:

Pursuant to section 648.382(2)(b), Florida Statutes, I do solemnly swear that I owe no premium to any insurer or agency and that I will discharge all outstanding forfeitures and judgments on bonds that have been previously written. I acknowledge that failure to do this will result in my active appointments being canceled.

An appointed bail bond agency must have the attestation under this paragraph signed by its owner.

Section 34. Section 627.797, Florida Statutes, is repealed.

Section 35. Subsection (11) of section 633.208, Florida Statutes, is amended to read:

633.208 Minimum firesafety standards.—

(11) Notwithstanding subsection (8), a single-family or two-family dwelling may not be reclassified for purposes of enforcing the Florida Fire Prevention Code solely due to such dwelling's use as or conversion into:

(a) ~~that is~~ A certified recovery residence, as defined in s. 397.311, or ~~that is~~ a recovery residence, as defined in s.

397.311, that has a charter from an entity recognized or sanctioned by Congress; or

(b) A residence owned by a tax-exempt charitable organization under s. 501(c)(3) of the Internal Revenue Code whose stated corporate purpose relates to the support of people who are living with a mental health disorder, which has no fewer than two and no more than four bedrooms, is occupied by a group or family of no more than six ambulatory adults living with a mental health disorder, and has no more than two adults assigned to any bedroom; or

(c) residential migrant housing, as defined in s. 381.008, that has a permit from the Department of Health pursuant to s. 381.0081 ~~may not be reclassified for purposes of enforcing the Florida Fire Prevention Code solely due to such use~~.

Section 36. Section 717.001, Florida Statutes, is amended to read:

717.001 Short title.—This chapter may be cited as the "Florida Disposition of Abandoned Personal ~~Unclaimed~~ Property Act."

Section 37. Present subsections (1) through (4), (5) through (8), (10) through (13), (15) through (20), (21), (22) through (28), and (31), (32), and (33) of section 717.101, Florida Statutes, are redesignated as subsections (4) through (7), (9) through (12), (13) through (16), (17) through (22), (24), (26) through (32), and (33), (34), and (35), respectively,

new subsections (1), (2), (3), (8), (23), and (25) are added to that section, and present subsections (1), (2), (5), (6), (8), (9), (12), (14), (16), (18), (19), (20), (22), (25), (29), and (30) of that section are amended, to read:

717.101 Definitions.—As used in this chapter, unless the context otherwise requires:

(1) "Abandoned property" means property held by a holder for which all of the following are true:

(a) The apparent owner has shown no activity or indication of interest for the duration of the applicable dormancy period established under this chapter.

(b) The holder has complied with the due diligence requirements set forth in this chapter, including the issuance of notice to the apparent owner, and has received no response or contact sufficient to demonstrate continued interest in the property.

(c) For purposes of this chapter, property is presumed abandoned upon expiration of the applicable dormancy period established under this chapter. Once the dormancy period has expired, the holder must comply with the due diligence requirements set forth in 717.117. If the holder receives no response or contact sufficient to demonstrate continued interest in the property after completion of its due diligence efforts, the property is deemed abandoned and subject to reporting and

remittance to the department for custodial holding on behalf of the owner.

(2) "Abandoned Property Purchase Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant representative to purchase abandoned property from an owner.

(3) "Abandoned Property Recovery Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant representative to obtain consent and authority to recover abandoned property on behalf of a person.

(4) ~~(1)~~ "Aggregate" means the amounts reported for owners of abandoned ~~unclaimed~~ property of less than $10 or where there is no name for the individual or entity listed on the holder's records, regardless of the amount to be reported.

(5) ~~(2)~~ "Apparent owner" means the person whose name appears on the records of the holder as the owner of the abandoned property, but whose status as the true owner entitled to receive the property may be subject to change due to the passage of time or changes in circumstances ~~person entitled to property held, issued, or owing by the holder~~.

(6) “Asset Purchaser” means a business association that has purchased property from a large business association as defined in s. 717.1356(6).

(8) "Authorized representative" means a person or entity legally empowered to act on behalf of the apparent owner or his or estate, including, but not limited to, an agent, a fiduciary, a personal representative, a trustee, a legal heir, a guardian, or any other individual or entity authorized by law or agreement.

(9)~~(5)~~ "Banking or financial organization" means any and all banks, trust companies, private bankers, savings banks, industrial banks, safe-deposit companies, savings and loan associations, credit unions, savings associations, banking organizations, international bank agencies, cooperative banks, building and loan associations, and investment companies in this state, organized under or subject to the laws of this state or of the United States, including entities organized under 12 U.S.C. s. 611, but does not include federal reserve banks. The term also includes any corporation, business association, or other organization that:

(a) Is a wholly or partially owned subsidiary of any banking, banking corporation, or bank holding company that performs any or all of the functions of a banking organization; or

(b) Performs functions pursuant to the terms of a contract with any banking organization.

(10)~~(6)~~ "Business association" means any for-profit or nonprofit corporation other than a public corporation; joint

stock company; investment company; unincorporated association or association of two or more individuals for business purposes, whether or not for profit; partnership; joint venture; limited liability company; sole proprietorship; business trust; trust company; land bank; safe-deposit company; safekeeping depository; banking or financial organization; insurance company; federally chartered entity; utility company; transfer agent; or other business entity, whether or not for profit.

(12) ~~(8)~~ "Claimant ~~Claimant's~~ representative" means an attorney who is a member in good standing with ~~of~~ The Florida Bar, a certified public accountant licensed in this state, or a private investigator ~~who is duly~~ licensed ~~to do business~~ in this ~~the~~ state, who is registered with the department, and authorized to file claims on behalf of persons with the department ~~by the claimant to claim unclaimed property on the claimant's behalf~~. The term does not include a person acting in a representative or fiduciary capacity, such as a personal representative, guardian, trustee, or attorney, whose representation is not contingent upon the discovery or location of abandoned ~~unclaimed~~ property, and it expressly excludes locators, who engage in locating owners of abandoned property for a fee but are not registered with the department~~; provided, however, that any agreement entered into for the purpose of evading s. 717.135 is invalid and unenforceable~~.

~~(9) "Credit balance" means an account balance in the customer's favor.~~

(15)~~(12)~~ "Due diligence" means the use of reasonable and prudent methods under particular circumstances to locate apparent owners of presumed abandoned property ~~inactive accounts~~ using the taxpayer identification number or social security number, if known, which may include, but are not limited to, using a nationwide database, cross-indexing with other records of the holder, mailing to the last known address unless the last known address is known to be inaccurate, providing written notice as described in this chapter by electronic mail if an apparent owner has elected such delivery, or engaging a licensed agency or company capable of conducting such search and providing updated addresses.

~~(14) "Financial organization" means a savings association, savings and loan association, savings bank, industrial bank, bank, banking organization, trust company, international bank agency, cooperative bank, building and loan association, or credit union.~~

(18)~~(16)~~ "Holder" means a person who is in possession of property belonging to another or who owes a debt or an obligation to another person, including, but not limited to, financial institutions, insurance companies, corporations, partnerships, fiduciaries, and government agencies÷

~~(a) A person who is in possession or control or has custody of property or the rights to property belonging to another; is indebted to another on an obligation; or is obligated to hold for the account of, or to deliver or pay to, the owner, property subject to this chapter; or~~

~~(b) A trustee in case of a trust~~.

(20)~~(18)~~ "Intangible property" includes, by way of illustration and not limitation:

(a) Moneys, checks, virtual currency, drafts, deposits, interest, dividends, and income.

(b) Credit balances, customer overpayments, security deposits and other instruments as defined by chapter 679, refunds, unpaid wages, unused airline tickets, and unidentified remittances.

(c) Stocks, and other intangible ownership interests in business associations except for:

1. A non-freely transferable security; or

2. A security that is subject to a lien, legal hold, or restriction evidenced on the records of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security.

(d) Moneys deposited to redeem stocks, bonds, bearer bonds, original issue discount bonds, coupons, and other securities, or to make distributions.

(e) Amounts due and payable under the terms of insurance policies.

(f) Amounts distributable from a trust or custodial fund established under a plan to provide any health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefit.

(21) ~~(19)~~ "Last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail. For the purposes of identifying, reporting, and remitting property to the department ~~which is presumed to be unclaimed~~, the term ~~"last known address"~~ includes any partial description of the location of the apparent owner sufficient to establish the apparent owner was a resident of this state at the time of last contact with the apparent owner or at the time the property became due and payable.

(22) ~~(20)~~ "Lawful charges" means charges against the property or the account in which the property is held ~~dormant accounts~~ that are authorized by statute for the purpose of offsetting the costs of maintaining the property or the account in which the property is held ~~dormant account~~.

(23) "Locator" means a private individual or business that locates owners of abandoned property in exchange for a fee, typically a percentage of the recovered property. Locators are

not employees or agents of the state and are not registered with the department.

(25) "Non-freely transferable security" means a security that cannot be delivered to the administrator by the Depository Trust Clearing Corporation or similar custodian of securities providing post-trade clearing and settlement services to financial markets or cannot be delivered because there is no agent to effect transfer. The term includes a worthless security.

(26)~~(22)~~ "Owner" means the ~~a~~ person~~, or the person's legal representative,~~ entitled to receive or having a legal or equitable interest in the abandoned property. An owner establishes his or her entitlement by filing a valid claim with the department pursuant ~~or claim against property subject~~ to this chapter~~; a depositor in the case of a deposit; a beneficiary in the case of a trust or a deposit in trust; or a payee in the case of a negotiable instrument or other intangible property~~.

(29)~~(25)~~ "Record" means information that is captured or maintained in any format, including written, printed, electronic, audio, visual, or other forms, and that can be made perceptible or understandable to a person, either directly or through technological means, including assistive technologies ~~inscribed on a tangible medium or that is stored in an~~

~~electronic or other medium and is retrievable in perceivable form~~.

~~(29) "Unclaimed Property Purchase Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant's representative to purchase unclaimed property from an owner.~~

~~(30) "Unclaimed Property Recovery Agreement" means the form adopted by the department pursuant to s. 717.135 which must be used, without modification or amendment, by a claimant's representative to obtain an owner's consent and authority to recover unclaimed property on the owner's behalf.~~

Section 38. Section 717.102, Florida Statutes, is amended to read:

717.102 Property presumed abandoned ~~unclaimed~~; general rule.—

(1) Except as otherwise provided by this chapter, all intangible property, including any income or increment thereon less any lawful charges, that is held, issued, or owing in the ordinary course of the holder's business and for which the apparent owner or authorized representative fails to demonstrate continued interest for more than the applicable dormancy period prescribed by this chapter shall be presumed abandoned ~~claim such property for more than 5 years after the property becomes payable or distributable is presumed unclaimed, except as otherwise provided by this chapter~~. Unless otherwise specified

by law, the dormancy period shall be 5 years from the date the property becomes payable or distributable. For the purposes of this chapter, property shall be considered payable or distributable once the holder's obligation to pay or deliver the property arises, regardless of whether the apparent owner or authorized representative has failed to demand or to present documents required to receive payment.

(2) ~~Property is payable or distributable for the purpose of this chapter notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.~~

~~(3)~~ A presumption that property is abandoned may be ~~unclaimed is~~ rebutted by the affirmative demonstration of continued interest by the apparent owner or authorized representative ~~an apparent owner's expression of interest in the property~~. Such demonstration ~~An owner's expression~~ of continued interest ~~in property~~ includes, but is not limited to, any of the following:

(a) A record communicated by the apparent owner or authorized representative to the holder or its agent ~~of the holder~~ concerning the property or the account in which the property is held.~~;~~

(b) An oral communication by the apparent owner or authorized representative to the holder or its agent ~~of the holder~~ concerning the property or the account in which the

property is held, if the holder or its agent contemporaneously records ~~makes~~ and preserves evidence ~~a record~~ of the ~~fact of the apparent owner's~~ communication.~~;~~

(c) Presentment of a check or other instrument for ~~of~~ payment of ~~a~~ dividends ~~dividend~~, interest ~~payment~~, or other distributions related to the property. ~~distribution, with respect to an account, underlying security, or interest in a business association;~~

(d) Any account activity initiated ~~directed~~ by an apparent owner or authorized representative ~~in the account in which the property is held~~, including accessing the account or directing changes to information concerning the account~~,~~ or to the amount or type of property held, excluding routine automatic transactions previously authorized, ~~a direction by the apparent owner~~ to increase, decrease, or otherwise change the amount or type of property held in the account.~~;~~

(e) Any ~~A~~ deposit into or withdrawal from the property or the ~~an~~ account in which the property is held ~~at a financial organization~~, excluding ~~an~~ automatic deposits, withdrawals, or reinvestments ~~deposit or withdrawal~~ previously authorized by the apparent owner or authorized representative. ~~an automatic reinvestment of dividends or interest, which does not constitute an expression of interest; or~~

(f) Any other action by the apparent owner or authorized representative which reasonably demonstrates to the holder that

the apparent owner or authorized representative is aware of and maintains an interest in ~~knows that~~ the property ~~exists~~.

(3)~~(4)~~ If a holder learns or receives confirmation of an apparent owner's death, the property shall be presumed abandoned ~~unclaimed~~ 2 years after the date of death, unless an authorized representative makes an affirmative demonstration ~~a fiduciary appointed to represent the estate of the apparent owner has made an expression~~ of interest in the property before the expiration of the 2-year period. This subsection may not be construed to extend the otherwise applicable dormancy period prescribed by this chapter.

Section 39. Section 717.103, Florida Statutes, is amended to read:

717.103 General rules for taking custody of intangible abandoned ~~unclaimed~~ property.—Unless otherwise provided in this chapter or by other statute of this state, intangible property is subject to the custody of the department as abandoned ~~unclaimed~~ property when ~~if~~ the conditions leading to a presumption that the property is abandoned ~~unclaimed~~ as described in ss. 717.102 and 717.105-717.116 are satisfied and the holder has fulfilled all required due diligence obligations without receiving any response or claim from the apparent owner, and one or more of the following criteria apply:

(1) The last known address, as shown on the records of the holder, of the apparent owner is in this state.~~;~~

(2) The records of the holder do not identify the name of the apparent owner, but do reflect ~~the identity of the person entitled to the property, and it is established~~ that the last known address of the apparent owner ~~person entitled to the property~~ is in this state.~~;~~

(3) The records of the holder do not reflect the last known address of the apparent owner, but ~~and~~ it is established that either of the following conditions apply:

(a) The last known address of the apparent owner ~~person entitled to the property~~ is in this state.~~; or~~

(b) The holder is domiciled in this state, ~~a domiciliary~~ or is a government entity or ~~governmental~~ subdivision ~~or agency~~ of this state, and has not previously paid the property to the state of the last known address of the apparent owner. ~~or other person entitled to the property;~~

(4) The last known address, as shown on the records of the holder, of the apparent owner ~~or other person entitled to the property~~ is in a jurisdiction ~~state~~ that does not have applicable ~~provide by law for the~~ escheat, abandoned, or unclaimed property laws ~~custodial taking of the property, or its escheat or unclaimed property law is not applicable to the property~~, and the holder is domiciled in this state ~~a domiciliary~~ or is a government entity or ~~governmental~~ subdivision or agency of this state.~~;~~

(5) The last known address, as shown on the records of the holder, of the apparent owner is in a foreign nation and the holder is domiciled in this state ~~a domiciliary~~ or is a government entity or ~~governmental~~ subdivision or agency of this state.~~; or~~

(6) The transaction out of which the property arose occurred in this state~~,~~ and both of the following are true:~~;~~

(a)~~1.~~ The last known address of the apparent owner ~~or other person entitled to the property~~ is unknown.~~; or~~

~~2. The last known address of the apparent owner or other person entitled to the property is in a state that does not provide by law for the escheat or custodial taking of the property, or its escheat or unclaimed property law is not applicable to the property; and~~

(b) The holder is domiciled in a jurisdiction ~~a domiciliary of a state~~ that does not have applicable ~~provide by law for the~~ escheat, abandoned, or ~~custodial taking of the property, or its escheat or~~ unclaimed property laws ~~law is not applicable to the property~~.

Section 40. Section 717.1035, Florida Statutes, is repealed.

Section 41. Section 717.104, Florida Statutes, is amended to read:

717.104 Traveler's checks and money orders.—

(1) Subject to subsection (4), any sum payable on a traveler's check that has been outstanding for more than 15 years after its issuance is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 15 years, has demonstrated a continued interest in the property in accordance with s. 717.102 ~~communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file with the issuer~~.

(2) Subject to subsection (4), any sum payable on a money order or similar written instrument, other than a third party bank check, that has been outstanding for more than 7 years after its issuance is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 7 years, has demonstrated a continued interest in the property in accordance with s. 717.102 ~~communicated in writing with the issuer concerning it or otherwise indicated an interest as evidenced by a memorandum or other record on file with the issuer~~.

(3) A ~~No~~ holder may not deduct from the amount of any traveler's check or money order any charges imposed by reason of the failure to present those instruments for payment unless there is a valid and enforceable written contract between the holder ~~issuer~~ and the apparent owner of the property pursuant to which the holder ~~issuer~~ may impose those charges and the holder ~~issuer~~ regularly imposes those charges and does not regularly

reverse or otherwise cancel those charges with respect to the property.

(4) No sum payable on a traveler's check, money order, or similar written instrument, other than a third party bank check, described in subsections (1) and (2) may be subjected to the custody of this state as abandoned ~~unclaimed~~ property unless any of the following conditions are met:

(a) The records of the holder ~~issuer~~ show that the traveler's check, money order, or similar written instrument was purchased in this state.~~;~~

(b) The holder ~~issuer~~ has its principal place of business in this state and its ~~the~~ records ~~of the issuer~~ do not show the state in which the traveler's check, money order, or similar written instrument was purchased.~~; or~~

(c) The holder ~~issuer~~ has its principal place of business in this state; the holder's records ~~of the issuer~~ show the state in which the traveler's check, money order, or similar written instrument was purchased; and the ~~laws of the~~ state of purchase does not provide applicable ~~do not provide for the~~ escheat, abandoned, or unclaimed property laws ~~or custodial taking of the property, or its escheat or unclaimed property law is not applicable to the property~~.

(5) Notwithstanding any other provision of this chapter, subsection (4) applies to sums payable on traveler's checks, money orders, and similar written instruments presumed abandoned

~~unclaimed~~ on or after February 1, 1965, except to the extent that those sums have been paid over to a state prior to January 1, 1974.

Section 42. Section 717.1045, Florida Statutes, is amended to read:

717.1045 Gift certificates and similar credit items.—Notwithstanding s. 717.117, an unredeemed gift certificate or credit memo as defined in s. 501.95 is not required to be reported as abandoned ~~unclaimed~~ property.

(1) The consideration paid for an unredeemed gift certificate or credit memo is the property of the issuer of the unredeemed gift certificate or credit memo.

(2) An unredeemed gift certificate or credit memo is subject only to any rights of a purchaser or owner thereof and is not subject to a claim made by any state acting on behalf of a purchaser or owner.

(3) It is the intent of the Legislature that this section apply to the custodial holding of unredeemed gift certificates and credit memos.

(4) However, a gift certificate or credit memo described in s. 501.95(2)(b) shall be reported as abandoned ~~unclaimed~~ property. The consideration paid for such a gift certificate or credit memo is the property of the owner of the gift certificate or credit memo.

Section 43. Section 717.105, Florida Statutes, is amended to read:

717.105 Checks, drafts, and similar instruments issued or certified by banking and financial organizations.—

(1) Any sum payable on a check, draft, or similar instrument, except those subject to ss. 717.104 and 717.115, on which a banking or financial organization is directly liable, including, but not limited to, a cashier's check or a certified check, which has been outstanding for more than 5 years after it was payable or after its issuance if payable on demand, is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative, within 5 years, has communicated in writing with the banking or financial organization concerning it or otherwise demonstrated a continued interest in the property in accordance with s. 717.102 ~~indicated an interest as evidenced by a memorandum or other record on file with the banking or financial organization~~.

(2) A ~~No~~ holder may not deduct from the amount of any instrument subject to this section any charges imposed by reason of the failure to present the instrument for encashment unless there is a valid and enforceable written contract between the holder and the apparent owner of the instrument pursuant to which the holder may impose those charges and does not regularly reverse or otherwise cancel those charges with respect to the instrument.

Section 44. Subsection (1), paragraphs (a) and (b) of subsection (3), and subsections (4) and (5) of section 717.106, Florida Statutes, are amended to read:

717.106 Bank deposits and funds in financial organizations.—

(1) Any demand, savings, or matured time deposit with a banking or financial organization, including deposits that are automatically renewable, and any funds paid toward the purchase of shares, a mutual investment certificate, or any other interest in a banking or financial organization is presumed abandoned ~~unclaimed~~ unless the apparent owner or authorized representative has, within 5 years, engaged in any of the following activities:

(a) Increased or decreased the amount of the deposit or presented the passbook or other similar evidence of the deposit for the crediting of interest.~~;~~

(b) Communicated in writing or by documented telephone contact with the banking or financial organization concerning the property.~~;~~

(c) Otherwise demonstrated a continued ~~indicated an~~ interest in the property as evidenced by a memorandum or other record on file with the banking or financial organization.~~;~~

(d) Owned other property to which paragraph (a), paragraph (b), or paragraph (c) is applicable and if the banking or financial organization communicates in writing with the owner

with regard to the property that would otherwise be presumed abandoned ~~unclaimed~~ under this subsection at the address to which communications regarding the other property regularly are sent.~~; or~~

(e) Had another relationship with the banking or financial organization concerning which the apparent owner has:

1. Communicated in writing with the banking or financial organization; or

2. Otherwise demonstrated a continued ~~indicated an~~ interest as evidenced by a memorandum or other record on file with the banking or financial organization and if the banking or financial organization communicates in writing with the apparent owner or authorized representative with regard to the property that would otherwise be presumed abandoned ~~unclaimed~~ under this subsection at the address to which communications regarding the other relationship regularly are sent.

(3) A ~~No~~ holder may not impose with respect to property described in subsection (1) any charges due to dormancy or inactivity or cease payment of interest unless:

(a) There is an enforceable written contract between the holder and the apparent owner of the property pursuant to which the holder may impose those charges or cease payment of interest.

(b) For property in excess of $2, the holder, no more than 3 months prior to the initial imposition of those charges or

cessation of interest, has given written notice to the apparent owner of the amount of those charges at the last known address of the apparent owner stating that those charges shall be imposed or that interest shall cease, but the notice provided in this section need not be given with respect to charges imposed or interest ceased before July 1, 1987.

(4) Any property described in subsection (1) that is automatically renewable is matured for purposes of subsection (1) upon the expiration of its initial time period except that, in the case of any renewal to which the apparent owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured upon the expiration of the last time period for which consent was given. If, at the time provided for delivery in s. 717.119, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time for delivery is extended until the time when no penalty or forfeiture would result.

(5) If the documents establishing a deposit described in subsection (1) state the address of a beneficiary of the deposit, and the account has a value of at least $50, notice shall be given to the beneficiary as provided for notice to the

apparent owner under s. 717.117 ~~s. 717.117(6)~~. This subsection shall apply to accounts opened on or after October 1, 1990.

Section 45. Subsection (1) of section 717.107, Florida Statutes, is amended to read:

717.107 Funds owing under life insurance policies, annuity contracts, and retained asset accounts; fines, penalties, and interest; United States Social Security Administration Death Master File.—

(1) Funds held or owing under any life or endowment insurance policy or annuity contract which has matured or terminated are presumed abandoned ~~unclaimed~~ if unclaimed for more than 5 years after the date of death of the insured, the annuitant, or the retained asset account holder, but property described in paragraph (3)(d) is presumed abandoned ~~unclaimed~~ if such property is not claimed for more than 2 years. The amount presumed abandoned ~~unclaimed~~ shall include any amount due and payable under s. 627.4615.

Section 46. Section 717.1071, Florida Statutes, is amended to read:

717.1071 Lost owners of abandoned ~~unclaimed~~ demutualization, rehabilitation, or related reorganization proceeds.—

(1) Property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company is deemed abandoned 2 years after the date the

property is first distributable if, at the time of the first distribution, the last known address of the apparent owner on the books and records of the holder is known to be incorrect or the distribution or statements are returned by the post office as undeliverable; and the apparent owner or authorized representative ~~owner~~ has not communicated in writing with the holder or its agent regarding the interest or otherwise communicated with the holder regarding the interest as evidenced by a memorandum or other record on file with the holder or its agent.

(2) Property distributable in the course of demutualization, rehabilitation, or related reorganization of a mutual insurance company that is not subject to subsection (1) shall be reportable as otherwise provided by this chapter.

(3) Property subject to this section shall be reported and delivered no later than May 1 as of the preceding December 31; however, the initial report under this section shall be filed no later than November 1, 2003, as of December 31, 2002.

Section 47. Section 717.108, Florida Statutes, is amended to read:

717.108 Deposits held by utilities.—Any deposit, including any interest thereon, made by a subscriber with a utility to secure payment or any sum paid in advance for utility services to be furnished, less any lawful charges, that remains unclaimed by the apparent owner for more than 1 year after termination of

the services for which the deposit or advance payment was made is presumed abandoned ~~unclaimed~~.

Section 48. Section 717.109, Florida Statutes, is amended to read:

717.109 Refunds held by business associations.—Except as otherwise provided by law, any sum that a business association has been ordered to refund by a court or administrative agency which has been unclaimed by the apparent owner for more than 1 year after it became payable in accordance with the final determination or order providing for the refund, regardless of whether the final determination or order requires any person entitled to a refund to make a claim for it, is presumed abandoned ~~unclaimed~~.

Section 49. Section 717.1101, Florida Statutes, is amended to read:

717.1101 Abandoned ~~Unclaimed~~ equity and debt of business associations.—

(1)(a) Stock, ~~or~~ other equity interests, or debt of ~~interest in~~ a business association is presumed abandoned ~~unclaimed~~ on the date of the earliest of any of the following:

1. Three years after the date a communication, other than communications required by s. 717.117, sent by the holder by first-class United States mail to the apparent owner is returned to the holder undelivered by the United States Postal Service. If such returned communication is resent within 1 month to the

apparent owner, the 3-year dormancy period does not begin until the day the resent item is returned as undelivered.

2. Five ~~Three~~ years after the most recent of any account ~~owner-generated~~ activity or communication initiated by the apparent owner or authorized representative which demonstrates continued interest in the ~~related to the~~ account, as recorded and maintained by ~~in~~ the holder. Routine automatic reinvestments or other routine transactions previously authorized by the apparent owner or authorized representative do not prevent, interrupt, or reset the dormancy period and do not constitute an affirmative demonstration of continued interest. ~~holder's database and records systems sufficient enough to demonstrate the owner's continued awareness or interest in the property;~~

3.~~2.~~ Two ~~Three~~ years after the date of the death of the apparent owner, as evidenced by:

a. Notice to the holder of the apparent owner's death by an authorized representative ~~administrator, beneficiary, relative, or trustee, or by a personal representative or other legal representative of the owner's estate~~;

b. Receipt by the holder of a copy of the death certificate of the apparent owner;

c. Confirmation by the holder of the apparent owner's death through ~~though~~ other means; or

d. Other evidence from which the holder may reasonably conclude that the apparent owner is deceased.~~; or~~

~~3. One year after the date on which the holder receives notice under subparagraph 2. if the notice is received 2 years or less after the owner's death and the holder lacked knowledge of the owner's death during that period of 2 years or less.~~

(b) If the holder does not send communication to the apparent owner of a security by first-class United States mail on an annual basis, the holder shall attempt to confirm the apparent owner's interest in the equity interest by sending the apparent owner an e-mail communication not later than 3 years after the apparent owner's or authorized representative's last demonstration of continued interest in the equity interest. However, the holder shall promptly attempt to contact the apparent owner by first-class United States mail if:

1. The holder does not have information needed to send the apparent owner an e-mail communication or the holder believes that the apparent owner's e-mail address in the holder's records is not valid;

2. The holder received notification that the e-mail communication was not received; or

3. The apparent owner does not respond to the e-mail communication within 30 days after the communication was sent.

(c) If first-class United States mail sent under paragraph (b) is returned to the holder undelivered by the United States Postal Service, the equity interest is presumed abandoned in accordance with paragraph (1)(a).

(d) Unmatured or unredeemed debt, other than a bearer bond or an original issue discount bond, is presumed abandoned 5 ~~unclaimed 3~~ years after the date of the most recent interest payment unclaimed by the owner.

(e) ~~(c)~~ Matured or redeemed debt is presumed abandoned 5 ~~unclaimed 3~~ years after the date of maturity or redemption.

(f) ~~(d)~~ At the time property is presumed abandoned ~~unclaimed~~ under paragraph (a) or paragraph (b), any other property right accrued or accruing to the owner as a result of the property interest and not previously presumed abandoned ~~unclaimed~~ is also presumed abandoned ~~unclaimed~~.

(g) If the property is virtual currency, a statement that the virtual currency will be liquated by the holder before it is remitted to the department and that only the proceeds of liquidation will be transferred.

(2) The running of the applicable dormancy period under this section ~~such 3-year period~~ ceases if the apparent owner or authorized representative demonstrates continued interest under s. 717.102, including by any of the following actions ~~person~~:

(a) ~~1.~~ Communicating ~~Communicates~~ in writing or by other means with the association or its agent regarding the interest, ~~or a~~ dividend, distribution, or other sum payable as a result of the interest, as recorded by the association or its agent~~; or~~

~~2. Otherwise communicates with the association regarding the interest or a dividend, distribution, or other sum payable~~

~~as a result of the interest, as evidenced by a memorandum or other record on file with the association or its agent~~.

(b) Presenting ~~Presents~~ an instrument issued to pay interest, ~~or~~ a dividend, or other ~~cash~~ distribution. If any future dividend, distribution, or other sum payable ~~to the owner~~ as a result of the interest is subsequently unclaimed ~~not claimed by the owner~~, a new period in which the property is presumed abandoned ~~unclaimed~~ commences and relates back only to the time a subsequent dividend, distribution, or other sum became due and payable.

(3) At the same time any interest is presumed abandoned ~~unclaimed~~ under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, is presumed abandoned ~~unclaimed~~.

(4) Any dividend, profit, distribution, interest redemption, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificateholder, member, bondholder, or other security holder, who has not claimed such amount or corresponded in writing with the business association concerning such amount, within 5 ~~3~~ years after the date prescribed for payment or delivery, is presumed abandoned ~~unclaimed~~.

(5) Notwithstanding any other provision of this section, equity interests in business association and securities accounts

are not presumed abandoned solely due to inactivity if the holder knows the location of the apparent owner.

(a) For purposes of this subsection, a holder shall perform data matching of owner records maintained in its database against commercially available third-party data comparison sources to identify updated owner address information and indicators of deceased status. Utilizing any updated information, together with existing information of record, the holder is deemed to know the location of the apparent owner if:

1. The holder communicates with the apparent owner at least annually by first-class United State mail or electronic means, including but not limited to, electronic mail, text message, mobile application, or similar mechanism;

2. Such communication is successfully delivered, meaning not returned as undeliverable, and;

3. One or more additional account-level indicators demonstrating an owner indication of interest occurs at least once every 10 years, including:

a. Owner-initiated activity, such as authenticated access to website, mobile engagement via mobile messaging, or other authenticated third party account servicing software;

b. Updated contact information received authorized financial adviser;

c. Responses to account notifications or alerts;

d. Negotiation of distributions, including dividends; or

e. Any other action by the apparent owner or authorized representative which reasonably demonstrates to the holder that the apparent owner or authorized representative is aware of and maintains an interest in the property.

(b) Automatic deposits, reinvestments, or other recurring transactions initiated by the holder shall not independently constitute an indication of apparent owner interest for purposes of this section.

(c) If the conditions in paragraph (a) are not satisfied, the owner's location is deemed unknown, and the equity interest or securities account may be presumed abandoned:

1. 10 years after the owner's most recent indication of interest in the property; or

2. 10 years after the date a communication is returned as undeliverable, unless the owner responses to a due diligence notice before the reporting deadline.

(d) Property described in paragraph (c) may be presumed abandoned only after reasonable efforts to locate the owner have been unsuccessful and the holder has complied with the due diligence requirement of this chapter.

(e) This subsection applies to equity interests and securities accounts held directly by the owner or indirectly through a brokerage account or similar account.

Section 50. Section 717.111, Florida Statutes, is amended to read:

717.111 Property of business associations held in course of dissolution.—All intangible property distributable in the course of a voluntary or involuntary dissolution of a business association which is not claimed by the apparent owner for more than 6 months after the date specified for final distribution is presumed abandoned ~~unclaimed~~.

Section 51. Subsections (1) and (5) of section 717.112, Florida Statutes, are amended to read:

717.112 Property held by agents and fiduciaries.—

(1) All intangible property and any income or increment thereon held in a fiduciary capacity for the benefit of another person, including property held by an attorney in fact or an agent, except as provided in ss. 717.1125 and 733.816, is presumed abandoned ~~unclaimed~~ unless the apparent owner has within 5 years after it has become payable or distributable increased or decreased the principal, accepted payment of principal or income, communicated in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary.

(5) All intangible property, and any income or increment thereon, issued by a government or governmental subdivision or agency, public corporation, or public authority and held in an agency capacity for the governmental subdivision, agency, public corporation, or public authority for the benefit of the owner of record~~,~~ is presumed abandoned ~~unclaimed~~ unless the apparent

owner has, within 1 year after such property has become payable or distributable, increased or decreased the principal, accepted payment of the principal or income, communicated concerning the property, or otherwise indicated an interest in the property as evidenced by a memorandum or other record on file with the fiduciary.

Section 52. Section 717.1125, Florida Statutes, is amended to read:

717.1125 Property held by fiduciaries under trust instruments.—All intangible property and any income or increment thereon held in a fiduciary capacity for the benefit of another person under a trust instrument is presumed abandoned ~~unclaimed~~ unless the apparent owner has, within 2 years after it has become payable or distributable, increased or decreased the principal, accepted payment of principal or income, communicated concerning the property, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary. This section does not relieve a fiduciary of his or her duties under the Florida Trust Code.

Section 53. Section 717.113, Florida Statutes, is amended to read:

717.113 Property held by courts and public agencies.—All intangible property held for the apparent owner by any court, government or governmental subdivision or agency, public corporation, or public authority that has not been claimed by

the apparent owner for more than 1 year after it became payable or distributable is presumed abandoned ~~unclaimed~~. Except as provided in s. 45.032(3)(c), money held in the court registry and for which no court order has been issued to determine an owner does not become payable or distributable and is not subject to reporting under this chapter. Notwithstanding the provisions of this section, funds deposited in the Minerals Trust Fund pursuant to s. 377.247 are presumed abandoned ~~unclaimed~~ only if the funds have not been claimed by the apparent owner for more than 5 years after the date of first production from the well.

Section 54. Section 717.115, Florida Statutes, is amended to read:

717.115 Wages.—Unpaid wages, including wages represented by unpresented payroll checks, owing in the ordinary course of the holder's business that have not been claimed by the apparent owner for more than 1 year after becoming payable are presumed abandoned ~~unclaimed~~.

Section 55. Section 717.116, Florida Statutes, is amended to read:

717.116 Contents of safe-deposit box or other safekeeping repository.—All tangible and intangible property held by a banking or financial organization in a safe-deposit box or any other safekeeping repository in this state in the ordinary course of the holder's business, and proceeds resulting from the

sale of the property permitted by law, that has not been claimed by the apparent owner or authorized representative for more than 3 years after the lease or rental period on the box or other repository has expired are presumed abandoned ~~unclaimed~~.

Section 56. Section 717.117, Florida Statutes, is amended to read:

717.117 Holder due diligence and report of abandoned ~~unclaimed~~ property.—

(1) Property is presumed abandoned upon expiration of the applicable dormancy period under this chapter. However, such property is not deemed abandoned for purposes of reporting or remittance to the department until the holder has conducted reasonable due diligence as required by this section, resulting in no indication of interest from the apparent owner or authorized representative.

(2) Holders of property presumed abandoned that has a value of $50 or more shall use due diligence to locate and notify the apparent owner that the holder is in possession of property subject to this chapter. At least 90 days, but not more than 180 days, before filing the report required by this section, a holder in possession of presumed abandoned property shall send written notice by first-class United States mail to the apparent owner's last known address as shown in the holder's records or from other available sources, or by e-mail if the apparent owner has elected for e-mail delivery, informing the

apparent owner that the holder is in possession of property subject to this chapter, provided that the holder's records contain a mailing or e-mail address for the apparent owner which is not known by the holder to be inaccurate. The holder may provide notice by mail, by e-mail, or by both methods. If the holder's records indicate that the mailing address is inaccurate, notice may be provided by e-mail if the apparent owner has elected e-mail delivery.

(3) If the value of the property is greater than $1,000, the holder shall send a second written notice by certified United States mail, return receipt requested, to the apparent owner's last known address at least 60 days before filing the report required by this section, if the holder's records contain a mailing address for the apparent owner which is not known by the holder to be inaccurate. Reasonable costs paid to the United States Postal Service for certified mail, return receipt requested, may be deducted from the property as a service charge. A signed return receipt received in response to the certified mail notice constitutes an affirmative demonstration of continued interest as described in s. 717.102.

(4) The written notice required under this section must include:

(a) A heading that reads substantially as follows: "Notice: The State of Florida requires us to notify you that your property may be transferred to the custody of the Florida

Department of Financial Services if you do not contact us before ...(insert date that is at least 30 days after the date of notice)...."

(b) A description of the type, nature, and, unless the property does not have a fixed value, value of the property that is the subject of the notice.

(c) A statement that the property will be turned over to the custody of the department as abandoned property if no response is received.

(d) A statement that noncash property will be sold or liquidated by the department.

(e) A statement that, after the property is remitted to the department, a claim must be filed with the department to recover the property.

(f) A statement that the property is currently in the custody of the holder and that the apparent owner may prevent transfer of the property by contacting the holder before the deadline stated in the notice.

(5) Every holder of abandoned ~~person holding funds or other~~ property, tangible or intangible, ~~presumed unclaimed and~~ subject to custody ~~as unclaimed property~~ under this chapter shall submit a report to the department via electronic medium as the department may prescribe by rule. The report must include:

(a) Except for traveler's checks and money orders, the name, social security number or taxpayer identification number,

date of birth, if known, and last known address, if any, of each apparent ~~person appearing from the records of the holder to be the~~ owner of any property which is abandoned ~~presumed unclaimed~~ and which has a value of $10 or more.

(b) For abandoned ~~unclaimed~~ funds that have a value of $10 or more held or owing under any life or endowment insurance policy or annuity contract, the identifying information provided in paragraph (a) for both the insured or annuitant and the beneficiary according to records of the insurance company holding or owing the funds.

(c) For all tangible property held in a safe-deposit box or other safekeeping repository, a description of the property and the place where the property is held and may be inspected by the department, and any amounts owing to the holder. Contents of a safe-deposit box or other safekeeping repository which consist of documents or writings ~~of a private nature and~~ which have little or no commercial value may ~~apparent value shall~~ not be reported as abandoned property ~~presumed unclaimed~~.

(d) The nature or type of property, any accounting or identifying number associated with the property, a description of the property, and the amount appearing from the records to be due. Items of value of less than $10 each may be reported in the aggregate.

(e) The date the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property.

(f) Any other information the department may prescribe by rule as necessary for the administration of this chapter.

(6) ~~(2)~~ If the total value of all abandoned ~~presumed unclaimed~~ property, whether tangible or intangible, held by a person is less than $10, a zero balance report may be filed for that reporting period.

(7) ~~(3)~~ Credit balances, customer overpayments, security deposits, and refunds having a value of less than $10 may not be reported as abandoned property ~~shall not be presumed unclaimed~~.

(8) A security identified by the holder as non-freely transferable or worthless may not to be included in a report filed under this section. If the holder determines that a security is no longer non-freely transferable or worthless, the holder shall report and deliver the security on the next regular report date prescribed for delivery of securities by the holder under this chapter.

(9) ~~(4)~~ If the holder of abandoned property ~~presumed unclaimed and~~ subject to custody under this chapter ~~as unclaimed property~~ is a successor holder or if the holder has changed the holder's name while in possession of the property, the holder shall file with the holder's report all known names and addresses of each prior holder of the property. Compliance with

this subsection means the holder exercises reasonable and prudent efforts to determine the names of all prior holders.

(10) The report must be signed by or on behalf of the holder and verified as to its completeness and accuracy, and the holder must state that it has complied with the due diligence requirements of this section.

(11)~~(5)~~ The report must be filed before May 1 of each year. The report applies to the preceding calendar year. Upon written request by any person required to file a report, and upon a showing of good cause, the department may extend the reporting date. The department may impose and collect a penalty of $10 per day up to a maximum of $500 for the failure to timely report, if an extension was not provided or if the holder of the property failed to include in a report information required by this chapter which was in the holder's possession at the time of reporting. The penalty shall be remitted to the department within 30 days after the date of the notification to the holder that the penalty is due and owing. As necessary for proper administration of this chapter, the department may waive any penalty due with appropriate justification. The department must provide information contained in a report filed with the department to any person requesting a copy of the report or information contained in a report, to the extent the information requested is not confidential, within 45 days after the department determines that the report is accurate and acceptable

and that the reported property is the same as the remitted property.

~~(6) Holders of inactive accounts having a value of $50 or more shall use due diligence to locate and notify apparent owners that the entity is holding unclaimed property available for them to recover. Not more than 120 days and not less than 60 days prior to filing the report required by this section, the holder in possession of property presumed unclaimed and subject to custody as unclaimed property under this chapter shall send written notice by first-class United States mail to the apparent owner at the apparent owner's last known address from the holder's records or from other available sources, or via electronic mail if the apparent owner has elected this method of delivery, informing the apparent owner that the holder is in possession of property subject to this chapter, if the holder has in its records a mailing or electronic address for the apparent owner which the holder's records do not disclose to be inaccurate. These two means of contact are not mutually exclusive; if the mailing address is determined to be inaccurate, electronic mail may be used if so elected by the apparent owner.~~

~~(7) The written notice to the apparent owner required under this section must:~~

~~(a) Contain a heading that reads substantially as follows: "Notice. The State of Florida requires us to notify you that~~

~~your property may be transferred to the custody of the Florida Department of Financial Services if you do not contact us before ...(insert date that is at least 30 days after the date of notice)...."~~

~~(b) Identify the type, nature, and, except for property that does not have a fixed value, value of the property that is the subject of the notice.~~

~~(c) State that the property will be turned over to the custody of the department as unclaimed property if no response to this letter is received.~~

~~(d) State that any property that is not legal tender of the United States may be sold or liquidated by the department.~~

~~(e) State that after the property is turned over to the department, an apparent owner seeking return of the property may file a claim with the department.~~

~~(f) State that the property is currently with a holder and provide instructions that the apparent owner must follow to prevent the holder from reporting and paying for the property or from delivering the property to the department.~~

(12) ~~(8)~~ Any holder of intangible property may file with the department a petition for determination that the property is abandoned and ~~unclaimed~~ requesting the department to accept custody of the property. The petition shall state any special circumstances that exist, contain the information required by subsection (9) ~~subsection (4)~~, and show that a diligent search

has been made to locate the apparent owner. If the department finds that the proof of diligent search is satisfactory, it shall give notice as provided in s. 717.118 and accept custody of the property.

(13) ~~(9)~~ Upon written request by any entity or person required to file a report, stating such entity's or person's justification for such action, the department may place that entity or person in an inactive status as an abandoned ~~unclaimed~~ property "holder."

(14) ~~(10)~~(a) This section does not apply to the abandoned ~~unclaimed~~ patronage refunds as provided for by contract or through bylaw provisions of entities organized under chapter 425 or that are exempt from ad valorem taxation pursuant to s. 196.2002.

(b) This section does not apply to intangible property held, issued, or owing by a business association subject to the jurisdiction of the United States Surface Transportation Board or its successor federal agency if the apparent owner of such intangible property is a business association. The holder of such property does not have any obligation to report, to pay, or to deliver such property to the department.

(c) This section does not apply to credit balances, overpayments, refunds, or outstanding checks owed by a health care provider to a managed care payor with whom the health care provider has a managed care contract, provided that the credit

balances, overpayments, refunds, or outstanding checks become due and owing pursuant to the managed care contract.

(15)~~(11)~~(a) As used in this subsection, the term "property identifier" means the descriptor used by the holder to identify the abandoned ~~unclaimed~~ property.

(b) Social security numbers and property identifiers contained in reports required under this section, held by the department, are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(c) This exemption applies to social security numbers and property identifiers held by the department before, on, or after the effective date of this exemption.

Section 57. Section 717.118, Florida Statutes, is amended to read:

717.118 Notification of apparent owners of abandoned ~~unclaimed~~ property.—

(1) It is specifically recognized that the state has an obligation to make an effort to notify apparent owners in a cost-effective manner that their abandoned property has been reported and remitted to the department ~~of unclaimed property in a cost-effective manner~~. In order to provide all the citizens of this state an effective and efficient program for the recovery of abandoned personal ~~unclaimed~~ property, the department shall use cost-effective means to make at least one active attempt to notify apparent owners of abandoned ~~unclaimed~~ property ~~accounts~~

valued at $50 or more, abandoned tangible property, and abandoned shares of stock for which ~~more than $250 with~~ a reported address or taxpayer identification number is available. Such active attempt to notify apparent owners shall include any attempt by the department to directly contact the apparent owner. Other means of notification, such as publication of the names of apparent owners in the newspaper, on television, on the Internet, or through other promotional efforts and items in which the department does not directly attempt to contact the apparent owner are expressly declared to be passive attempts. ~~Nothing in~~ This subsection does not preclude ~~precludes~~ other agencies or entities of state government from notifying owners of the existence of abandoned ~~unclaimed~~ property or attempting to notify apparent owners of abandoned ~~unclaimed~~ property.

(2) Notification provided directly to individual apparent owners shall contain ~~consist of~~ a description of the abandoned property and information regarding recovery of the ~~unclaimed~~ property from the department. The form and content of the department's notice shall be tailored to the type of property reported and shall include any information necessary to reasonably inform the apparent owner of the consequences of failure to claim the property, including potential sale or disposition under s. 717.122.

(3) The department shall maintain a publicly accessible, electronically searchable website that includes the names of

apparent owners of abandoned property reported to the department and instructions for filing a claim. The website must list property valued at $10 or more and provide instructions for filing a claim. Abandoned property valued at less than $10 remains recoverable from the department in accordance with this chapter.

(4) This section is not applicable to abandoned sums payable on traveler's checks, money orders, and other written instruments ~~presumed unclaimed~~ under s. 717.104, or any other abandoned property reported without the necessary identifying information to establish ownership.

Section 58. Section 717.119, Florida Statutes, is amended to read:

717.119 Payment or delivery of abandoned ~~unclaimed~~ property.—

(1) Every person who is required to file a report under s. 717.117 shall simultaneously pay or deliver to the department all abandoned ~~unclaimed~~ property required to be reported. Such payment or delivery shall accompany the report as required in this chapter for the preceding calendar year.

(2) Payment of abandoned ~~unclaimed~~ funds may be made to the department by electronic funds transfer.

(3) If the apparent owner establishes the right to receive the abandoned ~~unclaimed~~ property to the satisfaction of the holder before the property has been delivered to the department

or it appears that for some other reason ~~the presumption~~ that the property was erroneously classified as abandoned ~~is unclaimed is erroneous~~, the holder need not pay or deliver the property to the department. In lieu of delivery, the holder shall file a verified written explanation of the proof of claim or of the error in classification of ~~the presumption that~~ the property as abandoned ~~was unclaimed~~.

(4) All virtual currency reported under this chapter on the annual report filing required in s. 717.117 shall be remitted to the department with the report. The holder shall liquidate the virtual currency and remit the proceeds to the department. The liquidation must occur within 30 days before the filing of the report. Upon delivery of the virtual currency proceeds to the department, the holder is relieved of all liability of every kind in accordance with the provisions of s. 717.1201 to every person for any losses or damages resulting to the person by the delivery to the department of the virtual currency proceeds.

(5) All stock or other intangible ownership interest reported under this chapter on the annual report filing required in s. 717.117 shall be remitted to the department with the report. Upon delivery of the stock or other intangible ownership interest to the department, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder is relieved of all liability of every kind in accordance with

the provisions of s. 717.1201 to every person for any losses or damages resulting to the person by the delivery to the department of the stock or other intangible ownership interest.

(6) All intangible and tangible property held in a safe-deposit box or any other safekeeping repository reported under s. 717.117 shall not be delivered to the department until 120 days after the report due date. The delivery of the property, through the United States mail or any other carrier, shall be insured by the holder at an amount equal to the estimated value of the property. Each package shall be clearly marked on the outside "Deliver Unopened." A holder's safe-deposit box contents shall be delivered to the department in a single shipment. In lieu of a single shipment, holders may provide the department with a single detailed shipping schedule that includes package tracking information for all packages being sent pursuant to this section.

(a) Holders may remit the value of cash and coins found in abandoned ~~unclaimed~~ safe-deposit boxes to the department by cashier's check or by electronic funds transfer, unless the cash or coins have a value above face value. The department shall identify by rule those cash and coin items having a numismatic value. Cash and coin items identified as having a numismatic value shall be remitted to the department in their original form.

(b) Any firearm or ammunition found in an abandoned ~~unclaimed~~ safe-deposit box or any other safekeeping repository shall be delivered by the holder to a law enforcement agency for property handling or disposal pursuant to s. 705.103(2)(b). If the firearm is sold by the law enforcement agency, ~~with~~ the balance of the proceeds shall be deposited into the State School Fund ~~if the firearm is sold~~. ~~However,~~ The department is authorized to make a reasonable attempt to ascertain the historical value to collectors of any firearm that has been delivered to the department. Any firearm appearing to have historical value to collectors may be sold by the department pursuant to s. 717.122 to a person having a federal firearms license. Any firearm which is not sold pursuant to s. 717.122 shall be delivered by the department to a law enforcement agency in this state for proper handling or disposal. In accordance with ~~pursuant to~~ s. 705.103(2)(b), if the firearm is sold by the law enforcement agency, ~~with~~ the balance of the proceeds shall be deposited into the State School Fund ~~if the firearm is sold~~. The department shall not be administratively, civilly, or criminally liable for any firearm delivered by the department to a law enforcement agency in this state for disposal.

(c) If such property is not paid or delivered to the department on or before the applicable payment or delivery date, the holder shall pay to the department a penalty for each safe-deposit box shipment received late. The penalty shall be $100

for a safe-deposit box shipment container that is late 30 days or less. Thereafter, the penalty shall be $500 for a safe-deposit box shipment container that is late for each additional successive 30-day period. The penalty assessed against a holder for a late safe-deposit box shipment container shall not exceed $4,000 annually. The penalty shall be remitted to the department within 30 days after the date of the notification to the holder that the penalty is due and owing.

(d) The department may waive any penalty due with appropriate justification, as provided by rule.

(e) If a will or trust instrument is included among the contents of an abandoned ~~a~~ safe-deposit box or other safekeeping repository delivered to the department, the department must provide a copy of the will, trust, and any codicils or amendments to such will or trust instrument, upon request, to anyone who provides the department with a certified copy of the death certificate or another government-certified record evidencing the death ~~evidence of the death~~ of the testator or settlor.

(7) Any holder may request an extension in writing of up to 60 days for the delivery of property if extenuating circumstances exist for the late delivery of the property. Any such extension the department may grant shall be in writing.

(8) A holder may not assign or otherwise transfer its obligation to report, pay, or deliver property or to comply with

the provisions of this chapter, other than to a parent, subsidiary, or affiliate of the holder.

(a) Unless otherwise agreed to by the parties to a transaction, the holder's successor by merger or consolidation, or any person or entity that acquires all or substantially all of the holder's capital stock or assets, is responsible for fulfilling the holder's obligation to report, pay, or deliver property or to comply with the duties of this chapter regarding the transfer of property owed to the holder's successor and being held for an owner resulting from the merger, consolidation, or acquisition.

(b) This subsection does not prohibit a holder from contracting with a third party for the reporting of abandoned ~~unclaimed~~ property, but the holder remains responsible to the department for the complete, accurate, and timely reporting of the property.

Section 59. Subsections (1), (2), and (4) of section 717.1201, Florida Statutes, are amended to read:

717.1201 Custody by state; holder liability; reimbursement of holder paying claim; reclaiming for owner; payment of safe-deposit box or repository charges.—

(1) Upon the good faith payment or delivery of abandoned ~~unclaimed~~ property to the department, the state assumes custody and responsibility for the safekeeping of the property. Any person who pays or delivers abandoned ~~unclaimed~~ property to the

department in good faith is relieved of all liability to the extent of the value of the property paid or delivered for any claim then existing or which thereafter may arise or be made with ~~in~~ respect to the property.

(a) A holder's substantial compliance with the due diligence provisions in s. 717.117 ~~s. 717.117(6)~~ and good faith payment or delivery of abandoned ~~unclaimed~~ property to the department releases the holder from liability that may arise from such payment or delivery, and such delivery and payment may be pleaded as a defense in any suit or action brought by reason of such delivery or payment. This section does not relieve a fiduciary of his or her duties under the Florida Trust Code or Florida Probate Code.

(b) If the holder pays or delivers property to the department in good faith and thereafter any other person claims the property from the holder paying or delivering, or another state claims the money or property under that state's laws relating to escheat or abandoned or unclaimed property, the department, upon written notice of the claim, shall defend the holder against the claim and indemnify the holder against any liability on the claim, except that a holder may not be indemnified against penalties imposed by another state.

(2) For the purposes of this section, a payment or delivery of abandoned ~~unclaimed~~ property is made in good faith if:

(a) The payment or delivery was made in conjunction with an accurate and acceptable report.

(b) The payment or delivery was made in a reasonable attempt to comply with this chapter and other applicable general law.

(c) The holder had a reasonable basis for believing, based on the facts then known, that the property was abandoned ~~unclaimed~~ and subject to this chapter.

(d) There is no showing that the records pursuant to which the delivery was made did not meet reasonable commercial standards of practice in the industry.

(4) Any holder who has delivered property, including a certificate of any interest in a business association, other than money to the department pursuant to this chapter may reclaim the property if still in the possession of the department, without payment of any fee or other charges, upon filing proof that the person entitled to the property ~~owner~~ has claimed it ~~the property~~ from the holder.

Section 60. Section 717.122, Florida Statutes, is amended to read:

717.122 Public sale of abandoned ~~unclaimed~~ property.—

(1) Except as provided in paragraph (2)(a), the department after the receipt of abandoned ~~unclaimed~~ property shall sell it to the highest bidder at public sale on the Internet or at a specified physical location wherever in the judgment of the

department the most favorable market for the property involved exists. The department may decline the highest bid and reoffer the property for sale if in the judgment of the department the bid is insufficient. The department shall have the discretion to withhold from sale any abandoned ~~unclaimed~~ property that the department deems to be of benefit to the people of the state. If in the judgment of the department the probable cost of sale exceeds the value of the property, it need not be offered for sale and may be disposed of as the department determines appropriate. Any sale at a specified physical location held under this section must be preceded by a single publication of notice, at least 3 weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold. The department shall proportionately deduct auction fees, preparation costs, and expenses from the amount posted to an ~~the owner's~~ account for an abandoned ~~when~~ safe-deposit box when the contents are sold. No action or proceeding may be maintained against the department for or on account of any decision to decline the highest bid or withhold any abandoned ~~unclaimed~~ property from sale.

(2)(a) Securities listed on an established stock exchange must be sold at prices prevailing at the time of sale on the exchange. Other securities may be sold over the counter at prices prevailing at the time of sale or by any other method the department deems advisable. The department may authorize the

agent or broker acting on behalf of the department to deduct fees from the proceeds of these sales at a rate agreed upon in advance by the agent or broker and the department. The department shall reimburse owners' accounts for these brokerage fees from the State School Fund unless the securities are sold at the owner's request.

(b) Unless the department deems it to be in the public interest to do otherwise, all abandoned securities ~~presumed unclaimed and~~ delivered to the department may be sold upon receipt. Any person making a claim pursuant to this chapter is entitled to receive either the securities delivered to the department by the holder, if they still remain in the hands of the department, or the proceeds received from sale, but no person has any claim under this chapter against the state, the holder, any transfer agent, any registrar, or any other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the state.

(c) Certificates for abandoned ~~unclaimed~~ stock or other equity interest of business associations that cannot be canceled and registered in the department's name or that cannot be readily liquidated and converted into the currency of the United States may be sold for the value of the certificate, if any, in accordance with subsection (1) or may be destroyed in accordance with s. 717.128.

(3) The purchaser of property at any sale conducted by the department pursuant to this chapter is entitled to ownership of the property purchased free from all claims of the owner or previous holder thereof and of all persons claiming through or under them. The department shall execute all documents necessary to complete the transfer of ownership.

(4) The sale of abandoned ~~unclaimed~~ tangible personal property is not subject to tax under chapter 212 when such property is sold by or on behalf of the department pursuant to this section.

Section 61. Section 717.123, Florida Statutes, is amended to read:

717.123 Deposit of funds.—

(1) All funds received under this chapter, including the proceeds from the sale of abandoned ~~unclaimed~~ property under s. 717.122, shall immediately ~~forthwith~~ be deposited by the department in the Abandoned ~~Unclaimed~~ Property Trust Fund. The department shall retain, from funds received under this chapter, an amount not exceeding $15 million from which the department shall make prompt payment of claims allowed by the department and shall pay the costs incurred by the department in administering and enforcing this chapter. All remaining funds received by the department under this chapter shall be deposited by the department into the State School Fund.

(2) The department shall record the name and last known address of each person appearing from the holder's reports to be entitled to the abandoned ~~unclaimed~~ property in the total amounts of $5 or greater; the name and the last known address of each insured person or annuitant; and with respect to each policy or contract listed in the report of an insurance corporation, its number, the name of the corporation, and the amount due.

Section 62. Section 717.1235, Florida Statutes, is amended to read:

717.1235 Dormant campaign accounts~~; report of unclaimed property~~.—Abandoned ~~Unclaimed~~ funds reported in the name of a campaign for public office, for any campaign that must dispose of surplus funds in its campaign account pursuant to s. 106.141, after being reported to the department, shall be deposited with the Chief Financial Officer to the credit of the State School Fund.

Section 63. Section 717.124, Florida Statutes, is amended to read:

717.124 Abandoned ~~Unclaimed~~ property claims.—

(1) Any person, excluding another state, claiming an interest in any property paid or delivered to the department under this chapter may file with the department a claim on a form prescribed by the department and verified by the claimant or the claimant ~~claimant's~~ representative. ~~The claimant's~~

~~representative must be an attorney licensed to practice law in this state, a licensed Florida-certified public accountant, or a private investigator licensed under chapter 493.~~ The claimant ~~claimant's~~ representative must be registered with the department under this chapter. The claimant, or the claimant ~~claimant's~~ representative, shall provide the department with a legible copy of a valid driver license of the claimant at the time the original claim form is filed. If the claimant has not been issued a valid driver license at the time the original claim form is filed, the department shall be provided with a legible copy of a photographic identification of the claimant issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. In lieu of photographic identification, a notarized sworn statement by the claimant may be provided which affirms the claimant's identity and states the claimant's full name and address. The claimant must produce to the notary photographic identification of the claimant issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. The notary shall indicate the notary's full address on the notarized sworn statement. Any claim filed without the required identification or the sworn statement with the original claim form and the original

Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement, if applicable, is void.

(a) Within 90 days after receipt of a claim, the department may return any claim that provides for the receipt of fees and costs greater than that permitted under this chapter or that contains any apparent errors or omissions. The department may also request that the claimant or the claimant ~~claimant's~~ representative provide additional information. The department shall retain a copy or electronic image of the claim.

(b) A claim is withdrawn if: ~~considered to have been withdrawn by a claimant or the claimant's representative if the department does not receive a response to its request for additional information within 60 days after the notification of any apparent errors or omissions.~~

1. The Department receives a written acknowledgement from the claimant confirming withdrawal of the claim;

2. The Department receives a written notice to withdraw the claim from a claimant representative that is accompanied by written authorization from the claimant expressly approving withdrawal of the claim. The authorization must state the reason for the withdrawal, contain an acknowledgement that the claimant understands that withdrawal will affect the processing of that claim and may affect the processing of other pending claims, and must be signed by the claimant. The claimant’s authorization

must be submitted concurrently with, or as part of, the withdrawal notice; or

3. The claimant or the claimant’s representative fails to respond to the Department’s written request for additional information within 60 days of the Department providing notice of any apparent errors or omissions.

(c) Within 90 days after receipt of the claim, or the response of the claimant or the claimant ~~claimant's~~ representative to the department's request for additional information, whichever is later, the department shall determine each claim. Such determination shall contain a notice of rights provided by ss. 120.569 and 120.57. The 90-day period shall be extended by 60 days if the department has good cause to need additional time or if the abandoned ~~unclaimed~~ property:

1. Is owned by a person who has been a debtor in bankruptcy;

2. Was reported with an address outside of the United States;

3. Is being claimed by a person outside of the United States; or

4. Contains documents filed in support of the claim that are not in the English language and have not been accompanied by an English language translation.

(2) A claim for a cashier's check or a stock certificate without the original instrument may require an indemnity bond

equal to the value of the claim to be provided prior to issue of the stock or payment of the claim by the department.

(3) The department may require an affidavit swearing to the authenticity of the claim, lack of documentation, and an agreement to allow the department to provide the name and address of the claimant to subsequent claimants coming forward with substantiated proof to claim the account. This shall apply to claims equal to or less than $250. The exclusive remedy of a subsequent claimant to the property shall be against the person who received the property from the department.

(4)(a) Except as otherwise provided in this chapter, if a claim is determined in favor of the claimant, the department shall deliver or pay over to the claimant the property or the amount the department actually received or the proceeds if it has been sold by the department, together with any additional amount required by s. 717.121.

(b) If a claimant ~~an owner~~ authorizes a claimant representative ~~an attorney licensed to practice law in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493, and~~ registered with the department under this chapter, to claim the abandoned ~~unclaimed~~ property on the claimant's ~~owner's~~ behalf, the department is authorized to make distribution of the property or money in accordance with the Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement

under s. 717.135. The original Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement must be executed by the claimant or seller and must be filed with the department.

(c)1. Payments of approved claims for unclaimed cash accounts must be made to the owner after deducting any fees and costs authorized by the claimant under an Abandoned ~~Unclaimed~~ Property Recovery Agreement. The contents of a safe-deposit box or shares of securities must be delivered directly to the claimant.

2. Payments of fees and costs authorized under an Abandoned ~~Unclaimed~~ Property Recovery Agreement for approved claims must be made or issued to the law firm of the designated attorney licensed to practice law in this state, the public accountancy firm of the licensed Florida-certified public accountant, or the designated employing private investigative agency licensed by this state. Such payments shall be made by electronic funds transfer and may be made on such periodic schedule as the department may define by rule, provided the payment intervals do not exceed 31 days. Payment made to an attorney licensed in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493, operating individually or as a sole practitioner, must be to the attorney, certified public accountant, or private investigator.

(5) The department shall not be administratively, civilly, or criminally liable for any property or funds distributed pursuant to this section, provided such distribution is made in good faith.

(6) This section does not supersede the licensing requirements of chapter 493.

(7) The department may allow an apparent owner to electronically submit a claim for abandoned ~~unclaimed~~ property to the department. If a claim is submitted electronically for $2,000 or less, the department may use a method of identity verification other than a copy of a valid driver license, other government-issued photographic identification, or a sworn notarized statement. The department may adopt rules to implement this subsection.

(8) Notwithstanding any other provision of this chapter, the department may develop and implement an identification verification and disbursement process by which an account valued at $2,000 or less, after being received by the department and added to the abandoned ~~unclaimed~~ property database, may be disbursed to an apparent owner after the department has verified that the apparent owner is living and that the apparent owner's current address is correct. The department shall include with the payment a notification and explanation of the dollar amount, the source, and the property type of each account included in

the disbursement. The department shall adopt rules to implement this subsection.

(9)(a) Notwithstanding any other provision of this chapter, the department may develop and implement a verification and disbursement process by which an account, after being received by the department and added to the abandoned ~~unclaimed~~ property database, for which the apparent owner entity is:

1. A state agency in this state or a subdivision or successor agency thereof;

2. A county government in this state or a subdivision thereof;

3. A public school district in this state or a subdivision thereof;

4. A municipality in this state or a subdivision thereof; or

5. A special taxing district or authority in this state,

may be disbursed to the apparent owner entity or successor entity. The department shall include with the payment a notification and explanation of the dollar amount, the source, and the property type of each account included in the disbursement.

(b) The department may adopt rules to implement this subsection.

(10) Notwithstanding any other provision of this chapter, the department may develop a process by which a claimant ~~claimant's~~ representative ~~or a buyer of unclaimed property~~ may electronically submit to the department an electronic image of a completed claim and claims-related documents under this chapter, including an Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement that has been signed and dated by a claimant or seller under s. 717.135, after the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ receives the original documents provided by the claimant or the seller for any claim. Each claim filed by a claimant ~~claimant's~~ representative ~~or a buyer of unclaimed property~~ must include a statement by the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ attesting that all documents are true copies of the original documents and that all original documents are physically in the possession of the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~. All original documents must be kept in the original form, by claim number, under the secure control of the claimant ~~claimant's~~ representative ~~or the buyer of unclaimed property~~ and must be available for inspection by the department in accordance with s. 717.1315. The department may adopt rules to implement this subsection.

(11) This section applies to all abandoned ~~unclaimed~~ property reported and remitted to the Chief Financial Officer,

including, but not limited to, property reported pursuant to ss. 45.032, 732.107, 733.816, and 744.534.

Section 64. Section 717.12403, Florida Statutes, is amended to read:

717.12403 Abandoned ~~Unclaimed~~ demand, savings, or checking account in a financial institution held in the name of more than one person.—

(1)(a) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported as an "and" account in the name of two or more persons who are not beneficiaries, it is presumed that each person must claim the account in order for the claim to be approved by the department. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "or" account.

(b) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported as an "and" account and one of the persons on the account is deceased, it is presumed that the account is a survivorship account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account is not a survivorship account.

(2) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported as an "or" account in the name of two or more persons who are not beneficiaries, it is presumed that either person listed on the account may claim the entire amount held in the account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "and" account.

(3) If an abandoned ~~unclaimed~~ demand, savings, or checking account in a financial institution is reported in the name of two or more persons who are not beneficiaries without identifying whether the account is an "and" account or an "or" account, it is presumed that the account is an "or" account. This presumption may be rebutted by showing that entitlement to the account has been transferred to another person or by clear and convincing evidence demonstrating that the account should have been reported by the financial institution as an "and" account.

(4) The department shall be deemed to have made a distribution in good faith if the department remits funds consistent with this section.

Section 65. Subsection (2) of section 717.12404, Florida Statutes, is amended to read:

717.12404 Claims on behalf of a business entity or trust.—

(2) Claims on behalf of an active or ~~a~~ dissolved corporation, a business entity ~~other than an active corporation~~, or a trust must include a legible copy of a valid driver license of the person acting on behalf of the ~~dissolved~~ corporation, business entity ~~other than an active corporation~~, or trust. If the person has not been issued a valid driver license, the department shall be provided with a legible copy of a photographic identification of the person issued by the United States, a foreign nation, or a political subdivision or agency thereof. In lieu of photographic identification, a notarized sworn statement by the person may be provided which affirms the person's identity and states the person's full name and address. The person must produce his or her photographic identification issued by the United States, a state or territory of the United States, a foreign nation, or a political subdivision or agency thereof or other evidence deemed acceptable by the department by rule. The notary shall indicate the notary's full address on the notarized sworn statement. Any claim filed without the required identification or the sworn statement with the original claim form and the original Abandoned ~~Unclaimed~~ Property Recovery Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement, if applicable, is void.

Section 66. Section 717.12405, Florida Statutes, is amended to read:

717.12405 Claims by estates.—An estate or any person representing an estate or acting on behalf of an estate may claim abandoned ~~unclaimed~~ property only after the heir or legatee of the decedent entitled to the property has been located. Any estate, or any person representing an estate or acting on behalf of an estate, that receives abandoned ~~unclaimed~~ property before the heir or legatee of the decedent entitled to the property has been located, is personally liable for the abandoned ~~unclaimed~~ property and must immediately return the full amount of the abandoned ~~unclaimed~~ property or the value thereof to the department in accordance with s. 717.1341.

Section 67. Section 717.12406, Florida Statutes, is amended to read:

717.12406 Joint ownership of abandoned ~~unclaimed~~ securities or dividends.—For the purpose of determining joint ownership of abandoned ~~unclaimed~~ securities or dividends, the term:

(1) "TEN COM" means tenants in common.

(2) "TEN ENT" means tenants by the entireties.

(3) "JT TEN" or "JT" means joint tenants with the right of survivorship and not as tenants in common.

(4) "And" means tenants in common with each person entitled to an equal pro rata share.

(5) "Or" means that each person listed on the account is entitled to all of the funds.

Section 68. Section 717.1241, Florida Statutes, is amended to read:

717.1241 Conflicting claims.—

(1) For purposes of this section, the term "conflicting claim" means two or more claims received by the department for the same abandoned property account or accounts in which two or more claimants appear to be equally entitled to the property. The term also includes circumstances in which the same claimant has more than one claim pending for the same property, including when the claimant is represented by more than one claimant representative or submits both a personal claim and a claim through a representative.

(2) When conflicting claims have been received by the department for the same abandoned ~~unclaimed~~ property account or accounts, the property shall be remitted in accordance with the claim filed by the person as follows, notwithstanding the withdrawal of a claim:

(a) To the person submitting the first claim received by the ~~Division of Unclaimed Property of the~~ department that is complete or made complete.

(b) If a claimant's claim and a claimant ~~claimant's~~ representative's claim for the recovery of property are received by the ~~Division of Unclaimed Property of the~~ department on the same day and both claims are complete, to the claimant.

(c) If a buyer's claim or a purchasing claimant representative's claim and a claimant's claim or a claimant ~~claimant's~~ representative's claim for the recovery of property are received by the ~~Division of Unclaimed Property of the~~ department on the same day and the claims are complete, to the buyer.

(d) As between two or more claimant representatives' ~~claimant's representative's~~ claims received by the ~~Division of Unclaimed Property of~~ the department that are complete or made complete on the same day, to the claimant ~~claimant's~~ representative who has agreed to receive the lowest fee. If the two or more claimant ~~claimant's~~ representatives whose claims received by ~~the Division of Unclaimed Property of~~ the department were complete or made complete on the same day are charging the same ~~lowest~~ fee, the fee shall be divided equally between the claimant ~~claimant's~~ representatives.

(e) If more than one buyer's claim received by the ~~Division of Unclaimed Property of the~~ department is complete or made complete on the same day, the department shall remit the abandoned ~~unclaimed~~ property to the buyer who paid the highest amount to the seller. If the buyers paid the same amount to the seller, the department shall remit the abandoned ~~unclaimed~~ property to the buyers divided in equal amounts.

(3)~~(2)~~ The purpose of this section is solely to provide guidance to the department regarding to whom it should remit the

abandoned ~~unclaimed~~ property and is not intended to extinguish or affect any private cause of action that any person may have against another person for breach of contract or other statutory or common-law remedy. A buyer's sole remedy, if any, shall be against the claimant ~~claimant's~~ representative or the seller, or both. A claimant ~~claimant's~~ representative's sole remedy, if any, shall be against the buyer or the seller, or both. A claimant's or seller's sole remedy, if any, shall be against the buyer or the claimant ~~claimant's~~ representative, or both. Nothing in this section forecloses the right of a person to challenge the department's determination of completeness in a proceeding under ss. 120.569 and 120.57.

(4) ~~(3)~~ A claim is complete when entitlement to the abandoned ~~unclaimed~~ property has been established.

Section 69. Subsection (1) of section 717.1242, Florida Statutes, is amended to read:

717.1242 Restatement of jurisdiction of the circuit court sitting in probate and the department.—

(1) It is and has been the intent of the Legislature that, pursuant to s. 26.012(2)(b), circuit courts have jurisdiction of proceedings relating to the settlement of the estates of decedents and other jurisdiction usually pertaining to courts of probate. It is and has been the intent of the Legislature that, pursuant to this chapter, the department determines the merits of claims and entitlement to abandoned ~~unclaimed~~ property paid

or delivered to the department under this chapter. Consistent with this legislative intent, any beneficiary, devisee, heir, personal representative, or other interested person, as those terms are defined in the Florida Probate Code and the Florida Trust Code, of an estate seeking to obtain property paid or delivered to the department under this chapter must file a claim with the department as provided in s. 717.124.

Section 70. Subsections (1) and (4) of section 717.1243, Florida Statutes, are amended to read:

717.1243 Small estate accounts.—

(1) A claim for abandoned ~~unclaimed~~ property made by a beneficiary, as defined in s. 731.201, of a deceased owner need not be accompanied by an order of a probate court if the claimant files with the department an affidavit, signed by all beneficiaries, stating that all the beneficiaries have amicably agreed among themselves upon a division of the estate and that all funeral expenses, expenses of the last illness, and any other lawful claims have been paid, and any additional information reasonably necessary to make a determination of entitlement. If the owner died testate, the claim shall be accompanied by a copy of the will.

(4) This section applies only if all of the abandoned ~~unclaimed~~ property held by the department on behalf of the owner has an aggregate value of $20,000 or less and no probate proceeding is pending.

Section 71. Section 717.1244, Florida Statutes, is amended to read:

717.1244 Determinations of abandoned ~~unclaimed~~ property claims.—In rendering a determination regarding the merits of an abandoned ~~unclaimed~~ property claim, the department shall rely on the applicable statutory, regulatory, common, and case law. Agency statements applying the statutory, regulatory, common, and case law to abandoned ~~unclaimed~~ property claims are not agency statements subject to s. 120.56(4).

Section 72. Section 717.1245, Florida Statutes, is amended to read:

717.1245 Garnishment of abandoned ~~unclaimed~~ property.—If any person files a petition for writ of garnishment seeking to obtain property paid or delivered to the department under this chapter, the petitioner shall be ordered to pay the department reasonable costs and attorney ~~attorney's~~ fees in any proceeding brought by the department to oppose, appeal, or collaterally attack the petition or writ if the department is the prevailing party in any such proceeding.

Section 73. Subsection (1) of section 717.125, Florida Statutes, is amended to read:

717.125 Claim of another state to recover property; procedure.—

(1) At any time after property has been paid or delivered to the department under this chapter, another state may recover the property if:

(a) The property was subjected to custody by this state because the records of the holder did not reflect the last known address of the apparent owner when the property was presumed abandoned ~~unclaimed~~ under this chapter, and the other state establishes that the last known address of the apparent owner or other person entitled to the property was in that state and under the laws of that state the property escheated to or was subject to a claim of abandonment or being unclaimed by that state;

(b) The last known address of the apparent owner or other person entitled to the property, as reflected by the records of the holder, is in the other state and under the laws of that state the property has escheated to or become subject to a claim of abandonment by that state;

(c) The records of the holder were erroneous in that they did not accurately reflect the actual owner of the property and the last known address of the actual owner is in the other state and under laws of that state the property escheated to or was subject to a claim of abandonment by that state;

(d) The property was subject to custody by this state under s. 717.103(6) and under the laws of the state of domicile

of the holder the property has escheated to or become subject to a claim of abandonment by that state; or

(e) The property is the sum payable on a traveler's check, money order, or other similar instrument that was subjected to custody by this state under s. 717.104, and the instrument was purchased in the other state, and under the laws of that state the property escheated to or became subject to a claim of abandonment by that state.

Section 74. Subsection (1) of section 717.126, Florida Statutes, is amended to read:

717.126 Administrative hearing; burden of proof; proof of entitlement; venue.—

(1) Any person aggrieved by a decision of the department may petition for a hearing as provided in ss. 120.569 and 120.57. In any proceeding for determination of a claim to property paid or delivered to the department under this chapter, the burden shall be upon the claimant to establish entitlement to the property by a preponderance of evidence. Having the same name as that reported to the department is not sufficient, in the absence of other evidence, to prove entitlement to abandoned ~~unclaimed~~ property.

Section 75. Section 717.1261, Florida Statutes, is amended to read:

717.1261 Death certificates.—Any person who claims entitlement to abandoned ~~unclaimed~~ property by means of the

death of one or more persons shall file a copy of the death certificate of the decedent or decedents that has been certified as being authentic by the issuing governmental agency.

Section 76. Section 717.1262, Florida Statutes, is amended to read:

717.1262 Court documents.—Any person who claims entitlement to abandoned ~~unclaimed~~ property by reason of a court document shall file a certified copy of the court document with the department. A certified copy of each pleading filed with the court to obtain a court document establishing entitlement, filed within 180 days before the date the claim form was signed by the claimant or claimant ~~claimant's~~ representative, must also be filed with the department.

Section 77. Section 717.129, Florida Statutes, is amended to read:

717.129 Periods of limitation.—

(1) The expiration before or after July 1, 1987, of any period of time specified by contract, statute, or court order, during which a claim for money or property may be made or during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or to recover property, does not prevent the money or property from being presumed abandoned ~~unclaimed~~ or affect any duty to file a report or to pay or deliver abandoned ~~unclaimed~~ property to the department as required by this chapter.

(2) The department may not commence an action or proceeding to enforce this chapter with respect to the reporting, payment, or delivery of property or any other duty of a holder under this chapter more than 10 years after the duty arose. The period of limitation established under this subsection is tolled by the earlier of the department's or audit agent's delivery of a notice that a holder is subject to an audit or examination under s. 717.1301 or the holder's written election to enter into an abandoned ~~unclaimed~~ property voluntary disclosure agreement.

Section 78. Subsections (3) and (4) of section 717.1301, Florida Statutes, are amended to read:

717.1301 Investigations; examinations; subpoenas.—

(3) The department may authorize a compliance review of a report for a specified reporting year. The review must be limited to the contents of the report filed, as required by s. 717.117 and subsection (2), and all supporting documents related to the reports. If the review results in a finding of a deficiency in abandoned ~~unclaimed~~ property due and payable to the department, the department shall notify the holder in writing of the amount of deficiency within 1 year after the authorization of the compliance review. If the holder fails to pay the deficiency within 90 days, the department may seek to enforce the assessment under subsection (1). The department is

not required to conduct a review under this section before initiating an audit.

(4) Notwithstanding any other provision of law, in a contract providing for the location or collection of abandoned ~~unclaimed~~ property, the department may authorize the contractor to deduct its fees and expenses for services provided under the contract from the abandoned ~~unclaimed~~ property that the contractor has recovered or collected under the contract. The department shall annually report to the Chief Financial Officer the total amount collected or recovered by each contractor during the previous fiscal year and the total fees and expenses deducted by each contractor.

Section 79. Section 717.1315, Florida Statutes, is amended to read:

717.1315 Retention of records by claimant ~~claimant's~~ representatives and buyers of abandoned ~~unclaimed~~ property.—

(1) Every claimant ~~claimant's~~ representative and buyer of abandoned ~~unclaimed~~ property shall keep and use in his or her business such books, accounts, and records of the business conducted under this chapter to enable the department to determine whether such person is complying with this chapter and the rules adopted by the department under this chapter. Every claimant ~~claimant's~~ representative and buyer of abandoned ~~unclaimed~~ property shall preserve such books, accounts, and records, including every Abandoned ~~Unclaimed~~ Property Recovery

Agreement or Abandoned ~~Unclaimed~~ Property Purchase Agreement between the owner and such claimant ~~claimant's~~ representative or buyer, for at least 3 years after the date of the initial agreement.

(2) A claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property, operating at two or more places of business in this state, may maintain the books, accounts, and records of all such offices at any one of such offices, or at any other office maintained by such claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property, upon the filing of a written notice with the department designating in the written notice the office at which such records are maintained.

(3) A claimant ~~claimant's~~ representative or buyer of abandoned ~~unclaimed~~ property shall make all books, accounts, and records available at a convenient location in this state upon request of the department.

Section 80. Subsections (2) and (3) of section 717.132, Florida Statutes, are amended to read:

717.132 Enforcement; cease and desist orders; fines.—

(2) In addition to any other powers conferred upon it to enforce and administer the provisions of this chapter, the department may issue and serve upon a person an order to cease and desist and to take corrective action whenever the department finds that such person is violating, has violated, or is about

to violate any provision of this chapter, any rule or order promulgated under this chapter, or any written agreement entered into with the department. For purposes of this subsection, the term "corrective action" includes refunding excessive charges, requiring a person to return abandoned ~~unclaimed~~ property, requiring a holder to remit abandoned ~~unclaimed~~ property, and requiring a holder to correct a report that contains errors or omissions. Any such order shall contain a notice of rights provided by ss. 120.569 and 120.57.

(3) In addition to any other powers conferred upon it to enforce and administer the provisions of this chapter, the department or a court of competent jurisdiction may impose fines against any person found to have violated any provision of this chapter, any rule or order promulgated under this chapter, or any written agreement entered into with the department in an amount not to exceed $2,000 for each violation. All fines collected under this subsection shall be deposited as received in the Abandoned ~~Unclaimed~~ Property Trust Fund.

Section 81. Paragraphs (c), (d), and (j) of subsection (1), subsections (2) and (3), paragraph (b) of subsection (4), and subsection (5) of section 717.1322, Florida Statutes, are amended to read:

717.1322 Administrative and civil enforcement.—

(1) The following acts are violations of this chapter and constitute grounds for an administrative enforcement action by

the department in accordance with the requirements of chapter 120 and for civil enforcement by the department in a court of competent jurisdiction:

(c) ~~Fraudulent~~ Misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to the department or to an owner or apparent owner under this chapter~~, regardless of reliance by or damage to the owner or apparent owner~~.

(d) ~~Willful~~ Imposition of illegal or excessive charges in any abandoned ~~unclaimed~~ property transaction.

(j) Requesting or receiving compensation for notifying a person of his or her abandoned ~~unclaimed~~ property or assisting another person in filing a claim for abandoned ~~unclaimed~~ property, ~~unless the person is an attorney licensed to practice law in this state, a Florida-certified public accountant, or a private investigator licensed under chapter 493,~~ or entering into, or making a solicitation to enter into, an agreement to file a claim for abandoned ~~unclaimed~~ property owned by another, unless such person is a registered claimant representative ~~registered with the department~~ under this chapter ~~and an attorney licensed to practice law in this state in the regular practice of her or his profession, a Florida-certified public accountant who is acting within the scope of the practice of public accounting as defined in chapter 473, or a private investigator licensed under chapter 493~~. This paragraph does not

apply to a person who has been granted a durable power of attorney to convey and receive all of the real and personal property of the owner, is the court-appointed guardian of the owner, has been employed as an attorney or qualified representative to contest the department's denial of a claim, or has been employed as an attorney to probate the estate of the owner or an heir or legatee of the owner.

(2) Upon a finding by the department that any person has committed any of the acts set forth in subsection (1), the department may enter an order doing any of the following:

(a) Revoking for a minimum of 5 years or suspending for a maximum of 5 years a registration previously granted under this chapter during which time the registrant may not reapply for a registration under this chapter.~~;~~

(b) Placing a claimant representative ~~registrant~~ or an applicant for a registration on probation for a period of time and subject to such conditions as the department may specify.~~;~~

(c) Placing permanent restrictions or conditions upon issuance or maintenance of a registration under this chapter;

(d) Issuing a reprimand.~~;~~

(e) Imposing an administrative fine not to exceed $2,000 for each such act.~~; or~~

(f) Prohibiting any person from being a director, officer, agent, employee, or ultimate equitable owner of a 10 percent ~~10-~~

~~percent~~ or greater interest in an employer of a claimant representative ~~registrant~~.

(3) A claimant ~~claimant's~~ representative is subject to civil enforcement and the disciplinary actions specified in subsection (2) for violations of subsection (1) by an agent or employee of the claimant representative's ~~registrant's~~ employer if the claimant ~~claimant's~~ representative knew or should have known that such agent or employee was violating any provision of this chapter.

(4)

(b) The disciplinary guidelines shall specify a meaningful range of designated penalties based upon the severity or repetition of specific offenses, or both. It is the legislative intent that minor violations be distinguished from more serious violations; that such guidelines consider the amount of the claim involved, the complexity of locating the owner, the steps taken to ensure the accuracy of the claim by the person filing the claim, the acts of commission and omission of the claimant ~~ultimate owners~~ in establishing themselves as rightful owners of the funds, the acts of commission or omission of the agent or employee of a claimant representative or its ~~an~~ employer in the filing of the claim, the actual knowledge of the agent, employee, employer, or owner in the filing of the claim, the departure, if any, by the agent or employee from the internal controls and procedures established by the claimant

representative or its employer with regard to the filing of a claim, the number of defective claims previously filed by the agent, employee, employer, or owner; that such guidelines provide reasonable and meaningful notice of likely penalties that may be imposed for proscribed conduct; and that such penalties be consistently applied by the department.

(5) The department may seek any appropriate civil legal remedy available to it by filing a civil action in a court of competent jurisdiction against any person who has, directly or through a claimant ~~claimant's~~ representative, wrongfully submitted a claim as the ~~ultimate~~ owner of property and improperly received funds from the department in violation of this chapter.

Section 82. Subsections (1) and (3) of section 717.133, Florida Statutes, are amended to read:

717.133 Interstate agreements and cooperation; joint and reciprocal actions with other states.—

(1) The department may enter into agreements with other states to exchange information needed to enable this or another state to audit or otherwise determine abandoned ~~unclaimed~~ property that it or another state may be entitled to subject to a claim of custody. The department may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

(3) At the request of another state, the department may bring an action in the name of the other state in any court of competent jurisdiction to enforce the abandoned ~~unclaimed~~ property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred in bringing the action.

Section 83. Subsection (2) of section 717.1333, Florida Statutes, is amended to read:

717.1333 Evidence; estimations; audit reports and worksheets, investigator reports and worksheets, other related documents.—

(2) If the records of the holder that are available for the periods subject to this chapter are insufficient to permit the preparation of a report of the abandoned ~~unclaimed~~ property due and owing by a holder, or if the holder fails to provide records after being requested to do so, the amount due to the department may be reasonably estimated.

Section 84. Paragraph (a) of subsection (1) and subsections (2) and (4) of section 717.1341, Florida Statutes, are amended to read:

717.1341 Invalid claims, recovery of property, interest and penalties.—

(1)(a) A ~~No~~ person may not ~~shall~~ receive abandoned ~~unclaimed~~ property that the person is not entitled to receive.

Any person who receives, or assists another person to receive, abandoned ~~unclaimed~~ property that the person is not entitled to receive is strictly, jointly, personally, and severally liable for the abandoned ~~unclaimed~~ property and shall immediately return the property, or the reasonable value of the property if the property has been damaged or disposed of, to the department plus interest at the rate set in accordance with s. 55.03(1). Assisting another person to receive abandoned ~~unclaimed~~ property includes executing a claim form on the person's behalf.

(2) The department may maintain a civil or administrative action:

(a) To recover abandoned ~~unclaimed~~ property that was paid or remitted to a person who was not entitled to the abandoned ~~unclaimed~~ property or to offset amounts owed to the department against amounts owed to an owner representative;

(b) Against a person who assists another person in receiving, or attempting to receive, abandoned ~~unclaimed~~ property that the person is not entitled to receive; or

(c) Against a person who attempts to receive abandoned ~~unclaimed~~ property that the person is not entitled to receive.

(4) A ~~No~~ person may not ~~shall~~ knowingly file, knowingly conspire to file, or knowingly assist in filing~~,~~ a claim for abandoned ~~unclaimed~~ property the person is not entitled to receive. Any person who violates this subsection regarding abandoned ~~unclaimed~~ property of an aggregate value:

(a) Greater than $50,000, commits ~~is guilty of~~ a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(b) Greater than $10,000 up to $50,000, commits ~~is guilty of~~ a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(c) Greater than $250 up to $10,000, commits ~~is guilty of~~ a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084;

(d) Greater than $50 up to $250, commits ~~is guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083; or

(e) Up to $50, commits ~~is guilty of~~ a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

Section 85. Section 717.135, Florida Statutes, is amended to read:

717.135 Recovery agreements and purchase agreements for claims filed by a claimant ~~claimant's~~ representative; fees and costs or total net gain.—

(1) In order to protect the interests of owners of abandoned ~~unclaimed~~ property, the department shall adopt by rule a form entitled "Abandoned ~~Unclaimed~~ Property Recovery Agreement" and a form entitled "Abandoned ~~Unclaimed~~ Property Purchase Agreement."

(2) The Abandoned ~~Unclaimed~~ Property Recovery Agreement and the Abandoned ~~Unclaimed~~ Property Purchase Agreement must include and disclose all of the following:

(a) The total dollar amount of abandoned ~~unclaimed~~ property accounts claimed or sold.

(b) The total percentage of all authorized fees and costs to be paid to the claimant ~~claimant's~~ representative or the percentage of the value of the property to be paid as net gain to the purchasing claimant ~~claimant's~~ representative.

(c) The total dollar amount to be deducted and received from the claimant as fees and costs by the claimant ~~claimant's~~ representative or the total net dollar amount to be received by the purchasing claimant ~~claimant's~~ representative.

(d) The net dollar amount to be received by the claimant or the seller.

(e) For each account claimed, the abandoned ~~unclaimed~~ property account number.

(f) For the Abandoned ~~Unclaimed~~ Property Purchase Agreement, a statement that the amount of the purchase price will be remitted to the seller by the purchaser within 30 days after the execution of the agreement by the seller.

(g) The name, address, e-mail address, phone number, and license number of the claimant ~~claimant's~~ representative.

(h)1. The manual signature of the claimant or seller and the date signed, affixed on the agreement by the claimant or seller.

2. Notwithstanding any other provision of this chapter to the contrary, the department may allow ~~an apparent owner, who is also~~ the claimant or seller~~,~~ to sign the agreement electronically. All electronic signatures on the Abandoned ~~Unclaimed~~ Property Recovery Agreement and the Abandoned ~~Unclaimed~~ Property Purchase Agreement must be affixed on the agreement by the claimant or seller using the specific, exclusive eSignature product and protocol authorized by the department.

(i) The social security number or taxpayer identification number of the claimant or seller, if a number has been issued to the claimant or seller.

(j) The total fees and costs, or the total discount in the case of a purchase agreement, which may not exceed 30 percent of the claimed amount. In the case of a recovery agreement, if the total fees and costs exceed 30 percent, the fees and costs shall be reduced to 30 percent and the net balance shall be remitted directly by the department to the claimant. In the case of a purchase agreement, if the total net gain of the claimant ~~claimant's~~ representative exceeds 30 percent, the claim will be denied.

(3) For an Abandoned ~~Unclaimed~~ Property Purchase Agreement form, proof that the purchaser has made payment must be filed with the department along with the claim. If proof of payment is not provided, the claim is void.

(4) A claimant ~~claimant's~~ representative must use the Abandoned ~~Unclaimed~~ Property Recovery Agreement or the Abandoned ~~Unclaimed~~ Property Purchase Agreement as the exclusive means of entering into an agreement or a contract with a claimant or seller to file a claim with the department.

(5) Fees and costs may be owed or paid to, or received by, a claimant ~~claimant's~~ representative only after a filed claim has been approved and if the claimant's representative used an agreement authorized by this section.

(6) A claimant ~~claimant's~~ representative may not use or distribute any other agreement of any type, conveyed by any method, with respect to the claimant or seller which relates, directly or indirectly, to abandoned ~~unclaimed~~ property accounts held by the department or the Chief Financial Officer other than the agreements authorized by this section. Any engagement, authorization, recovery, or fee agreement that is not authorized by this section is void. A claimant ~~claimant's~~ representative is subject to administrative and civil enforcement under s. 717.1322 if he or she uses an agreement that is not authorized by this section and if the agreement is used to apply, directly or indirectly, to abandoned ~~unclaimed~~ property held by this

state. This subsection does not prohibit lawful nonagreement, noncontractual, or advertising communications between or among the parties.

(7) The Abandoned ~~Unclaimed~~ Property Recovery Agreement may not contain language that makes the agreement irrevocable or that creates an assignment of any portion of abandoned ~~unclaimed~~ property held by the department.

(8) When a claim is approved, the department may pay any additional account that is owned by the claimant but has not been claimed at the time of approval, provided that a subsequent claim has not been filed or is not pending for the claimant at the time of approval.

(9) This section does not supersede s. 717.1241.

~~(10) This section does not apply to the sale and purchase of Florida-held unclaimed property accounts through a bankruptcy estate representative or other person or entity authorized pursuant to Title XI of the United States Code or an order of a bankruptcy court to act on behalf or for the benefit of the debtor, its creditors, and its bankruptcy estate.~~

Section 86. Section 717.1356, Florida Statutes, is created to read:

717.1356 Purchase of abandoned property.—

(1) Agreements for the purchase of abandoned property reported to the department shall be valid only if all of the following conditions are met:

(a) The agreement is entitled "Florida Abandoned Property Purchase Agreement" and is in writing, in minimum 12-point type.

(b) The agreement includes the social security number or taxpayer identification number of the seller, if a number has been issued to the seller; a valid e-mail address, mailing address, and telephone number for the seller; and is manually signed and dated by the seller with the signature notarized.

(c) The agreement discloses with specificity the nature and value of the abandoned property, including the name of the apparent owner as shown by the records of the department, the name of the holder who remitted the property, the date of last contact, and the property category. With respect to the value of the abandoned property, the agreement must contain the following:

1. The total dollar amount of all abandoned property to be sold.

2. The total percentage of the value of the abandoned property to be paid as net gain to the purchaser.

3. The total net dollar amount to be received by the purchaser.

4. The net dollar amount to be received by the seller.

(d) The agreement states the abandoned property account number for each abandoned property account sold.

(e) The purchase price does not discount the total value of all abandoned property subject to the sale by more than 30 percent.

(f) The agreement states that the amount of the purchase price will be remitted to the seller by the purchaser within 30 days after the execution of the agreement by the seller.

(g) The agreement includes the name, address, e-mail address, and phone number of the purchaser.

(h) The agreement states that the abandoned property is currently in the department's custody and that the seller can claim the property directly from the department on its electronically searchable website without being charged a fee. The agreement must provide the department's website address.

(2) A seller may cancel a purchase agreement without penalty or obligation within 15 business days after the date on which the agreement was executed. The agreement must contain the following language in minimum 12-point type: "You may cancel this agreement for any reason without penalty or obligation to you within 15 days after the date of this agreement by providing notice to . . .(name of purchaser). . ., submitted in writing and sent by certified mail, return receipt requested, or other form of mailing that provides proof thereof, at the address or e-mail address specified in the agreement."

(3) A copy of an executed Florida Abandoned Property Purchase Agreement must be filed with the purchaser's claim,

along with proof that the purchaser has made payment in full, and all other required documentation. If proof of payment is not provided, the department may not approve the claim.

(4) A purchase agreement under this section that discounts the value of abandoned property by more than the amount authorized in paragraph (1)(e) is enforceable only by the seller.

(5) This section does not apply to asset purchase agreements involving the assets of a business association arising out of a bankruptcy proceeding under Title 11 of the United States Code or corporate dissolution or similar proceeding under applicable state law such as receiverships and assignments for the benefit of creditors.

(6) This section does not apply to assent purchase agreements between an Asset Purchaser and sellers who comprise a large business association.

(a) For the purposes of this subsection, a large business association is a business association or group of business associations that:

1. generate $100 million or more in annual gross receipts or sales;

2. employs 100 or more full time employees in the United States; or

3. has equity securities publicly traded on an exchange regulated by the federal Securities and Exchange Commission.

(b) Claims filed by an Asset Purchaser under this subsection must include:

1. a complete and unredacted copy of the asset purchase agreement or similar contract between the Asset Purchaser and the seller; and

2. an attestation by the seller either in the asset purchase agreement or in a separate written affirmation from the owner that the owner (i) meets one or more of the above characteristics that qualify it as a large business association and (ii) is aware that it is selling unclaimed property that may be recovered from the administrator without paying a fee.

(c) If the seller is a publicly traded entity, the Asset Purchaser may provide a copy, or a link to an online copy, of the most recent 10K filed with the Securities and Exchange Commission in lieu of the affirmation that the owner meets one or more of the characteristics that qualify as a large business association.

(d) Nothing in this subsection limits the ability of the department to request or receive additional evidence sufficient to establish to the satisfaction of the department that the claimant is the owner of the property pursuant to this chapter.

(e) The department may adopt rules to implement this subsection.

(f) The requirements of this section shall apply only to claims filed based on asset purchase agreements execute on or after the effective date of this act.

Section 87. Section 717.138, Florida Statutes, is amended to read:

717.138 Rulemaking authority.—The department shall administer and provide for the enforcement of this chapter. The department has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. The department may adopt rules to allow for electronic filing of fees, forms, and reports required by this chapter. The authority to adopt rules pursuant to this chapter applies to all abandoned ~~unclaimed~~ property reported and remitted to the Chief Financial Officer, including, but not limited to, property reported and remitted pursuant to ss. 45.032, 732.107, 733.816, and 744.534.

Section 88. Section 717.1382, Florida Statutes, is amended to read:

717.1382 United States savings bond; abandoned ~~unclaimed~~ property; escheatment; procedure.—

(1) Notwithstanding any other provision of law, a United States savings bond in possession of the department or registered to a person with a last known address in the state, including a bond that is lost, stolen, or destroyed, is presumed abandoned ~~and unclaimed~~ 5 years after the bond reaches maturity

and no longer earns interest and shall be reported and remitted to the department by the financial institution or other holder in accordance with ss. 717.117(5) and (11) ~~ss. 717.117(1) and (5)~~ and 717.119, if the department is not in possession of the bond.

(2)(a) After a United States savings bond is abandoned ~~and unclaimed~~ in accordance with subsection (1), the department may commence a civil action in a court of competent jurisdiction in Leon County for a determination that the bond shall escheat to the state. Upon determination of escheatment, all property rights to the bond or proceeds from the bond, including all rights, powers, and privileges of survivorship of an owner, co-owner, or beneficiary, shall vest solely in the state.

(b) Service of process by publication may be made on a party in a civil action pursuant to this section. A notice of action shall state the name of any known owner of the bond, the nature of the action or proceeding in short and simple terms, the name of the court in which the action or proceeding is instituted, and an abbreviated title of the case.

(c) The notice of action shall require a person claiming an interest in the bond to file a written defense with the clerk of the court and serve a copy of the defense by the date fixed in the notice. The date must not be less than 28 or more than 60 days after the first publication of the notice.

(d) The notice of action shall be published once a week for 4 consecutive weeks in a newspaper of general circulation published in Leon County. Proof of publication shall be placed in the court file.

(e)1. If no person files a claim with the court for the bond and if the department has substantially complied with the provisions of this section, the court shall enter a default judgment that the bond, or proceeds from such bond, has escheated to the state.

2. If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant is not entitled to the bonds claimed by such claimant, the court shall enter a judgment that such bonds, or proceeds from such bonds, have escheated to the state.

3. If a person files a claim for one or more bonds and, after notice and hearing, the court determines that the claimant is entitled to the bonds claimed by such claimant, the court shall enter a judgment in favor of the claimant.

(3) The department may redeem a United States savings bond escheated to the state pursuant to this section or, in the event that the department is not in possession of the bond, seek to obtain the proceeds from such bond. Proceeds received by the department shall be deposited in accordance with s. 717.123.

Section 89. Section 717.139, Florida Statutes, is amended to read:

717.139 Uniformity of application and construction.—

(1) The Legislature finds that laws governing abandoned property serve a vital public purpose by protecting the property rights of owners, facilitating the return abandoned property to its owners, preventing private escheatment, and ensuring that abandoned assets are preserved and safeguarded from waste or misuse. It is the public policy of the state to protect the interests of owners of abandoned ~~unclaimed~~ property. ~~It is declared to be in the best interests of owners of unclaimed property that such owners receive the full amount of any unclaimed property without any fee.~~

(2) This chapter shall be applied and construed as to effectuate its general purpose of protecting the interest of missing owners of abandoned property, while providing that the benefit of all ~~unclaimed and~~ abandoned property shall go to all the people of the state, and to make uniform the law with respect to the subject of this chapter among states enacting it. It is the intent of the Legislature that property reported under this chapter remains the property of the owner and that the State of Florida acts solely as a custodian, not as the owner, of such property. Title to abandoned property may not transfer to the state except as expressly provided by law and only after all reasonable efforts to identify and return the property to its rightful owner have been exhausted.

Section 90. Section 717.1400, Florida Statutes, is amended to read:

717.1400 Registration.—

(1) In order to file claims as a claimant ~~claimant's~~ representative, receive a distribution of fees and costs for approved claims from the department, and obtain information regarding abandoned ~~unclaimed~~ property dollar amounts and numbers of reported shares of stock held by the department, an individual must meet all of the following requirements:

(a) Be one of the following:

1. A Florida-licensed private investigator holding a Class "C" individual license under chapter 493;

2. A Florida-certified public account; or

3. A Florida-licensed attorney.

(b) Have obtained a certificate of registration from ~~Must register with~~ the department.

(2) An application for registration as a claimant representative must be submitted in writing on a form prescribed by the department and must be accompanied by all of the following:

(a) A legible color copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of photo identification must be provided which shows the full name and current address of such person.

(b) If the applicant is a private investigator:

1. ~~on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, a private investigator must provide:~~

~~(a)~~ A legible copy of the applicant's Class "A" business license under chapter 493 or that of the applicant's firm or employer which holds a Class "A" business license under chapter 493; and~~.~~

2.~~(b)~~ A legible copy of the applicant's Class "C" individual license issued under chapter 493.

(c) If the applicant is a certified public account, the applicant's Florida Board of Accountancy number.

(d) If the applicant is a licensed attorney, the applicant's Florida Bar number.

(e)~~(c)~~ The business address, ~~and~~ telephone number, tax identification number, and state of domicile or incorporation of the applicant's ~~private investigative~~ firm or employer.

(f)~~(d)~~ The names of agents, ~~or~~ employees, or independent contractors, if any, who are designated or authorized to act on behalf of the applicant ~~private investigator~~, together with a legible color copy of their photo identification issued by an agency of the United States, or a state, or a political subdivision thereof.

(g) A statement that the applicant has not, during the 5-year period immediately preceding the submission of the

application, violated any part of the Florida Disposition of Abandoned Personal Property Act.

(h) A statement that the applicant has not been convicted of, or plead guilty to, a felony or any offense involving moral turpitude; dishonesty; deceit; or breach of fiduciary duty, including theft, attempted theft, falsification, tampering with records, securing writings by deception, fraud, forgery, or perjury.

(i) ~~(e)~~ Sufficient information to enable the department to disburse funds by electronic funds transfer.

(j) The applicant's notarized signature immediately following an acknowledgment that any false or perjured statement subjects the applicant to criminal liability under the laws of this state

~~(f) The tax identification number of the private investigator's firm or employer which holds a Class "A" business license under chapter 493.~~

~~(2) In order to file claims as a claimant's representative, receive a distribution of fees and costs from the department, and obtain unclaimed property dollar amounts and numbers of reported shares of stock held by the department, a Florida-certified public accountant must register with the department on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, a Florida-certified public accountant must provide:~~

~~(a) The applicant's Florida Board of Accountancy number.~~

~~(b) A legible copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of identification showing the full name and current address of such person or persons shall be filed with the department.~~

~~(c) The business address and telephone number of the applicant's public accounting firm or employer.~~

~~(d) The names of agents or employees, if any, who are designated to act on behalf of the Florida-certified public accountant, together with a legible copy of their photo identification issued by an agency of the United States, or a state, or a political subdivision thereof.~~

~~(e) Sufficient information to enable the department to disburse funds by electronic funds transfer.~~

~~(f) The tax identification number of the accountant's public accounting firm employer~~.

(3) ~~In order to file claims as a claimant's representative, receive a distribution of fees and costs from the department, and obtain unclaimed property dollar amounts and numbers of reported shares of stock held by the department, an attorney licensed to practice in this state must register with the department on such form as the department prescribes by rule and must be verified by the applicant. To register with the department, such attorney must provide:~~

~~(a) The applicant's Florida Bar number.~~

~~(b) A legible copy of the applicant's current driver license showing the full name and current address of such person. If a current driver license is not available, another form of identification showing the full name and current address of such person or persons shall be filed with the department.~~

~~(c) The business address and telephone number of the applicant's firm or employer.~~

~~(d) The names of agents or employees, if any, who are designated to act on behalf of the attorney, together with a legible copy of their photo identification issued by an agency of the United States, or a state, or a political subdivision thereof.~~

~~(e) Sufficient information to enable the department to disburse funds by electronic funds transfer.~~

~~(f) The tax identification number of the attorney's firm or employer.~~

~~(4)~~ Information and documents already on file with the department before the effective date of this provision need not be resubmitted in order to complete the registration.

(4)~~(5)~~ If a material change in the status of a registration occurs, the claimant representative ~~a registrant~~ must, within 30 days, provide the department with the updated documentation and information in writing. Material changes include, but are not limited to, the following,~~:~~ a designated

agent or employee ceasing to act on behalf of the designating person, a surrender, suspension, or revocation of a license, or a license renewal.

(a) If a designated agent or employee ceases to act on behalf of the person who has designated the agent or employee to act on such person's behalf, the designating person must, within 30 days, inform the department ~~the Division of Unclaimed Property~~ in writing of the termination of agency or employment.

(b) If a registrant surrenders the registrant's license or the license is suspended or revoked, the registrant must, within 30 days, inform the division in writing of the surrender, suspension, or revocation.

(c) If a private investigator's Class "C" individual license under chapter 493 or a private investigator's employer's Class "A" business license under chapter 493 is renewed, the private investigator must provide a copy of the renewed license to the department within 30 days after the receipt of the renewed license by the private investigator or the private investigator's employer.

(5) ~~(6)~~ An applicant's claimant representative's ~~A registrant's~~ firm or employer may not have a name that might lead another person to conclude that the claimant representative's ~~registrant's~~ firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state. The

department shall deny an application for registration or revoke a registration if the applicant's or claimant representative's ~~registrant's~~ firm or employer has a name that might lead another person to conclude that the firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state. Names that might lead another person to conclude that the firm or employer is affiliated or associated with the United States, or an agency thereof, or a state or an agency or political subdivision of a state, include, but are not limited to, the words United States, Florida, state, bureau, division, department, or government.

(6)~~(7)~~ The licensing and other requirements of this section must be maintained as a condition of registration with the department.

(7) To maintain active registration under this section, a claimant representative must file and obtain payment on at least 10 claims per calendar year following the date of initial registration.

(a) If a claimant representative fails to meet this requirement, the department must notify the claimant representative in writing and provide 30 days to demonstrate compliance or good cause for noncompliance.

(b) If the claimant representative does not cure the deficiency or demonstrate good cause within the time provided, the department must revoke the registration.

(c) A claimant representative whose registration is revoked under this subsection may not reapply for registration under this section for a period of 1 year following the effective date of the revocation.

Section 91. Subsection (1) of section 1001.281, Florida Statutes, is amended to read:

1001.281 Operating Trust Fund.—

(1) The Operating Trust Fund~~, FLAIR number 48-2-510,~~ is created within the Department of Education.

Section 92. Subsection (1) of section 1001.282, Florida Statutes, is amended to read:

1001.282 Administrative Trust Fund.—

(1) The Administrative Trust Fund~~, FLAIR number 48-2-021,~~ is created within the Department of Education.

Section 93. Paragraph (a) of subsection (2) of section 197.582, Florida Statutes, is amended to read:

197.582 Disbursement of proceeds of sale.—

(2)(a) If the property is purchased for an amount in excess of the statutory bid of the certificateholder, the surplus must be paid over and disbursed by the clerk as set forth in subsections (3), (5), and (6). If the opening bid included the homestead assessment pursuant to s. 197.502(6)(c),

that amount must be treated as surplus and distributed in the same manner. The clerk shall distribute the surplus to the governmental units for the payment of any lien of record held by a governmental unit against the property, including any tax certificates not incorporated in the tax deed application and omitted taxes, if any. If there remains a balance of undistributed funds, the balance must be retained by the clerk for the benefit of persons described in s. 197.522(1)(a), except those persons described in s. 197.502(4)(h), as their interests may appear. The clerk shall mail notices to such persons notifying them of the funds held for their benefit at the addresses provided in s. 197.502(4). Such notice constitutes compliance with the requirements of s. 717.117 ~~s. 717.117(6)~~. Any service charges and costs of mailing notices shall be paid out of the excess balance held by the clerk. Notice must be provided in substantially the following form:

NOTICE OF SURPLUS FUNDS
FROM TAX DEED SALE

CLERK OF COURT
.... COUNTY, FLORIDA

Tax Deed #.....
Certificate #.....

Property Description: .....

Pursuant to chapter 197, Florida Statutes, the above property was sold at public sale on ...(date of sale)..., and a surplus of $...(amount)... (subject to change) will be held by this office for 120 days beginning on the date of this notice to benefit the persons having an interest in this property as described in section 197.502(4), Florida Statutes, as their interests may appear (except for those persons described in section 197.502(4)(h), Florida Statutes).

To the extent possible, these funds will be used to satisfy in full each claimant with a senior mortgage or lien in the property before distribution of any funds to any junior mortgage or lien claimant or to the former property owner. To be considered for funds when they are distributed, you must file a notarized statement of claim with this office within 120 days of this notice. If you are a lienholder, your claim must include the particulars of your lien and the amounts currently due. Any lienholder claim that is not filed within the 120-day deadline is barred.

A copy of this notice must be attached to your statement of claim. After the office examines the filed claim statements, it will notify you if you are entitled to any payment.

Dated: .....

Clerk of Court

Section 94. Paragraph (t) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(t) *Certain life insurance relations with funeral directors prohibited.*—

1. No life insurer shall permit any funeral director or direct disposer to act as its representative, adjuster, claim agent, special claim agent, or agent for such insurer in soliciting, negotiating, or effecting contracts of life insurance on any plan or of any nature issued by such insurer or in collecting premiums for holders of any such contracts except as prescribed in s. 626.785(2) ~~s. 626.785(3)~~.

2. No life insurer shall:

a. Affix, or permit to be affixed, advertising matter of any kind or character of any licensed funeral director or direct disposer to such policies of insurance.

b. Circulate, or permit to be circulated, any such advertising matter with such insurance policies.

c. Attempt in any manner or form to influence policyholders of the insurer to employ the services of any particular licensed funeral director or direct disposer.

3. No such insurer shall maintain, or permit its agent to maintain, an office or place of business in the office, establishment, or place of business of any funeral director or direct disposer in this state.

Section 95. For the purpose of incorporating the amendment made by this act to section 717.101, Florida Statutes, in a reference thereto, paragraph (a) of subsection (6) of section 772.13, Florida Statutes, is reenacted to read:

772.13 Civil remedy for terrorism or facilitating or furthering terrorism.—

(6)(a) In any postjudgment execution proceedings to enforce a judgment entered against a terrorist party under this section or under 18 U.S.C. s. 2333 or a substantially similar law of the United States or of any state or territory of the United States, including postjudgment execution proceedings against any agency or instrumentality of the terrorist party not named in the judgment pursuant to s. 201(a) of the Terrorism Risk Insurance Act, 28 U.S.C. s. 1610:

1. There is no right to a jury trial under s. 56.18 or s. 77.08;

2. A defendant or a person may not use the resources of the courts of this state in furtherance of a defense or an objection to postjudgment collection proceedings if the defendant or person purposely leaves the jurisdiction of this state or the United States, declines to enter or reenter this

state or the United States to submit to its jurisdiction, or otherwise evades the jurisdiction of the court in which a criminal case is pending against the defendant or person. This subparagraph applies to any entity that is owned or controlled by a person to whom this paragraph applies;

3. Creditor process issued under chapter 56 or chapter 77 may be served upon any person or entity over whom the court has personal jurisdiction. Writs of garnishment issued under s. 77.01 and proceedings supplementary under s. 56.29 apply to intangible assets wherever located, without territorial limitation, including bank accounts as defined in s. 674.104(1)(a), financial assets as defined in s. 678.1021(1), or other intangible property as defined in s. 717.101. The situs of any intangible assets held or maintained by or in the possession, custody, or control of a person or entity so served shall be deemed to be in this state for the purposes of a proceeding under chapter 56 or chapter 77. Service of a writ or notice to appear under this section shall provide the court with in rem jurisdiction over any intangible assets regardless of the location of the assets;

4. Notwithstanding s. 678.1121, the interest of a debtor in a financial asset or security entitlement may be reached by a creditor by legal process upon the securities intermediary with whom the debtor's securities account is maintained, or, if that is a foreign entity, legal process under chapter 56 or chapter

77 may be served upon the United States securities custodian or intermediary that has reported holding, maintaining, possessing, or controlling the blocked financial assets or security entitlements to the Office of Foreign Assets Control of the United States Department of the Treasury, and such financial assets or security entitlements shall be subject to execution, garnishment, and turnover by the United States securities custodian or intermediary; and

5. Notwithstanding s. 670.502(4), when an electronic funds transfer is not completed within 5 banking days and is canceled pursuant to s. 670.211(4) because a United States intermediary financial institution has blocked the transaction in compliance with a United States sanctions program, and a terrorist party or any agency or instrumentality thereof was either the originator or the intended beneficiary, then the blocked funds shall be deemed owned by the terrorist party or its agency or instrumentality and shall be subject to execution and garnishment.

Section 96. 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 97. Section 18 of chapter 2025-100, Laws of Florida, is repealed.

Section 98. The amendments made by this act to s. 215.55871, Florida Statutes, apply to inspection and grant applications submitted to the Department of Financial Services by a condominium association on or after July 1, 2026.

Section 99. This act shall take effect upon becoming a law.

4428 ----------
4429 **T I T L E A M E N D M E N T**
4430 Remove everything before the enacting clause and insert:
4431 An act relating to the Department of Financial
4432 Services; amending s. 17.11, F.S.; revising the
4433 subsystem used for a certain report of disbursements
4434 made; amending s. 17.13, F.S.; requiring the
4435 replacement of lost or destroyed warrants; amending s.
4436 110.113, F.S.; deleting the Department of Financial
4437 Services' authority to make semimonthly salary
4438 payments; amending s. 112.3135, F.S.; authorizing a
4439 public official to take specified actions in relation
4440 to the employment of a relative as a firefighter;
4441 amending s. 215.422, F.S.; requiring agencies to pay
4442 interest from available appropriations under certain
4443 circumstances; amending s. 215.5586, F.S.; defining
4444 terms; revising eligibility requirements for a
4445 hurricane mitigation inspection under the My Safe
4446 Florida Home Program; revising the circumstances under
4447 which applicants may submit a subsequent hurricane
4448 mitigation inspection; deleting the requirement that
4449 licensed inspectors must determine mitigation measures
4450 during initial inspections of eligible homes; deleting
4451 inspectors' authorization to inspect townhouses;
4452 revising the criteria for eligibility for a hurricane

mitigation grant; revising the grant's applicant requirements; permanently requiring participants to be low-or moderate-income, have an inspection within 24 months of application, and homes having an insured value of $700,000 or less; revising the improvements that grants may be used for; requiring that improvements be identified in the final hurricane mitigation inspection to receive grant funds; deleting a provision related to grants for townhouses; authorizing the program to accept a specified certification directly from applicants; requiring applicants who receive grants to finalize construction and request a final inspection within a specified timeframe; specifying that an application is deemed abandoned, rather than withdrawn, under certain circumstances; requiring the department to notify an applicant within a specified time period before an application is be deemed abandoned; authorizing the applicant to submit a subsequent application in certain circumstances; authorizing the department to determine that an application is not abandoned in certain circumstances; amending s. 215.55871, F.S.; defining the term "area median income"; removing the definition of the term "service area"; revising eligibility requirements for the My Safe Florida

Condominium Pilot Program; requiring the Department of Financial Services to adopt rules to verify household income; authorizing condominiums with mixed-income occupancies to participate in the pilot program under certain 11 circumstances; requiring an application for a mitigation grant to include documentation to verify household income; limiting the award of grant funds; requiring an association to complete a certain percentage of opening protection improvements; amending s. 215.89, F.S.; deleting obsolete provisions; amending s. 215.93, F.S.; revising the subsystems of the Florida Financial Management Information System; requiring certain requests for records to be made to a specified entity; prohibiting such requests from being made to the functional owner of the subsystem; providing an exception; amending s. 215.94, F.S.; providing that the department is the functional owner of the Financial Management Subsystem; revising the functions of such subsystem; amending s. 215.96, F.S.; revising the composition of the coordinating council; deleting a requirement for the design and coordination staff; requiring minutes of meetings to be available to interested persons; revising the composition of ex officio members of the council; revising the duties, powers, and

responsibilities of the council; amending ss. 215.985, 216.102, and 216.141, F.S.; conforming provisions to changes made by the act; amending s. 440.13, F.S.; revising the timeframe in which health care providers must petition the department to resolve utilization and reimbursement disputes; revising petition service requirements; revising the timeframe in which the panel determining the statewide schedule of maximum reimbursement allowances must submit certain recommendations to the Legislature; creating s. 497.1411, F.S.; defining the term "applicant"; specifying that certain applicants are permanently barred from licensure; specifying that certain applicants are subject to disqualifying periods; requiring the Board of Funeral, Cemetery, and Consumer Services to adopt rules; specifying requirements, authorizations, and prohibitions for such rules; specifying when a disqualifying period begins; specifying that the applicant has certain burdens to demonstrate that he or she is qualified for licensure; specifying that certain applicants who have been granted a pardon or restoration of civil rights are not barred or disqualified from licensure; specifying that such pardon or restoration does not require the board to award a license; authorizing the board to

grant an exemption from disqualification under certain circumstances; specifying requirements for the applicant in order for the board to grant an exemption; specifying that the board has discretion to grant or deny an exemption; specifying that certain decisions are subject to ch. 120, F.S.; providing applicability and construction; amending s. 497.142, F.S.; prohibiting an application from being deemed complete under certain circumstances; revising the list of crimes to be disclosed on a license application; amending s. 553.80, F.S.; providing that the use of certain dwellings as, or the conversion of such dwellings into, certain residences is not a change in occupancy as defined in the Florida Building Code amending s. 560.309, F.S.; providing that the federal Fair Debt Collection Practices Act only applies under certain circumstances; amending s. 560.405, F.S.; providing a debit card used for payment will be treated the same as cash in certain transactions; prohibits the use of a credit card transaction in certain transactions; amending s. 560.406, F.S.; clarifying when a licensee is subject to the Fair Debt Collection Practices Act; amending s. 626.0428, F.S.; making conforming provisions to changes made in this act; amending s. 626.171, F.S.;

deleting reinsurance intermediaries from certain application requirements; revising the list of persons from whom the department is required to accept uniform applications; making clarifying changes regarding the voluntary submission of cellular telephone numbers; revising the exemption from the application filing fee for members of the United States Armed Forces; amending s. 626.292, F.S.; revising applicant requirements for a license transfer; amending s. 626.611, F.S.; requiring the department to require license reexamination of certain persons, and suspend or revoke the eligibility to hold a license or appointment of such persons under certain circumstances; amending the grounds for suspension or revocation; amending 626.621, F.S.; authorizing the department to require an reexamination of certain persons; amending s. 626.731, F.S.; revising the qualifications for a general lines agent's license; amending s. 626.785, F.S.; revising the qualifications for a life agent's license; amending s. 626.831, F.S.; revising the qualifications for a health agent's license; amending s. 626.854, F.S.; requiring a public adjuster, public adjuster apprentice, or public adjusting firm to respond with specific information within a specified timeframe and document in the file

the response or information provided; amending s. 627.797, F.S.; removing the requirement for insurers to file a list of attorney agents to the state Legislature by a specified date; amending s. 633.208, F.S.; providing that the use of certain dwellings as, or the conversion of such dwellings into, certain residences does not require the reclassification of such dwellings for purposes of enforcing the Florida Fire Prevention Code; amending s. 648.34, F.S.; revising requirements for bail bond agent applicants; amending s. 648.382, F.S.; requiring officers or officials of the appointing insurer to obtain, rather than submit, certain information; amending s. 717.001, F.S.; revising the short title; amending s. 717.101, F.S.; revising and adding definitions; amending s. 717.102, F.S.; providing that certain intangible property is presumed abandoned; deleting a provision relating to the presumption that certain intangible property is presumed unclaimed; specifying the dormancy period for property presumed abandoned; requiring that property be considered payable or distributable under certain circumstances; deleting a provision relating to when property is payable or distributable; revising a presumption; providing that property shall be presumed abandoned under certain

circumstances; providing an exception; amending s. 717.103, F.S.; requiring that intangible property be subject to the custody of the department under certain circumstances; amending criteria for when intangible property is subject to the custody of the department; repealing s. 717.1035, F.S., relating to property originated or issued by this state, any political subdivision of this state, or any entity incorporated, organized, created, or otherwise located in the state; amending ss. 717.104, 717.1045, 717.105, 717.106, 717.107, 717.1071, 717.108, and 717.109, F.S.; conforming provisions to changes made by the act; amending s. 717.1101, F.S.; revising the timelines and conditions under which stock, other equity interests, or debt of a business association is considered abandoned; requiring the holder to attempt to confirm the apparent owner's interest in the equity interest by sending an e-mail communication under certain circumstances; requiring the holder to attempt to contract the apparent owner by first-class United States mail under certain circumstances; specifying that equity interest is presumed abandoned under certain circumstances; revising when unmatured, unredeemed, matured, or redeemed debt is presumed abandoned; specifying that the applicable dormancy

period ceases under certain circumstances; revising the timeframe that a sum held or owing by a business association is presumed abandoned; specifying equity interests in business associations and securities accounts are not presumed abnandoned solely due to inactivity under certain circumstances;_ amending ss. 717.111, 717.112, 717.1125, 717.113, 717.115, and 717.116, F.S.; conforming provisions to changes made by the act; amending s. 717.117, F.S.; specifying that property is presumed abandoned upon the expiration of the applicable dormancy periods; specifying that property is not deemed abandoned for certain purposes until the holder meets certain requirements; requiring holders of property presumed abandoned that has a specified value to use due diligence to locate and notify the apparent owner; requiring, before a specified timeframe, a holder in possession of presumed abandoned property to send a specified written notice to the apparent owner; specifying the method of delivery of such notice; requiring, before a specified timeframe, the holder to send a second written notice under certain circumstances; authorizing the reasonable cost for the notice to be deducted from the property; specifying that a signed return receipt constitutes an affirmative

demonstration of continued interest; specifying requirements of the written notice; requiring holders of abandoned property to submit a specified report to the department; prohibiting certain balances, overpayments, deposits, and refunds from being reported as abandoned property; prohibiting certain securities from being included in the report; requiring the holder to report and deliver such securities under certain circumstances; requiring the report to be signed and verified and contain a specified statement; deleting certain provisions relating to the due diligence and notices to apparent owners; amending s. 717.118, F.S.; revising the state's obligation to notify apparent owners that their abandoned property has been reported and remitted to the department; requiring the department to use a cost-effective means to make an attempt to notify certain apparent owners; specifying requirements for the notice; requiring the department to maintain a specified website; revising applicability; amending s. 717.119, F.S.; conforming provisions to changes made by the act; revising requirements for firearm or ammunition found in an abandoned safe-deposit box or safekeeping repository; revising requirements if a will or trust instrument is

included among the contents of an abandoned safe-deposit box or safekeeping repository; amending ss. 717.1201 and 717.122, F.S.; conforming provisions to changes made by the act; amending s. 717.123, F.S.; conforming provisions to changes made by the act; revising the name of a certain trust fund; amending s. 717.1235, F.S.; conforming provisions to changes made by the act; amending s. 717.124, F.S.; conforming provisions to changes made by the act; deleting provisions related to requirements of claimant's representatives; specifying that the department is authorized to make a distribution of property or money in accordance with a specified agreement under certain circumstances; requiring shares of securities to be delivered directly to the claimant under certain circumstances; deleting a provision authorizing the department to develop a process by which a buyer of unclaimed property may electronically submit certain images and documents; deleting provisions relating to a buyer of unclaimed property's filing of a claim; amending s. 717.12403, F.S.; conforming provisions to changes made by the act; amending s. 717.12404, F.S.; requiring claims on behalf of an active corporation to include a specified driver license; conforming provisions to changes made by the act; amending ss.

717.12405 and 717.12406, F.S.; conforming provisions to changes made by the act; amending s. 717.1241, F.S.; defining the term "conflicting claim"; conforming provisions to changes made by the act; revising requirements for remitting property when conflicting claims have been received by the department; amending ss. 717.1242, 717.1243, 717.1244, 717.1245, 717.125, 717.126, 717.1261, 717.1262, 717.129, 717.1301, 717.1315, and 717.132, F.S.; conforming provisions to changes made by the act; amending s. 717.1322, F.S.; revising the acts that constitute grounds for administrative enforcement action by the department; conforming provisions to changes made by the act; amending ss. 717.133, 717.1333, and 717.1341, F.S.; conforming provisions to changes made by the act; amending s. 717.135, F.S.; conforming provisions to changes made by the act; deleting applicability; creating s. 717.1356, F.S.; specifying that agreements for the purchase of abandoned property reported to the department are valid only under certain circumstances; authorizing the seller to cancel a purchase agreement without penalty or obligation within a specified timeframe; specifying that the agreement must contain certain language; requiring a copy of an executed Florida

Abandoned Property Purchase Agreement be filed with the purchaser's claim; prohibiting the department from approving the claim under certain circumstances; specifying that certain purchase agreements are enforceable only by the seller; amending s. 717.138, F.S.; conforming provisions to changes made by the act; amending s. 717.1382, F.S.; conforming provisions to changes made by the act; conforming a cross-reference; amending s. 717.139, F.S.; providing legislative findings; revising a statement of public policy; deleting a legislative declaration; providing legislative intent; prohibiting title to abandoned property from transferring to the state except under certain circumstances; amending s. 717.1400, F.S.; requiring an individual to meet certain requirements in order to file claims as a claimant representative; revising application requirements for registering as a claimant representative; requiring claimant representatives to file and obtain payment on a specified number of claims within a specified timeframe to maintain active registration; requiring the department to notify the claimant representative in writing and provide a certain timeframe to demonstrate compliance or good cause for noncompliance under certain circumstances; requiring the department

to revoke a registration under certain circumstances; prohibiting a claimant representative from reapplying under certain circumstances; amending ss. 1001.281 and 1001.282, F.S.; conforming provisions to changes made by the act; amending ss. 197.582 and 626.9541, F.S.; conforming cross-references; reenacting s. 772.13(6)(a), F.S., relating to postjudgment execution proceedings to enforce a judgment entered against a terrorist party, to incorporate the amendment made to s. 717.101, F.S., in a reference thereto; 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; providing applicability for amendments made in this act to s. 215.55871, F.S.; 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 1263	**COMPANION BILL:** SB 1306 (Truenow)
TITLE: Office of Insurance Regulation	**LINKED BILLS:** CS/HB 1265 Chaney
SPONSOR(S): Chaney	**RELATED BILLS:** None

Committee References

Insurance & Banking
18 Y, 0 N, As CS

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Commerce

SUMMARY

Effect of the Bill:

The bill addresses several matters related to the regulation of insurance in Florida including:

- Granting the Office of Insurance Regulation ("OIR") and the Department of Financial Services ("DFS") the authority to issue cease and desist orders for unlicensed activity.
- Providing that OIR may examine administrators, which includes Pharmacy Benefit Managers (PBMs).
- Requiring background checks for key insurance personnel, and authorizing the Florida Department of Law Enforcement and the Federal Bureau of Investigations to process fingerprints.
- Requiring OIR to be copied in the notice provided to the Department of Legal Affairs in the event of data breaches that affect insurers or other entities subject to OIR's jurisdiction.
- Requiring private passenger automobile insurers and residential property insurers to use certain models approved by the Florida Commission on Loss Projection Methodology.
- Requiring full rate filings from private passenger automobile insurers after two years of certifying that current rates are actuarily sound and adequate.
- Requiring minimum mitigation discounts for structures that meet or exceed building code requirements.
- Aligning Florida law with National Association of Insurance Commissioners ("NAIC") accreditation requirements by requiring the ultimate controlling person of an insurer to file an annual group capital calculation and a liquidity stress test.
- Requiring Attorneys in Fact of Reciprocal Insurers to obtain a registration from OIR.

Fiscal or Economic Impact:

The bill may have an indeterminate fiscal impact on state government and the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

Authority of the Office of Insurance Regulation

The bill clarifies that the Office of Insurance Regulation ("OIR") is responsible for all activities concerning other entities under its jurisdiction, in addition to their current statutory authority over insurers and other risk bearing entities.[1] (Section 1).

The bill grants OIR and the Department of Financial Services ("DFS") the authority to issue cease and desist orders when there is probable cause that a person is performing activities that require a license, registration, or certificate of authority from OIR or DFS without holding the required authorization. (Section 3).

[1] According to OIR, this change is necessary to clarify that OIR has jurisdiction to regulate entities that are within OIR's jurisdiction but are not risk bearing. Email from Seth Stubbs, Director of Legislative and Cabinet Affairs, Office of Insurance Regulation, Explanation of Sections 1 & 22 (Feb. 5, 2026).

The authority to issue a cease and desist extends to any person who aids and abets in the violation of the Florida Insurance Code. To enforce a cease and desist issued under this provision, OIR or DFS may file an action for a court proceeding seeking an injunction against a person who violates any provision of the cease and desist order. (Section 3).

The bill provides that OIR may examine administrators as often as it deems necessary. (Section 5).

Background Checks
The bill authorizes the Florida Department of Law Enforcement ("FDLE") to accept and process fingerprints and exchange criminal history records for individuals involved in the insurance industry. The bill requires background checks for a wide range of persons associated with insurers or insurance-related entities, including organizers, officers, employees, contractors, volunteers, and others who may influence or control insurance operations. (Section 6).

Fingerprints must be submitted to OIR, an authorized vendor, or authorized agency and will be processed by both the FDLE, for the state portion of the criminal background check, and the Federal Bureau of Investigation ("FBI") for the national portion of the criminal background check. The results of the background checks will be used by the OIR to determine whether individuals meet eligibility requirements for licensure, certification, or authority to operate under the Florida Insurance Code. The bill also provides procedures for submission, retention, and cost responsibilities associated with fingerprint processing and background checks. (Section 6)

Fees for state and federal fingerprinting processing must be paid by the person submitting them.[2] (Section 6).

Cybersecurity
Current law requires certain entities[3] to provide a notice to the Department of Legal Affairs whenever there is a breach of security[4] affecting 500 or more individuals in Florida.[5] The bill requires entities subject to the jurisdiction of OIR to copy OIR on the notice provided to the Department of Legal Affairs. (Section 2).

Covered entities that are required to notify OIR of a security breach must provide the following information to OIR upon request:

- A police report, incident report, or computer forensics report.
- A copy of the policies in place regarding breaches.
- Steps that have been taken to rectify the breach. (Section 2).

Rate Filings
The bill provides that, beginning January 1, 2027, the projected comprehensive losses used to determine a hurricane catastrophe load for private passenger automobile insurance rate filings must be estimated using a model or method approved by the Florida Commission on Hurricane Loss Projection Methodology. (Section 7).

The bill provides that, beginning January 1, 2027, projected flood losses for personal residential property insurance must be estimated using a model or method approved by the Florida Commission on Hurricane Loss Projection Methodology. (Section 7).

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[2] According to FDLE, the cost for a statewide criminal history record check is $24, and if the person is required to undergo a state and national criminal history record check, the total cost is $36. *See* Florida Department of Law Enforcement, Agency Analysis of 2026 House Bill 1263, p. 3 (Feb. 5, 2026).
[3] These entities are referred to as "covered entities" in statute, and include sole proprietorships, partnerships, corporations, trusts, estates, cooperatives, associations, or other commercial entities that acquire, maintain, store, or use personal information. For purpose of notice requirements, it also includes governmental entities.
[4] A "breach of security" means "unauthorized access of data in electronic form containing personal information." S. 501.171(1)(a), F.S.
[5] S. 501.171(3)(a), F.S.

Current law provides that if no rate change is proposed, an insurer may file with OIR a certification by an actuary that existing rate levels produce rates which are actuarily sound and not inadequate. The bill provides that residential property insurers and private passenger automobile insurers must file with OIR a full rate filing after two consecutive years of certifying the current rate is adequate. (Section 10).

Mitigation Discounts, Credits, and Other Rate Differentials
The bill provides that OIR must determine minimum discounts, credits, other rate differentials, and appropriate reductions in deductibles for fixtures and construction techniques that meet or exceed the minimum requirements of the Florida Building Code. (Section 9).

The bill provides that OIR's determination of a minimum discount may not prohibit an insurer from seeking additional actuarily justified credits, discounts, or other rate differentials, or appropriate reductions in deductibles for fixtures of construction techniques that meet or exceed the minimum requirements of the Florida Building Code. (Section 9).

The bill provides that the notification form[6] sent to policyholders at the time of issuance of an insurance policy and upon each renewal must notify the policyholder if the insurer offers an enhanced discount for a roof system that uses a secondary water resistance. (Section 11).

Statewide Database of Uniform Mitigation Verification Inspection Forms
The bill requires OIR to contract with a state university to design, operate, upgrade, and maintain a statewide database for uniform mitigation verification inspection forms. Beginning January 1, 2027, the bill requires insurers to electronically file in this database a copy of each uniform mitigation inspection form submitted by a policyholder within 15 days of receipt. (Section 11).

Assignment of Benefits Data Call
The bill repeals the requirement for insurers to report annually data on each residential and commercial property insurance claim paid in the prior calendar year under an assignment agreement. (Section 12).

Insurer Experience Reporting
Beginning January 1, 2027, the bill requires each insurer transacting private passenger automobile insurance in Florida to report monthly to OIR the following information:

- Policy coverage categories, including policies in force and total direct premiums earned and written.
- The type, location, and limits of writings in this state.
- Claims reporting requirements.
- Any other information deemed necessary by the Financial Services Commission ("FSC") to provide OIR with the ability to track trends occurring in the private passenger automobile insurance market. (Section 13).

The bill deletes a requirement for insurers in various lines of liability[7] to annually report to OIR specified information on premiums, reserves, expenses, losses, income, fees, acquisition costs, general expenses, dividends, and investments. (Section 13).

[6] The form must notify policyholders of the availability of each premium discount, credit, other rate differential, or reductions in deductibles for windstorm mitigation and home hardening fixtures or techniques. The form must list actions a policyholder may take to reduce their windstorm premium. *See* s. 627.711(1), F.S.
[7] The lines include: fire, homeowners' multiple peril, commercial multiple peril, commercial multiple peril, medical malpractice, products liability, workers' compensation, private passenger automobile liability, commercial automobile liability, private passenger automobile physical damage, commercial automobile physical damage, officers' and directors' liability insurance, and other liability insurance.

Group Capital Calculation and Liquidity Stress Test Framework

The bill requires the ultimate controlling person of every insurer that is a member of an insurance holding company system[8] to file an annual group capital calculation report on or before April 1, unless specifically exempt. Exemptions include:

- Insurance holding company systems with only one insurer, that is only licensed and writing business in its domestic state, and does not assume business from any other insurer.
- Insurance holding company systems that are already required to perform a group capital calculation by the United States Federal Reserve Board.
- Insurance holding company systems whose non-U.S. group-wide supervisor[9] is located in a reciprocal jurisdiction that recognizes the United States' regulatory approach to group supervision and group capital.
- An insurance holding company system that meets both of the following:
    - It provides information to the lead state that meets the requirements for accreditation under the National Association of Insurance Commissioners ("NAIC") Financial Standards and Accreditation Program, either directly or indirectly, through the group-wide supervisor who has determined that the information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook.
    - Its non–U.S. group-wide supervisor is not in a reciprocal jurisdiction, as described in section 1103, and recognizes and accepts, as specified by the director, the group capital calculation as the world-wide group capital assessment for U.S. insurance groups that operate in that jurisdiction. (Section 14).

If OIR determines that an insurance holding company no longer meets one of the exemptions above, the ultimate controlling person of the insurer must file the group capital calculation report at the next annual filing date, unless OIR grants an extension based on reasonable grounds. (Section 14).

If an insurance holding company system has previously filed the annual group capital calculation report at least once, OIR may exempt the ultimate controlling person from filing the annual group capital calculation report, or accept a limited group capital filing instead of a full annual group capital calculation report, if the insurance holding company system meets all of the following criteria:

- Has an annual direct and unaffiliated assumed premium[10] of less than $1 billion, excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program.
- Does not have insurers within its holding company structure that are domiciled outside of the United States or one of its territories.
- Does not have a banking, depository, or other financial entity that is subject to a regulatory capital framework[11] within its holding company structure.
- Attests that there are no material changes in the transactions between insurers and noninsurers in the group which have occurred since the last filing of the annual group capital calculation report.
- The noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations. (Section 14).

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[8] An insurance holding company system consists of two or more affiliated persons, one or more of which is an insurer. *See* R. 690-143.0465, F.A.C.

[9] A group-wide supervisor is defined in the bill as the regulatory official authorized to engage in conducting and coordinating group-wide supervision activities who is determined or acknowledged by the Insurance Commissioner to have sufficient contacts with an internationally active insurance group.

[10] "Direct written premiums" represent the total amount of premiums for policies sold to customers, before deducting any reinsurance ceded. "Assumed premiums" are the revenue received for policy coverage that is provided due to a reinsurance agreement. *See* Investopedia, *Understanding Direct Premiums Written: Definition and Impact* (Jan. 9, 2026) https://www.investopedia.com/terms/d/direct-premiums-written.asp (last visited Feb. 8, 2026). "Unaffiliated assumed premiums" are assumed premiums, when the insurance company takes on the risk from an insurance company outside its holding company system.

[11] "Regulatory capital framework" means the legal requirements specifying the minimum amount of capital a company must hold to avoid increased regulatory scrutiny. . The term includes the NAIC risk-based capital frameworks. *See* 12 CFR § 217.601(2023).

If an insurance holding company system was granted an exemption due to a previous filing of the annual group capital calculation report, OIR may require the ultimate controlling person to file an annual group capital calculation report at any time, if any of the following criteria are met:

- An insurer within the holding company system is in a risk-based capital action level event or a similar standard for a non-United States insurer.
- An insurer within the holding company system meets one or more of the standards of an insurer deemed to be in a hazardous financial condition.
- An insurer within the holding company system otherwise exhibits qualities of a troubled insurer as determined by OIR.

The bill requires the ultimate controlling person of every insurer that is a member of an insurance holding company system to file the results of a specific year's liquidity[12] stress test annually on or before April 1, provided that the insurer meets at least one threshold of the scope criteria[13] adopted by the NAIC for that year. (Section 15).

The bill provides that the group capital calculation report and the liquidity stress test are regulatory tools to assess group risks, capital adequacy, and group liquidity risks, and are not intended to rank insurers or insurance holding company systems.

The bill prohibits insurers, brokers, and any other person engaged in the business of insurance from making any representation or statement about the results of the group capital calculation or the liquidity stress test. The bill also provides that an insurer may publish announcements for the sole purpose of rebutting a materially false representation about the group capital calculation or liquidity stress test results. (Section 16).

Registration of Attorneys in Fact

The bill creates a registration for the attorney in fact of a reciprocal insurer. The application for registration as an attorney in fact must be made under oath and must include:

- All basic organizational documents, and any amendments to such documents, of the applicant dated within the last year and appropriately certified.
- The bylaws, rules, and regulations or similar documents regulating the conduct of the internal affairs of the applicant, other applicable documents, and all amendments to those documents, dated within the last year and appropriately certified.
- A copy of the most recent financial statement of the applicant, verified under oath by at least two of the applicant's principal officers.
- A detailed plan of operation.
- An e-mail address at which the applicant agrees to accept electronic service from OIR.
- Background information for each individual who is responsible for the conduct of the applicant's affairs.
- Any other information OIR may reasonably require. (Section 17).

The bill provides that OIR may not require an applicant to pay a fee for the attorney in fact registration or for filing an application for the registration. (Section 17).

Once an applicant files the sworn application, OIR must investigate each applicant, and may issue a registration if OIR finds the applicant:

- Is competent and trustworthy, and intends use the registration to act in good faith.

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[12] Generally, liquidity means an insurer's or holding company's ability to promptly meet its short-term financial obligations, like paying claims, using cash or investments, without incurring significant losses. *See* Investopedia, *Understanding Current Liquidity in Insurance: Key Concepts Explained*, https://www.investopedia.com/terms/c/current-liquidity.asp# (Last visited Feb. 9, 2026).

[13] "Scope criteria" means the exposure bases (activities assumed to be correlated with liquidity risk) designated by the NAIC for the specified data year. These exposure bases are used to establish a preliminary list of insurers considered scoped into the Liquidity Stress Test Framework.

- Has management that has a good business reputation and has had experience, training, or education that qualifies the applicant to conduct business as an Attorney in Fact.
- Has a business plan that is consistent with the interests of potential insureds and the public. (Section 17).

The bill provides that the registration renews automatically on March 1 every year, provided the attorney in fact remains qualified under chapter 629, F.S., which regulates reciprocal insurers. The bill provides that OIR may not require an attorney in fact to pay a fee for the renewal of the registration. (Section 18).

The bill provides grounds for denial, suspension, or revocation of an attorney in fact's registration. These grounds include that OIR determined the attorney in fact:

- Has violated any lawful rule or order of the FSC or OIR or any applicable provision of the Insurance Code.
- Has used or is using methods or practices in the conduct of its business which render its further transaction of business in this state hazardous or injurious to insured persons or the public.
- Has refused to be examined or to produce its accounts, records, and files for examination.
- Is or was affiliated with another attorney in fact which transacts business in Florida without a registration.
- Fails at any time to meet the qualifications required for issuance of the registration.
- Is under suspension or revocation in Florida or another state for any license related to insurance.
- Is under receivership, conservatorship, or rehabilitation proceedings in Florida or another state.
- Has financial conditions or business practices that pose a threat to the health, safety, or welfare of the residents of Florida. (Section 19).

The bill provides that the suspension or revocation of an attorney in fact's registration takes effect when the order is mailed by OIR to the attorney in fact by registered or certified mail, and sent electronically to the e-mail address provided in the application. The bill authorizes OIR to publish notice of the suspension or revocation of an attorney in fact's registration in one or more newspapers of general circulation published in Florida. (Section 20).

The bill provides that a suspension may not exceed one year, and that upon the end of the suspension period, the registration is automatically reinstated. (Section 21).

The bill provides that OIR may impose administrative fines in lieu of suspension, revocation, or nonrenewal. These fines include:

- For nonwillful violations, OIR may impose fines of up to $5,000 for each violation, which may not exceed $50,000 for all nonwillful violations arising out of the same action.
- For knowing and willful violations, OIR may impose fines of up to $25,000 per violation, which may not exceed $250,000 for all violations arising out of the same action.
- For knowing and willful violations of a lawful order issued by OIR or the FSC during a declared state of emergency, OIR may impose a $200,000 fine for each violation, up to $1,000,000 for all knowing and willful violations arising out of the same action. (Section 22).

Effective Date
The bill provides an effective date of July 1, 2026.

RULEMAKING:

The bill requires the Financial Services Commission ("FSC") to adopt rules to implement the statewide database of uniform mitigation verification inspection forms. (Section 11).

The bill requires the FSC to adopt rules specifying the information private passenger automobile insurers must file monthly as part of the insurer experience reporting requirement. (Section 13).

The bill authorizes the FSC to adopt rules for the filing of the annual group capital calculation report in accordance with the Insurance Holding Company System Regulatory Act of the NAIC and the Insurance Holding Company System Model Regulation of the NAIC, as adopted in December 2020. (Section 14).

The bill authorizes OIR to adopt rules for filing the results of the liquidity stress test in accordance with the Insurance Holding Company System Regulatory Act of the NAIC and the Insurance Holding Company System Model Regulation of the NAIC. (Section 16).

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 OIR to the extent it may require additional resources to ensure compliance with the requirements of the bill, including processing applications for Attorney in Fact registrations.

PRIVATE SECTOR:

The bill may have an indeterminate economic impact on the private sector to the extent insurers may need to use additional resources to ensure compliance with the requirements of the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Office of Insurance Regulation

The Office of Insurance Regulation ("OIR") regulates all activities relating to insurers and other risk bearing entities, including licensing, rates, policy forms, marked conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision.[14] OIR is responsible for examining the affairs, transactions, accounts, records, and assets of each authorized insurer in the state.[15] As part of that process, insurers must make available all records relating to the subject of the examination.[16] OIR is also authorized to carry out market conduct examinations to determine compliance with the Florida Insurance Code.[17]

Financial Services Commission

The Financial Services Commission is composed of the Governor, the Chief Financial Officer, the Attorney General, and the Commissioner of Agriculture and it serves as agency head of the OIR for purposes of rulemaking.[18] The Financial Services Commission encompasses two offices: the Office of Insurance Regulation (responsible for insurers and risk bearing entities) and the Office of Financial Regulation (responsible for the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry).[19]

Administrators

An administrator is a person or entity that markets or arranges insurance coverage, collects premiums or other charges, or processes, adjusts, or settles claims, in connection with authorized commercial self-insurance funds or insured or self-insured programs that provide life or health insurance.[20] The term includes a person or entity that under a health care risk contract with an insurer or health maintenance organization provides billing and

[14] S. 20.121(3)(a), F.S.
[15] S. 624.316(1)(a), F.S.
[16] S. 624.318(2), F.S.
[17] S. 624.3161, F.S.
[18] S. 20.121(3), F.S.
[19] *Id*.
[20] S. 626.88(1), F.S.

collection services to insurers or HMOs on behalf of health care providers.[21] The term also includes pharmacy benefit managers.[22]

Background Checks

The Florida Department of Law Enforcement ("FDLE") is responsible for processing criminal history background checks and fingerprint submissions for a wide range of professions and regulatory programs, including those involving licensure and employment eligibility.[23] FDLE is authorized to exchange fingerprint data with the United States Department of Justice ("DOJ") as part of national criminal history checks.[24] The Federal Bureau of Investigation ("FBI") s is the principal investigative arm of the DOJ.[25]

As part of Florida's oversight of the insurance industry, FDLE provides access to criminal history information to noncriminal justice agencies, such as the Department of Financial Services ("DFS"), for use in evaluating insurance licensure applications.[26] Individuals applying for licenses—such as insurance agents, adjusters, and other regulated professionals—must submit to fingerprint-based background screenings.[27] Fingerprints must be submitted electronically through a LiveScan vendor approved by FDLE.[28] FDLE processes the fingerprints and transmits the results to the appropriate licensing authority, typically DFS, to determine the applicant's eligibility.[29]

The FBI will not approve access to national criminal history record information for the purpose of licensing or employment unless all of the following criteria are satisfied:[30]

- The statute must exist as a result of a legislative enactment.
- It must require the fingerprinting of applicants who are subjected to a national criminal history record check.
- It must authorize the use of FBI records for the screening of applicants.
- It must specify the specific categories of licensees or employees falling within its purview, thereby avoiding overbreadth.
- It may not authorize receipt of the criminal history record information to a private entity.

Notice to the Department of Legal Affairs about Security Breach

Current law provides that entities that acquire, maintain, store, or use personal information must provide notice to the Department of Legal Affairs of any breach of security that affects 500 or more individuals in Florida.[31] The notice must be provided to the Department of Legal Affairs as soon as possible, but no later than 30 days following the determination of the breach or reason to believe a breach occurred.[32] An entity may receive 15 additional days to provide the required notice if good cause for delay is provided in writing to the Department of Legal Affairs.[33]

The notice must include:[34]

- A synopsis of the events surrounding the breach at the time the notice is provided.

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[21] *Id*.
[22] *Id*.
[23] S. 943.053, F.S.
[24] S. 943.054, F.S.
[25] Federal Bureau of Investigations, *What is the FBI*, https://www.fbi.gov/about/faqs/what-is-the-fbi (last visited Feb. 7, 2026).
[26] S. 943.053(3)(a), F.S.
[27] S. 626.171(4), F.S.
[28] Florida Department of Financial Services, *Fingerprinting Information*, https://www.myfloridacfo.com/division/agents/licensing/agents-and-adjusters/fingerprinting-information. (last visited on Feb. 7, 2026).
[29] *Id*.
[30] Florida Department of Law Enforcement, Agency Analysis of 2026 House Bill 1263, p. 4 (Feb. 5, 2026).
[31] S. 501.171, F.S.
[32] *Id*.
[33] *Id*.
[34] *Id*.

- The number of individuals in Florida who were or potentially have been affected by the breach.
- Any services related to the breach being offered or scheduled to be offered, without charge, by the entity to the affected individuals, and instructions on how to use those services.
- A copy of the notice sent to the affected individuals.
- The name, address, telephone number, and e-mail address of the employee or agent of the entity that can provide additional information about the breach.

Florida Commission on Hurricane Loss Projection Methodology

The Florida Commission on Hurricane Loss Projection Methodology was created in 1995 by the Legislature to serve as an independent panel to evaluate computer simulation models and other recently developed or improved actuarial methodologies for projecting hurricane and flood losses.[35]

The Legislature determined that the Florida Commission on Hurricane Loss Projection Methodology was necessary to ensure rates are neither excessive nor inadequate, and that computer modeling has made it possible to improve the accuracy of hurricane and flood loss projections.[36]

Rate Filings

Insurers[37] are required to submit an annual base rate filing for each line they write. There are two ways an insurer can satisfy this requirement:[38]

- A rate filing prepared by an actuary, including documentation demonstrating that the proposed rates are not excessive, inadequate, or unfairly discriminatory.
- If no rate change is proposed, a filing which consists of a certification by an actuary that the existing rate level produces rates which are actuarily sound and which are not inadequate.

Mitigation Discounts, Credits, and Other Rate Differentials

Residential property insurance rate filings must account for mitigation measures undertaken by policyholders to reduce hurricane losses.[39] Specifically, the rate filings must include actuarially reasonable discounts, credits, or other rate differentials or appropriate reductions in deductibles to consumers who implement windstorm damage mitigation techniques to their properties.[40]

Upon their filing by an insurer or rating organization, OIR determines the discounts, credits, other rate differentials and appropriate reductions in deductibles that reflect the full actuarial value of such revaluation,[41] which in turn may be used in rate filings under the rating law. Windstorm mitigation measures that must be evaluated for purposes of mitigation discounts include fixtures or construction techniques that enhance roof strength, roof covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protection, and window, door, and skylight strength.[42]

An insurer is required to notify an applicant or policyholder of any personal lines residential property insurance policy, at the time of the issuance of the policy and at each renewal, of the availability of each premium discount, credit, other rate differential for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm can be or have been installed or implemented.[43]

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[35] Florida Commission on Hurricane Loss Projection Methodology, *About the FCHLPM*, https://fchlpm.sbafla.com/about-the-fchlpm/ (last visited Feb. 8, 2026).
[36] *Id*.
[37] Workers' compensation carriers, employer's liability insurers, and most types of commercial property and casualty insurers are excluded from this requirement. *See* s. 627.0645(1), F.S.
[38] S. 627.0645, F.S.
[39] S. 627.062(2), F.S.
[40] S. 627.0629, F.S.
[41] *Id*.
[42] *Id*.
[43] S. 627.711(1), F.S.

Uniform Mitigation Verification Inspection Forms

Current law requires the Financial Services Commission ("FSC") to develop by rule a uniform mitigation verification inspection form that must be used by all insurers when submitted by policyholders for the purpose of factoring discounts for wind insurance.[44]

Insurer Experience Reporting

Each insurer transacting insurance business in Florida must report certain information annually to the OIR.[45] The information for an insurer transacting private passenger automobile insurance must be on direct insurance writings in Florida alone, represent total limits data, and be divided into the following categories: bodily injury liability; property damage liability; uninsured motorist; personal injury protection benefits; medical payments; comprehensive and collision.[46]

The information for an insurer transacting fire, homeowner's multiple peril, commercial multiple peril, medical malpractice, products liability, workers' compensation, private passenger automobile liability, commercial automobile liability, private passenger automobile physical damage, commercial automobile physical damage, officers' and directors' liability insurance, or other liability insurance must be reported for direct Florida business only and be reported on a calendar-year basis annually by April 1 for the preceding calendar year.[47]

OIR must provide a summary of this information in its annual report.[48]

Assignment of Benefits Data Call

An assignment is the voluntary transfer of the rights of one party under a contract to another party; the transfer by a party to another party of some valuable interest.[49] In 2022,[50] the Legislature prohibited the assignment, in whole or in part, of any post-loss insurance benefit under any residential property insurance policy or under any commercial property insurance policy issued on or after January 1, 2023.[51]

Group Capital Calculation and Liquidity Stress Test

The National Association of Insurance Commissioners ("NAIC") is the standard-setting and regulatory organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five United States territories.[52] The organization sets standards and regulatory best practices.

In December 2020, the NAIC adopted amendments to the NAIC Holding Company Model Act. These amendments included implementing a group capital calculation and liquidity stress framework, with the goal of providing insurance regulators with more tools for conducting group-wide supervision of holding companies.[53] Specifically, the NAIC has noted that the group capital calculation will:[54]

- provide key financial information on the insurance group;
- quantify risk across the insurance group:
- support transparency into how capital is allocated; and
- aid regulators in understanding whether and to what degree insurance companies are supporting the operations of non-insurance entities.

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[44] S. 627.711, F.S.
[45] S. 627.915, F.S.
[46] S. 627.915(1), F.S.
[47] S. 627.915(2), F.S.
[48] S. 627.915(4), F.S.
[49] Black's Law Dictionary, 2nd Ed., https://thelawdictionary.org/assignment/ (last visited Feb. 7, 2026).
[50] Section 21, ch. 2022-271, L.O.F.
[51] S. 627.7152(13), F.S.
[52] National Association of Insurance Commissioners ("NAIC"), *What is the NAIC and what does it do?*, https://content.naic.org/sites/default/files/about-naic.pdf (last visited Feb. 3, 2026).
[53] NAIC, *The NAIC Group Capital Calculation, Liquidity Stress Test, and Receivership Provisions* (August 2025), http://content.naic.org/sites/default/files/government-affairs-brief-gccc-liquidity-receivership.pdf (last visited Feb. 2, 2026).
[54] *Id*.

The NAIC has indicated that implementation of these revisions will likely become an NAIC accreditation requirement on January 1, 2026.[55] According to the NAIC, its accreditation program fosters inter-state cooperation, reduces duplicative regulation, and provides baseline consumer protections.[56] NAIC accreditation allows regulators of multi-state insurers to rely on the domiciliary state's solvency regulations to avoid duplication of effort and expense.[57] For example, instead of performing its own examination, a state may accept the examination report prepared by an insurance department that was accredited at the time of examination.[58] According to the NAIC, this cooperation saves insurance companies, and thus consumers, millions of dollars.[59] The loss of accreditation could lead to the loss of domestic insurers.[60]

Attorneys in Fact

A reciprocal insurance exchange is an insurance enterprise where subscribers enter into direct agreements with each other, pledging to contribute proportionally to cover losses experienced by fellow members.[61] The customers, known as subscribers, sign an agreement authorizing an agent to act as their attorney in fact for the purpose of insurance.[62] The attorney in fact is usually a management company, and they are authorized to sign contracts on behalf of all subscribers.[63]

[55] *Id*.
[56] NAIC, *The NAIC Accreditation Program* (Jan. 2024), https://content.naic.org/sites/default/files/government-affairs-brief-accreditation-program.pdf (last visited Feb, 3, 2026).
[57] *Id*.
[58] *Id*.
[59] *Id*.
[60] *Id*.
[61] Andrew Verstein, *Enterprise Without Entities*, 116 MICH. L. REV. 247, 249 (2017), https://repository.law.umich.edu/cgi/viewcontent.cgi?params=/context/mlr/article/1672/&path_info=Enterprise_Without_Entities_revised_first_page.pdf.
[62] *Id*. at 264.
[63] *Id*. at 251.

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	Miguez
THE CHANGES ADOPTED BY THE COMMITTEE:	• Granted OIR and the Department of Financial Services the authority to issue cease and desist orders for unlicensed activity. • Provided that OIR may examine administrators, which includes Pharmacy Benefit Managers (PBMs). • Required OIR to be copied in the notice provided to the Department of Legal Affairs in the event of data breaches that affect insurers or other entities subject to OIR's jurisdiction. • Required private passenger automobile insurers and residential property insurers to use certain models approved by the Florida Commission on Loss Projection Methodology. • Required full rate filings from private passenger automobile insurers after two years of certifying that current rates are actuarily sound and adequate. • Required minimum mitigation discounts for structures that meet or exceed building code requirements. • Aligned Florida law with National Association of Insurance Commissioners ("NAIC") accreditation requirements by requiring the ultimate controlling person of an insurer to file an annual group capital calculation and a liquidity stress test. • Required Attorneys in Fact of Reciprocal Insurers to obtain a registration from OIR.			
Commerce Committee			Hamon	Miguez

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

A bill to be entitled

An act relating to the Office of Insurance Regulation; amending s. 20.121, F.S.; providing that the Office of Insurance Regulation is responsible for all activities concerning entities under its jurisdiction; amending s. 501.171, F.S.; requiring covered entities under the office's jurisdiction to copy the office on certain notices and provide certain information, upon request, to the office; amending s. 624.310, F.S.; authorizing the Department of Financial Services and the office to issue and deliver cease and desist orders for certain activities; authorizing the department and the office to seek an injunction for enforcement of such order; amending s. 624.316, F.S.; removing a provision authorizing the Financial Services Commission to adopt the Market Conduct Examiners Handbook; amending s. 624.3161, F.S.; requiring the office to examine administrators under certain circumstances; authorizing the commission to adopt by rule the Market Conduct Examiners Handbook; creating s. 624.341, F.S.; providing legislative findings and intent; requiring the Department of Law Enforcement to accept and process fingerprints taken of certain persons; specifying procedures for fingerprinting; authorizing the Department of Law Enforcement to exchange certain

records with the office; specifying that fingerprints must be submitted in accordance with certain rules; requiring the Department of Law Enforcement and the Federal Bureau of Investigation to conduct certain background checks; requiring that certain fingerprints be submitted and entered into a specified system; requiring the office to inform the Department of Law Enforcement of any person whose fingerprints no longer need to be retained; specifying who bears the costs of fingerprint processing; requiring the office to review criminal history background checks and make certain determinations; specifying that certain criminal records be used by the office for certain purposes; amending s. 627.062, F.S.; revising the factors that the office must consider in determining if insurance rates are excessive, inadequate, or discriminatory; amending s. 627.0628, F.S.; requiring private passenger automobile insurance to be adequately projected; amending s. 627.0629, F.S.; requiring the office to determine minimum rate differentials for windstorm damage mitigation techniques that meet or exceed the minimum requirements of the Florida Building Code; authorizing insurers to seek additional rate differentials; amending s. 627.0645, F.S.; revising requirements of rate filing with the office

for certain insurers; amending s. 627.711, F.S.; requiring that certain discount notification forms for personal lines residential property insurance policies be sent to insureds at the time of policy issuance and renewal; requiring the office to contract with a state university to design, operate, upgrade, and maintain a specified database; requiring property insurers to file certain policyholder forms within a specified timeframe in the database beginning on a specified date; requiring the commission to adopt rules; amending s. 627.7152, F.S.; removing a provision requiring insurers to report on residential and commercial property insurance claims paid in a certain year; amending s. 627.915, F.S.; requiring private passenger automobile insurers to file specified monthly reports beginning on a specified date; requiring the commission to adopt rules; removing the requirement for certain insurers to submit such report; removing an exemption for certain insurers; creating s. 628.8011, F.S.; providing definitions; requiring certain persons to file a group capital calculation report annually by a specified date; providing requirements for such report; exempting certain insurance holding company systems from filing such report; requiring certain non-United States-based

insurance holding company systems to file a group capital calculation report; authorizing the office to exempt certain persons from filing such report under certain circumstances; authorizing the filing of a limited group capital filing instead of the group capital calculation report under certain circumstances; authorizing the office to require certain insurance holding company systems to file such report despite qualifying for an exemption under certain circumstances; requiring the office to establish certain criteria and publish certain information on its website; authorizing the commission to adopt certain rules; creating s. 628.8012, F.S.; providing definitions; requiring certain persons to annually file results of a liquidity stress test in compliance with specified instructions; providing an exemption; authorizing the office to adopt rules; creating s. 628.8013, F.S.; providing that a certain report and test are for specified purposes; prohibiting certain representations or statements by certain persons; authorizing an insurer to rebut certain information in a written publication under certain circumstances; creating s. 629.53, F.S.; requiring attorneys in fact of reciprocal insurers to obtain a registration; providing requirements for the

application of such registration; prohibiting fees for registration and registration application; requiring the office to investigate applicants; authorizing the office to issue registrations to applicants under certain circumstances; creating s. 629.54, F.S.; providing for automatic renewal of the registration of an attorney in fact; creating s. 629.55, F.S.; authorizing the office to deny, suspend, revoke, or refuse to renew the registration of an attorney in fact under certain circumstances; creating s. 629.56, F.S.; providing for when an order of suspension or revocation of a registration is effected; authorizing the office to publish certain notice in newspapers of general circulation; creating s. 629.57, F.S.; providing a limitation on the period of suspension of an attorney in fact registration; providing that a registration is automatically reinstated after the suspension ends; creating s. 629.58, F.S.; authorizing the office to issue administrative fines in lieu of suspension or revocation; prohibiting a fine from being borne by an insurer; amending ss. 634.141, 634.314, and 634.416, F.S.; conforming cross-references; providing an effective date.

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

Section 1. Paragraph (a) of subsection (3) of section 20.121, Florida Statutes, is amended to read:

20.121 Department of Financial Services.—There is created a Department of Financial Services.

(3) FINANCIAL SERVICES COMMISSION.—Effective January 7, 2003, there is created within the Department of Financial Services the Financial Services Commission, composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture, which shall for purposes of this section be referred to as the commission. Commission members shall serve as agency head of the Financial Services Commission. The commission shall be a separate budget entity and shall be exempt from the provisions of s. 20.052. Commission action shall be by majority vote consisting of at least three affirmative votes. The commission shall not be subject to control, supervision, or direction by the Department of Financial Services in any manner, including purchasing, transactions involving real or personal property, personnel, or budgetary matters.

(a) Structure.—The major structural unit of the commission is the office. Each office shall be headed by a director. The following offices are established:

1. The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers, ~~and~~ other

risk bearing entities, and other entities under its jurisdiction, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the insurance code or chapter 636. The head of the Office of Insurance Regulation is the Director of the Office of Insurance Regulation, who may also be known as the Commissioner of Insurance Regulation.

2. The Office of Financial Regulation, which shall be 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. The head of the office is the Director of the Office of Financial Regulation, who may also be known as the Commissioner of Financial Regulation. The Office of Financial Regulation shall include a Bureau of Financial Investigations, which shall function as a criminal justice agency for purposes of ss. 943.045-943.08 and shall have a separate budget. The bureau may conduct investigations within or outside this state as the bureau deems necessary to aid in the enforcement of this section. If, during an investigation, the office has reason to believe that any criminal law of this state has or may have been violated, the office shall refer any records tending to show such violation to state or federal law enforcement or prosecutorial agencies and shall provide investigative

assistance to those agencies as required.

Section 2. Paragraph (f) is added to subsection (3) of section 501.171, Florida Statutes, to read:

501.171 Security of confidential personal information.—

(3) NOTICE TO DEPARTMENT OF SECURITY BREACH.—

(f) If a covered entity is subject to the jurisdiction of the Office of Insurance Regulation, the covered entity must copy the office on the notice provided to the department. The covered entity must provide any information listed in paragraph (c) to the office upon its request.

Section 3. Paragraph (g) is added to subsection (5) of section 624.310, Florida Statutes, to read:

624.310 Enforcement; cease and desist orders; removal of certain persons; fines.—

(5) ADMINISTRATIVE FINES; ENFORCEMENT.—

(g) If the department or office has probable cause to believe that a person is performing activities that require a license, registration, certificate of authority, or any other form of authorization from the department or office and the person performing such activities does not hold the required license, registration, certificate of authority, or other form of authorization, the department or office may issue and deliver to such person a notice to cease and desist from such violation of the insurance code. In addition, the department or office may issue and deliver a notice to cease and desist to any person who

aids and abets the person violating the insurance code. For the purpose of enforcing a cease and desist order under this paragraph, the department or office may file an action for a court proceeding in the name of this state seeking the issuance of an injunction against a person who violates any provision of the cease and desist order.

Section 4. Paragraph (c) of subsection (1) of section 624.316, Florida Statutes, is amended to read:

624.316 Examination of insurers.—

(1)

(c) The office shall examine each insurer according to accounting procedures designed to fulfill the requirements of generally accepted insurance accounting principles and practices and good internal control and in keeping with generally accepted accounting forms, accounts, records, methods, and practices relating to insurers. To facilitate uniformity in examinations, the commission may adopt, by rule, ~~the Market Conduct Examiners Handbook and~~ the Financial Condition Examiners Handbook of the National Association of Insurance Commissioners, 2002, and may adopt subsequent amendments thereto, if the examination methodology remains substantially consistent.

Section 5. Subsections (2) through (9) of section 624.3161, Florida Statutes, are renumbered as subsections (3) through (10), respectively, subsection (1), paragraph (e) of present subsection (8), and paragraph (a) of present subsection

(9) are amended, and a new subsection (2) is added to that section, to read:

624.3161 Market conduct examinations.—

(1) As often as it deems necessary, the office shall examine each licensed rating organization, ~~each~~ advisory organization, administrator, ~~each~~ group, association, carrier~~,~~ as defined in s. 440.02, ~~or other~~ organization of insurers which engages in joint underwriting or joint reinsurance, the attorney in fact of each reciprocal insurer, and ~~each~~ authorized insurer transacting in this state any class of insurance to which chapter 627 is applicable. The examination must be for the purpose of ascertaining compliance by the person examined with the applicable provisions of this chapter and chapters 440, 626, 627, and 635.

(2) To facilitate uniformity in examinations, the commission may adopt, by rule, the Market Conduct Examiners Handbook of the National Association of Insurance Commissioners, 2024, and may adopt subsequent amendments thereto, if the examination methodology remains substantially consistent.

(9)~~(8)~~ The office shall create, and the commission shall adopt by rule, a selection methodology for scheduling and conducting market conduct examinations of insurers and other entities regulated by the office. This requirement does not restrict the authority of the office to conduct market conduct examinations as often as it deems necessary. Such selection

methodology must prioritize market conduct examinations of insurers and other entities regulated by the office to whom any of the following conditions applies:

(e) The insurer meets the criteria in subsection (8) ~~(7)~~.

The office shall present the proposed rule required by this subsection to the commission no later than October 1, 2023. In addition to the methodology required by this subsection, the rule must provide criteria for how the office, in coordination with the department, will determine what constitutes a disproportionate number of claims-handling complaints described in paragraph (b).

(10) ~~(9)~~ If the office concludes through an examination pursuant to this section that an insurer providing liability coverage in this state exhibits a pattern or practice of violations of the Florida Insurance Code during any investigation or examination of the insurer, the office must review the insurer's claims-handling practices to determine if the insurer should be subject to the enhanced enforcement penalties of this subsection.

(a) A liability insurer may be subject to enhanced enforcement penalties if the office reviews the insurer's claims-handling practices and finds a pattern or practice of the insurer failing to do the following when responding to covered liability claims under an insurance policy, after receiving

actual notice of such claims:

1. Assign a licensed and appointed insurance adjuster to investigate whether coverage is provided under the policy and diligently attempt to resolve any questions concerning the extent of the insured's coverage.

2. Evaluate the claim fairly, honestly, and with due regard for the interests of the insured based on available information.

3. Request from the insured or claimant additional relevant information the insurer reasonably deems necessary to evaluate whether to settle a claim.

4. Conduct all oral and written communications with the insured with honesty and candor.

5. Make reasonable efforts to explain to persons not represented by counsel matters requiring expertise beyond the level normally expected of a layperson with no training in insurance or claims-handling issues.

6. Retain all written and recorded communications and create and retain a summary of all verbal communications in a reasonable manner for a period of not less than 2 years after the later of the entry of a final judgment against the insured in excess of policy limits or, if an extracontractual claim is made, the conclusion of that claim and any related appeals.

7. Within 30 days after a request, provide the insured with all communications related to the insurer's handling of the

claim which are not privileged as to the insured.

8. Provide, upon request and at the insurer's expense, reasonable accommodations necessary to communicate effectively with an insured covered under the Americans with Disabilities Act.

9. When handling a third-party claim, communicate each of the following to the insured:

a. The identity of any other person or entity the insurer has reason to believe may be liable.

b. The insurer's final and completed estimate of the claim.

c. The possibility of an excess judgment.

d. The insured's right to secure personal counsel at his or her own expense.

e. That the insured should cooperate with the insurer, including providing information required by the insurer because of a settlement opportunity or in accordance with the policy.

f. Any formal settlement demands or offers to settle by the claimant and any offers to settle on behalf of the insured.

10. Respond to any request for insurance information in compliance with s. 626.9372 or s. 627.4137, as applicable.

11. Seek to obtain a general release of each insured in making any settlement offer to a third-party claimant.

12. Take reasonable measures to preserve any documentary, photographic, and forensic evidence as needed for the defense of

the liability claim if it appears likely that the insured's liability exposure is greater than policy limits and the insurer fails to secure a general release in favor of the insured.

13. Comply with subsections (1) and (3) ~~(2)~~, if applicable.

14. Comply with the Unfair Insurance Trade Practices Act.

Section 6. Section 624.341, Florida Statutes, is created to read:

624.341 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons applying to the Office of Insurance Regulation.—

(1) The Legislature finds that criminal activity of insurers poses a particular danger to the residents of this state. Floridians rely, in good faith, on the honest conduct of those who issue and manage insurance policies and other insurance instruments in this state. To safeguard the residents of this state, the Legislature finds it necessary to ensure that organizers, incorporators, officers, employees, contractors, stockholders, directors, owners, managers, or volunteers involved in the organization, operation, or management of any insurer authorized to sell insurance do not have a criminal record.

(2) The Department of Law Enforcement shall accept and process fingerprints taken of organizers, incorporators,

officers, employees, contractors, stockholders, directors, owners, managers, or volunteers involved, directly or indirectly, in the organization, operation, or management of any:

(a) Insurer or proposed insurer transacting or proposing to transact insurance in this state.

(b) Other entity that is examined or investigated, or is eligible to be examined or investigated, under the office's jurisdiction.

(c) Other person or entity subject to licensure under the office's jurisdiction.

(3) A full set of fingerprints of persons or entities described in subsection (2) must be submitted to the office or to a vendor, an entity, or an agency authorized under s. 943.053(13). The office, vendor, entity, or agency shall forward the fingerprints to the Department of Law Enforcement for state processing, and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for national processing pursuant to s. 624.34(5). Fees for state and federal fingerprint processing must be borne by the person submitting them. The state cost for fingerprint processing is as provided in s. 943.053(3)(e).

(4) The Department of Law Enforcement may, to the extent authorized by federal law, exchange state, multistate, and federal criminal history records with the office for the purpose

of the issuance, denial, suspension, or revocation of a certificate of authority, certification, registration, or license to operate in this state.

(5) Fingerprints for each person or entity described in subsection (2) must be submitted in accordance with rules adopted by the commission.

(a) Fingerprints may be submitted through a third-party vendor authorized by the Department of Law Enforcement.

(b) The Department of Law Enforcement shall conduct the state criminal history background check and a federal criminal history background check must be conducted through the Federal Bureau of Investigation.

(c) All fingerprints submitted to the Department of Law Enforcement must be submitted and entered into the statewide automated biometric identification system established in s. 943.05(2)(b) and be available for use in accordance with s. 943.05(2)(g) and (h). The office shall inform the Department of Law Enforcement the name of any person whose fingerprints no longer need to be retained.

(d) The costs of fingerprint processing, including the cost of retaining the fingerprints, must be borne by the person subject to the background check.

(e) The office shall review the results of the state and federal criminal history background checks and determine whether the applicant meets the requirements for a certificate of

authority, certification, registration, or license to operate in this state.

(6) Statewide criminal records obtained through the Department of Law Enforcement, federal criminal records obtained through the Federal Bureau of Investigation, and local criminal records obtained through local law enforcement agencies must be used by the office for the purpose of issuance, denial, suspension, or revocation of certificates of authority, certifications, registrations, or licenses required to operate in this state.

Section 7. Paragraph (b) of subsection (2) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(2) As to all such classes of insurance:

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

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

2. Past and prospective expenses.

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

4. Investment income reasonably expected by the insurer,

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

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

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

7. The adequacy of loss reserves.

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

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

10. Conflagration and catastrophe hazards, if applicable.

11. Projected hurricane losses, if applicable, which must be estimated using a model or method found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology, and as further provided in s. 627.0628.

12. Projected flood losses for personal residential property insurance, if applicable, which must ~~may~~ be estimated using a model or method, or a straight average of model results or output ranges, independently found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology and as further provided in s. 627.0628 for filings submitted to the office after January 1, 2027.

13. For filings submitted to the office after January 1, 2027, projected comprehensive losses, if applicable, used to determine a hurricane catastrophe load for private passenger automobile insurance, which must be estimated using a model or method found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology under s. 627.0628.

14.~~13.~~ A reasonable margin for underwriting profit and contingencies.

15.~~14.~~ The cost of medical services, if applicable.

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

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

Section 8. Paragraph (a) of subsection (1) and paragraph (a) of subsection (3) of section 627.0628, Florida Statutes, are amended to read:

627.0628 Florida Commission on Hurricane Loss Projection Methodology; public records exemption; public meetings exemption.—

(1) LEGISLATIVE FINDINGS AND INTENT.—

(a) Reliable projections of hurricane losses are necessary in order to ensure ~~assure~~ that rates for residential property insurance and private passenger automobile insurance meet the statutory requirement that rates be neither excessive nor inadequate. The ability to accurately project hurricane losses has been enhanced greatly in recent years through the use of computer modeling. It is the public policy of this state to encourage the use of the most sophisticated actuarial methods to ensure ~~assure~~ that consumers are charged lawful rates for residential property insurance and private passenger automobile insurance coverage.

(3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

(a) The commission shall consider any actuarial methods, principles, standards, models, or output ranges that have the potential for improving the accuracy of or reliability of the

hurricane loss projections used in residential property insurance and private passenger automobile insurance rate filings and flood loss projections used in rate filings for personal lines residential flood insurance coverage. The commission shall, from time to time, adopt findings as to the accuracy or reliability of particular methods, principles, standards, models, or output ranges.

Section 9. Subsection (1) of section 627.0629, Florida Statutes, is amended to read:

627.0629 Residential property insurance; rate filings.—

(1) It is the intent of the Legislature that insurers provide savings to consumers who install or implement windstorm damage mitigation techniques, alterations, or solutions to their properties to prevent windstorm losses. A rate filing for residential property insurance must include actuarially reasonable discounts, credits, or other rate differentials, or appropriate reductions in deductibles, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The fixtures or construction techniques must include, but are not limited to, fixtures or construction techniques that enhance wind uplift prevention, roof strength, roof covering performance, roof-to-wall strength, wall-to-floor-to-foundation strength, opening protection, and window, door, and skylight strength. Credits, discounts, or other rate

differentials, or appropriate reductions in deductibles, for fixtures and construction techniques that meet or exceed the minimum requirements of the Florida Building Code must be included in the rate filing. The office shall determine the minimum discounts, credits, other rate differentials, and appropriate reductions in deductibles that reflect the full actuarial value of such fixtures and construction techniques. The office's determination may not prohibit an insurer from seeking additional actuarily justified credits, discounts or other rate differentials, or appropriate reductions in deductibles for fixtures and construction techniques that meet or exceed the minimum requirements of the Florida Building Code ~~revaluation, which may be used by insurers in rate filings~~. Effective October 1, 2023, each insurer subject to the requirements of this section must provide information on the insurer's website describing the hurricane mitigation discounts available to policyholders. Such information must be accessible on, or through a hyperlink located on, the home page of the insurer's website or the primary page of the insurer's website for property insurance policyholders or applicants for such coverage in this state. On or before January 1, 2025, and every 5 years thereafter, the office shall reevaluate and update the fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm and the discounts, credits, other rate differentials, and appropriate reductions in deductibles

that reflect the full actuarial value of such fixtures or construction techniques. The office shall adopt rules and forms necessitated by such reevaluation.

Section 10. Paragraph (b) of subsection (3) of section 627.0645, Florida Statutes, is amended to read:

627.0645 Annual filings.—

(3) The filing requirements of this section shall be satisfied by one of the following methods:

(b) If no rate change is proposed, a filing which consists of a certification by an actuary that the existing rate level produces rates which are actuarially sound and which are not inadequate, as defined in s. 627.062. However, for residential property and private passenger automobile insurers, a full rate filing is required after 2 consecutive years of certification under this paragraph.

Section 11. Subsection (1) of section 627.711, Florida Statutes, is amended, and paragraphs (c), (d), and (e) are added to subsection (2) of that section, to read:

627.711 Notice of premium discounts for hurricane loss mitigation; uniform mitigation verification inspection form.—

(1) Using a form prescribed by the Office of Insurance Regulation, the insurer shall clearly notify the applicant or policyholder of any personal lines residential property insurance policy, at the time of the issuance of the policy and at each renewal, of the availability and the range of each

premium discount, credit, other rate differential, or reduction in deductibles, and combinations of discounts, credits, rate differentials, or reductions in deductibles, for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm can be or have been installed or implemented. The prescribed form shall describe generally what actions the policyholders may be able to take to reduce their windstorm premium. The prescribed form and a list of such ranges approved by the office for each insurer licensed in the state and providing such discounts, credits, other rate differentials, or reductions in deductibles for properties described in this subsection shall be available for electronic viewing and download from the Department of Financial Services' or the Office of Insurance Regulation's Internet website. The prescribed form must also notify the applicant or policyholder if the insurer offers an enhanced discount for a roof system that uses a secondary water resistance, and the form must generally list the amount of discount by type of secondary water resistance. The Financial Services Commission may adopt rules to implement this subsection.

(2)

(c) The office shall contract with a state university to design, operate, upgrade, and maintain a statewide database for uniform mitigation verification inspection forms. This database must be managed by the office to collect and evaluate mitigation

features of residential properties within this state.

(d) Beginning January 1, 2027, each insurer must electronically file within 15 business days after receipt a copy of each uniform mitigation inspection form submitted by a policyholder in the database created under paragraph (c) using the electronic format prescribed by the office.

(e) The Financial Services Commission shall adopt rules to implement this subsection.

Section 12. Subsection (12) of section 627.7152, Florida Statutes, is amended, to read:

627.7152 Assignment agreements.—

~~(12) The office shall require each insurer to report by January 30, 2022, and each year thereafter data on each residential and commercial property insurance claim paid in the prior calendar year under an assignment agreement. The Financial Services Commission shall adopt by rule a list of the data required, which must include specific data about claims adjustment and settlement timeframes and trends, grouped by whether litigated or not litigated and by loss adjustment expenses.~~

Section 13. Subsections (2) and (5) of section 627.915, Florida Statutes, are amended to read:

627.915 Insurer experience reporting.—

(2)(a) Beginning January 1, 2027, each insurer transacting private passenger automobile insurance in this state must file

monthly with the office a report addressing all of the following areas:

1. Policy coverage categories, including policies in force and total direct premiums earned and written.

2. The type, location, and limits of writings in this state.

3. Claims reporting requirements.

4. Any other information deemed necessary by the commission to provide the office with the ability to track trends occurring in the private passenger automobile insurance market.

(b) The commission shall adopt rules specifying the information required to be reported under this subsection and the format required for the reports ~~fire, homeowner's multiple peril, commercial multiple peril, medical malpractice, products liability, workers' compensation, private passenger automobile liability, commercial automobile liability, private passenger automobile physical damage, commercial automobile physical damage, officers' and directors' liability insurance, or other liability insurance shall report, for each such line of insurance, the information specified in this subsection to the office. The information shall be reported for direct Florida business only and shall be reported on a calendar-year basis annually by April 1 for the preceding calendar year:~~

~~(a) Direct premiums written.~~

~~(b) Direct premiums earned.~~

~~(c) Loss reserves for all known claims:~~

~~1. At beginning of the year.~~

~~2. At end of the year.~~

~~(d) Reserves for losses incurred but not reported:~~

~~1. At beginning of the year.~~

~~2. At end of the year.~~

~~(e) Allocated loss adjustment expense:~~

~~1. Reserve at beginning of the year.~~

~~2. Reserve at end of the year.~~

~~3. Paid during the year.~~

~~(f) Unallocated loss adjustment expense:~~

~~1. Reserve at beginning of the year.~~

~~2. Reserve at end of the year.~~

~~3. Paid during the year.~~

~~(g) Direct losses paid.~~

~~(h) Underwriting income or loss.~~

~~(i) Commissions and brokerage fees.~~

~~(j) Taxes, licenses, and fees.~~

~~(k) Other acquisition costs.~~

~~(l) General expenses.~~

~~(m) Policyholder dividends.~~

~~(n) Net investment gain or loss and other income gain or loss allocated pro rata by earned premium to Florida business utilizing the investment allocation formula contained in the~~

~~National Association of Insurance Commissioner's Profitability Report by line by state.~~

~~(5) Any insurer or insurer group which does not write at least 0.5 percent of the Florida market based on premiums written shall not have to file any report required by subsection (2) other than a report indicating its percentage of the market share. That percentage shall be calculated by dividing the current premiums written by the preceding year's total premiums written in the state for that line of insurance.~~

Section 14. Section 628.8011, Florida Statutes, is created to read:

628.8011 Group capital calculation reports.—

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

(a) "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC, as amended from time to time, in accordance with the procedures adopted by the NAIC if the methodology remains substantially consistent.

(b) "Groupwide supervisor" means the regulatory official authorized to engage in conducting and coordinating groupwide supervision activities who is determined or acknowledged by the commissioner to have sufficient contacts with an internationally active insurance group. As used in this paragraph, the term "internationally active insurance group" means an insurance holding company system that includes an insurer registered under

s. 628.801(1) and that meets all of the following criteria:

1. An insurer within the insurance holding company system writes premiums in at least three countries.

2. The percentage of gross premiums written outside of the United States is at least 10 percent of the insurance holding company system's total gross written premiums.

3. Based on a 3-year rolling average, the total assets of the insurance holding company system are at least $50 billion or the total gross written premiums of the insurance holding company system are at least $10 billion.

(2) Except as provided in paragraph (a), the ultimate controlling person of every insurer subject to registration under s. 628.801 must concurrently file with the registration an annual group capital calculation report on or before April 1. The report must be completed in accordance with the group capital calculation instructions, which permit the office to allow a controlling person who is not the ultimate controlling person to file the group capital calculation report. The report must be filed with the lead state regulator of the insurance holding company system as determined by the office in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC.

(a) The following insurance holding company systems are exempt from filing a group capital calculation report:

1. An insurance holding company system that has only one

insurer within its holding company structure, is licensed and writing business only in its domestic state, and does not assume business from any other insurer.

2. An insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The office shall request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board cannot share the calculation with the office, the exemption under this paragraph does not apply to the insurance holding company system.

3. An insurance holding company system in which a non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in s. 624.610(4)(a) which recognizes the United States state regulatory approach to group supervision and group capital.

4. An insurance holding company system that meets the following criteria:

a. It provides information to the lead state that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly, through the groupwide supervisor who has determined such information is satisfactory to allow the lead state to comply with the NAIC group supervision approach, as detailed in the Financial Analysis Handbook adopted by the NAIC.

b. A non-United States groupwide supervisor of the insurance holding company system who is not in a reciprocal jurisdiction recognizes and accepts, as specified by the office in regulation, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in such jurisdiction.

(b) Notwithstanding subparagraphs (a)3. and (a)4., the office shall require the group capital calculation report for United States operations of any non-United States-based insurance holding company system in which, after any necessary consultation with other supervisors or officials, it is deemed appropriate by the office for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions provided in subparagraphs (a)1.-4., the office may exempt the ultimate controlling person from filing the annual group capital calculation report or may accept a group capital filing or report in accordance with criteria as specified in paragraphs (e) and (f).

(d) If the office determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation report under subsection (a), the ultimate controlling person must file the group capital calculation report at the next

annual filing date unless the office provides an extension based on reasonable grounds shown.

(e) If an insurance holding company system has previously filed the annual group capital calculation report at least once, the office may exempt the ultimate controlling person from filing the annual group capital calculation report if the office determines based upon the previous filing that the insurance holding company system meets all of the following criteria:

1. It has annual direct and unaffiliated assumed premium, including international direct and assumed premium, of less than $1 billion. For purposes of this subparagraph, premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program are excluded from the annual direct and unaffiliated assumed premium.

2. It does not have insurers within its holding company structure which are domiciled outside of the United States or one of its territories.

3. It does not have a banking, depository or other financial entity that is subject to an identified regulatory capital framework within its holding company structure.

4. It attests that there are no material changes in the transactions between insurers and noninsurers in the group which have occurred since the last filing of the annual group capital calculation report.

5. The noninsurers within the insurance holding company

system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

(f) If an insurance holding company system has previously filed the annual group capital calculation report at least once, the office may accept a limited group capital filing in lieu of the annual group capital calculation report if:

1. The insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, of less than $1 billion. For purposes of this subparagraph, premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program are excluded.

2. The insurance holding company system does not have insurers within its holding company structure who are domiciled outside of the United States or one of its territories.

3. The insurance holding company system does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework.

4. The insurance holding company system attests that there are no material changes in transactions between insurers and noninsurers in the group which have occurred since the last filing of the report to the office and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

(g) If an insurance holding company system that has

previously had an exemption with respect to the group capital calculation report under paragraph (e) or paragraph (f), the office may require at any time the ultimate controlling person to file an annual group capital calculation report, completed in accordance with the group capital calculation instructions, if any of the following criteria are met:

1. An insurer within the insurance holding company system is in a risk-based capital action level event as set forth in s. 624.4085 or a similar standard for a non-United States insurer.

2. An insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in a hazardous financial condition as provided in s. 624.805.

3. An insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the office based on unique circumstances including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

(h) The office shall establish by rule criteria for satisfying when a non-United States jurisdiction is considered to "recognize and accept" the group capital calculation report.

(i) The office must publish on its website a list of non-United States jurisdictions that "recognize and accept" the group capital calculation report.

(j) The commission may adopt rules for filing the annual

group capital calculation report in accordance with the Insurance Holding Company System Regulatory Act of the NAIC and the Insurance Holding Company System Model Regulation of the NAIC, as adopted in December 2020.

Section 15. Section 628.8012, Florida Statutes, is created to read:

628.8012 Liquidity Stress Test Framework.—

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

(a) "Liquidity Stress Test Framework" means the NAIC Liquidity Stress Test Framework for Life Insurers Meeting the Scope Criteria, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year. The term includes amended versions of these documents if the methodology remains substantially consistent.

(b) "Scope criteria" means the designated exposure bases along with minimum magnitudes thereof for the specified data year used to establish a preliminary list of insurers considered scoped into the Liquidity Stress Test Framework, and as amended if the methodology remains substantially consistent, for that data year.

(c) "Scoped" means meeting at least one threshold of the scope criteria and being subject to the requirements of the Liquidity Stress Test Framework.

(2)(a) The ultimate controlling person of every insurer

subject to registration and also scoped into the Liquidity Stress Test Framework shall annually file the results of a specific year's liquidity stress test on or before April 1. The results must be filed with the office as the lead state regulator of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

(b) Scoped insurers are exempt from the requirement under paragraph (a) if the office, in consultation with the NAIC Financial Stability Task Force or its successor, determines the insurer should not be scoped into the Liquidity Stress Test Framework for that data year.

(c) The performance of, and filing of the results from, a specific year's liquidity stress test must comply with the Liquidity Stress Test Framework's instructions and reporting templates for that year and any office determinations, in conjunction with the NAIC Financial Stability Task Force or its successor, provided within the Liquidity Stress Test Framework.

(d) The office may adopt rules for filing the results of the liquidity stress test in accordance with the Insurance Holding Company System Regulatory Act of the NAIC and the Insurance Holding Company System Model Regulation of the NAIC, as adopted in December 2020.

Section 16. Section 628.8013, Florida Statutes, is created to read:

628.8013 Rebuttal of materially false statements.—

(1) The group capital calculation report and resulting group capital ratio and the liquidity stress test, as provided in s. 628.8012, along with its results and supporting disclosures required under this section are regulatory tools for assessing group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

(2) Any representation or statement by any insurer, broker, or other person engaged in any manner in the business of insurance is prohibited with regard to an insurer's or insurer's group's:

(a) Group capital calculation report.

(b) Group capital ratio.

(c) Liquidity stress test results.

(d) Supporting disclosures for the liquidity stress test.

(e) Any component derived in the group capital calculation.

(3) If a representation or statement prohibited under subsection (2) is published in a written publication and if the insurer can demonstrate to the office with substantial proof the falsity or inappropriateness, as the case may be, of such representation or statement, the insurer may publish announcements in a written publication if the sole purpose of the announcement is to rebut the materially false representation

or statement.

Section 17. Section 629.53, Florida Statutes, is created to read:

629.53 Application for registration to operate as an attorney in fact.—

(1) It is unlawful for any person to operate as an attorney in fact of a reciprocal insurer without first having obtained a registration from the office.

(2) The application for an attorney in fact registration must be made, under oath, to the office by the applicant on a form prescribed by the commission. The office may not require an applicant to pay a fee for the registration or for filing an application for such registration.

(3) In the application, the applicant must provide all of the following information:

(a) All basic organizational documents, and any amendments to such documents, of the applicant dated within the last year and appropriately certified.

(b) The bylaws, rules, and regulations or similar documents regulating the conduct of the internal affairs of the applicant, other applicable documents, and all amendments to those documents, dated within the last year and appropriately certified.

(c) A copy of the most recent financial statement of the applicant, verified under oath by at least two of the

applicant's principal officers.

(d) A detailed plan of operation.

(e) An e-mail address at which the applicant agrees to accept electronic service from the office.

(f) The background information specified in s. 629.227 for each individual who is responsible for the conduct of the applicant's affairs, including, but not limited to, any manager, member, member of a board of directors, board of trustees, executive committee, or other governing board or committee and any other person or entity owning or having the right to acquire 10 percent or more of the voting securities or ownership interest of the applicant.

(g) Any other information as the office reasonably requires.

(4) Upon the filing of a sworn application, the office must investigate each applicant and may issue the applicant a registration if the office finds that the applicant:

(a) Is competent and trustworthy and intends to act in good faith in the business authorized by the registration for which the applicant applied.

(b) Has management that has a good business reputation and has had experience, training, or education that qualifies the applicant to conduct the business authorized by the registration for which the applicant applied.

(c) Has a business plan that is consistent with the

interests of potential insureds and the public.

Section 18. Section 629.54, Florida Statutes, is created to read:

629.54 Registration expiration; renewal.—Each registration for an attorney in fact issued under this chapter automatically renews on March 1 of each year, provided the attorney in fact remains qualified under this chapter. The office may not require an attorney in fact to pay a fee for the renewal of the registration.

Section 19. Section 629.55, Florida Statutes, is created to read:

629.55 Grounds for denial, suspension, or revocation of registration.—The office may deny, suspend, revoke, or refuse to renew the registration of an attorney in fact if the office determines that the attorney in fact:

(1) Has violated any lawful rule or order of the commission or office or any applicable provision of the insurance code.

(2) Has used or is using methods or practices in the conduct of its business which render its further transaction of business in this state hazardous or injurious to insured persons or the public.

(3) Has refused to be examined or to produce its accounts, records, and files for examination, or if any of its officers, or persons in similar positions, have refused to give

information with respect to its affairs or has refused to perform any other legal obligation as to such examination when required by the office.

(4) Is or was affiliated with and under the same general management or interlocking directorate or ownership as another attorney in fact who transacts business in this state without having a registration required by this chapter.

(5) At any time fails to meet any qualification for which issuance of the registration could have been refused had such failure then existed and been known to the office.

(6) Is under suspension or revocation in this or any other state for any license relating to the business of insurance which the attorney in fact holds.

(7) A proceeding for receivership, conservatorship, rehabilitation, or other delinquency proceeding regarding the attorney in fact, or an insurer with which the attorney in fact has a contractual relationship, has been commenced in any state.

(8) The financial condition or business practices of the attorney in fact otherwise pose an imminent threat to the health, safety, or welfare of the residents of this state.

Section 20. Section 629.56, Florida Statutes, is created to read:

629.56 Order of suspension or revocation of registration; notice.—

(1) The suspension or revocation of a registration of an

attorney in fact is effected by order of the office when such order is mailed to the attorney in fact by registered or certified mail and sent electronically to the e-mail address maintained by the attorney in fact with the office for such purpose.

(2) The office may publish notice of any such revocation or suspension in one or more newspapers of general circulation published in this state.

Section 21. Section 629.57, Florida Statutes, is created to read:

629.57 Period of suspension; obligations during suspension; reinstatement.—

(1) The registration of an attorney in fact is suspended for the time period provided in the order of suspension, which may not exceed 1 year, unless such suspension or the order upon which the suspension is based is modified, rescinded, or reversed.

(2) Upon expiration of the suspension period, the registration is automatically reinstated as long as the registration has not otherwise terminated, unless the reasons for the suspension have not been remedied.

Section 22. Section 629.58, Florida Statutes, is created to read:

629.58 Administrative fine in lieu of suspension, revocation, or nonrenewal.—

(1) If the office finds that one or more grounds exist for the suspension, revocation, or nonrenewal of the registration of an attorney in fact issued under this chapter, the office may, in lieu of suspension or revocation, impose a fine upon the attorney in fact.

(2) With respect to any nonwillful violation, the office may impose a fine upon the attorney in fact in an amount up to $5,000 for each violation. However, a fine may not exceed an aggregate amount of $50,000 for all nonwillful violations arising out of the same action.

(3) With respect to any knowing and willful violation, the office may impose a fine upon the attorney in fact in an amount up to $25,000 for each violation. However, a fine may not exceed an aggregate amount of $250,000 for all knowing and willful violations arising out of the same action.

(4) With respect to a knowing and willful violation of a lawful order or rule of the office or commission or of a provision of this code during a period in which the Governor declared a state of emergency pursuant to s. 252.36, the office may impose a $200,000 fine upon an attorney in fact for each violation, up to an aggregate amount of $1 million for all knowing and willful violations arising out of the same action relating to a covered loss or claim caused by the emergency.

(5) A fine imposed by the office on the attorney in fact may not be borne by the insurer.

Section 23. Subsection (1) of section 634.141, Florida Statutes, is amended to read:

634.141 Examination of companies.—

(1) Motor vehicle service agreement companies licensed under this part may be subject to periodic examination by the office in the same manner and subject to the same terms and conditions as apply to insurers under part II of chapter 624. The office is not required to conduct periodic examinations pursuant to this section, but may examine a service agreement company at its discretion. An examination conducted pursuant to this section may cover a period of only the most recent 5 years. The costs of examinations conducted pursuant to ss. 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10 percent of the companies' reported net income for the prior year. The commission may by rule establish provisions whereby a company may be exempted from examination.

Section 24. Section 634.314, Florida Statutes, is amended to read:

634.314 Examination of associations.—Home warranty associations licensed under this part may be subject to periodic examinations by the office, in the same manner and subject to the same terms and conditions as apply to insurers under part II of chapter 624 of the insurance code. The office is not required to conduct periodic examinations pursuant to this section, but may examine a home warranty company at its discretion. An

examination conducted pursuant to this section may cover a period of only the most recent 5 years. The costs of examinations conducted pursuant to ss. 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10 percent of the companies' reported net income for the prior year.

Section 25. Subsection (1) of section 634.416, Florida Statutes, is amended to read:

634.416 Examination of associations.—

(1) Service warranty associations licensed under this part may be subject to periodic examination by the office, in the same manner and subject to the same terms and conditions that apply to insurers under part II of chapter 624. The office is not required to conduct periodic examinations pursuant to this section, but may examine a service warranty company at its discretion. An examination conducted pursuant to this section may cover a period of only the most recent 5 years. The costs of examinations conducted pursuant to ss. 624.316(2)(e) and 624.3161(4) ~~ss. 624.316(2)(e) and 624.3161(3)~~ may not exceed 10 percent of the companies' reported net income for the prior year.

Section 26. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/HB 1263 by Rep. Chaney
Office of Insurance Regulation

AMENDMENT SUMMARY
February 26, 2026

Amendment #225893 by Rep. Hunschofsky (line 231):

- Removes a provision that allows OIR to conduct market conduct examinations on administrators, which include pharmacy benefit managers (PBMs).

Amendment #108955by Rep. Chaney (line 332):

- Removes legislative intent language.
- Clarifies which persons are required to submit fingerprints to OIR.

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 Hunschofsky offered the following:

Amendment (with title amendment)

Remove line 231 and insert:

organization, ~~each~~ group, association, carrier~~,~~

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

Remove lines 17-18 and insert:

624.3161, F.S.;

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 Chaney offered the following:

Amendment (with title amendment)

Remove lines 332-410 and insert:

Section 6. Section 624.341, Florida Statutes, is created to read:

624.341 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons applying to the Office of Insurance Regulation.—

(1) The Department of Law Enforcement must accept fingerprints from key managerial personnel with the ultimate authority of the financial and operational decisions of the entities licensed, certified, registered, or holding a certificate of authority under the Florida Insurance Code. This

section applies to the following persons as required by the office:

(a) Incorporators, stockholders, and attorneys in fact under ss. 624.404(3)(c), 632.638(3), 641.22(6)(c), and 629.091(2).

(b) Individuals responsible for the management of and conduct of the management of an arrangement including all trustees, officers, and directors under s. 624.439(2).

(c) Individuals employed or retained by an administrator who are responsible for the conduct of the affairs of the administrator, including members of the board of directors, board of trustees, executive committee, other governing board or committee, and the principal officers in the case of a corporation or the partners or members in the case of a partnership or association of the administrator under s. 626.8805(2)(c).

(d) Individuals who are responsible for a viatical settlement provider's affairs including but not limited to any member of the viatical settlement provider's board of directors, board of trustees, executive committee, or other governing board or committee and any other person or entity owning or having the right to acquire ten percent or more of the voting securities of the viatical settlement provider under s. 626.9912(3)(d).

(e) Managers of a company under ss. 627.829(1), 627.832(1)(g) and (j).

(f) Directors, officers, trustees, or other natural persons performing duties similar to those of a director, officer, or trustee for the corporation, association, or trust under s. 628.461(3)(a).

(g) Directors, officers, trustees, partners, owners, managers, or joint venturers, or others performing functions similar to those of a director, officer, or trustee under s. 628.4615(5)(a)7.

(h) Managers of a company under ss. 634.041(2), 634.304(2), and 634.404(2).

(i) Members of the board of directors, board of trustees, executive committee, other governing board or committee, officers, contracted management company personnel, and any other person or entity owning or having the right to acquire ten percent or more of the voting securities under ss. 636.008(3) and 636.204(2)(c).

(j) Persons who are to be responsible for the conduct of the affairs of a clinic including all members of the governing body, the officers and directors in the case of a corporation, and the partners or associates in the case of a partnership or association under s. 641.405(2)(c).

(k) All natural persons who are directors and officers, and each shareholder who owns or controls ten percent or more of the shares of the corporation under ss. 642.021, and 642.032.

(1) Members, shareholders, and persons in charge of providing care under a certificate of authority subject to s. 651.022(2)(c).

(2) The Department of Law Enforcement shall accept and process fingerprints of individuals identified by the office within subsection (1).

(3) Each person required to submit fingerprints to the office, must provide a full set of fingerprints to the office or to a vendor, an entity, or an agency authorized by s. 943.053(13). The office, vendor, entity, or agency shall forward the fingerprints to the Department of Law Enforcement for state processing, and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for national processing. Fees for state and federal fingerprint processing must be borne by the person submitting the fingerprints. The state cost for fingerprint processing is as provided in s. 943.053(3)(e).

(4) The Department of Law Enforcement may, to the extent provided by federal law, exchange any state or national criminal history records with the office for the purpose of issuance or continuation of a certificate of authority, certification, registration, or license to operate in this state.

(5) Fingerprints must be submitted in accordance with rules adopted by the commission.

(a) Fingerprints may be submitted through a third-party vendor authorized by the Department of Law Enforcement.

(b) The Department of Law Enforcement shall conduct the state criminal history background check, and a federal criminal history background check shall be conducted through the Federal Bureau of Investigation.

(c) All fingerprints submitted to the Department of Law Enforcement must be submitted and entered into the statewide automated fingerprint identification system established in s. 943.05(2)(b) and available for use in accordance with s. 943.05(2)(g) and (h).

(d) The costs of fingerprint processing, including the cost of retaining the fingerprints, must be borne by the person subject to the background checks.

(e) The office shall review the results of the state and federal criminal history background checks and determine whether the applicant meets the requirements for the certificate of authority, certification, registration, or license to operate in this state.

(6) Statewide criminal records obtained through the Department of Law Enforcement, federal criminal records obtained through the Federal Bureau of Investigation, and local criminal records obtained through local law enforcement agencies must be used by the office for the purpose of issuance, denial, suspension, or revocation of certificates of authority,

115 certifications, registration, or licenses issued to operate in
116 this state.
117
118 ----------
119 **T I T L E A M E N D M E N T**
120 Remove lines 20-23 and insert:
121 Conduct Examiners Handbook; creating s. 624.341, F.S.;
122 requiring the Department of Law Enforcement to accept
123 and process fingerprints taken of certain persons;
124 providing applicability;

CS/HB 1291

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 1291	**COMPANION BILL:** SB 1668 (Burton)
TITLE: Florida Birth-Related Neurological Injury Compensation Association	**LINKED BILLS:** None
SPONSOR(S): Anderson	**RELATED BILLS:** None

Committee References

Insurance & Banking	➤	State Administration Budget	➤	Commerce
17 Y, 0 N		11 Y, 0 N, As CS		

SUMMARY

Effect of the Bill:
The bill amends operational and financial requirements for the Florida Birth-Related Neurological Injury Compensation Association ("NICA"), codifies current benefit policies, and increases access to psychotherapy providers. It requires continuous comprehensive major medical health coverage for the participant or enrollment in Medicaid, if eligible, and requires the Birth-Related Neurological Injury Compensation Plan ("Plan") to cover a participant's premiums and out-of-pocket costs. The bill requires NICA to compensate the Medicaid program for services furnished to Plan participants. The bill authorizes NICA to recoup overpaid expenses from family members via an administrative proceeding.

The bill revises NICA financial oversight by establishing timelines for existing provider assessments to ensure timely collection, requiring NICA to perform actuarial soundness analyses, revising requirements for management of Plan assets and liabilities, revising the actuarial valuation review process conducted by the Office of Insurance Regulation ("OIR"), restructuring the remedies available to OIR for addressing potential financial unsoundness of NICA, and increasing the limit on the fund transfer by OIR required for instances of inadequate cash flow.

Fiscal or Economic Impact:
The bill may have an indeterminant savings for the private sector.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill makes several changes to the governing framework of the Florida Birth-Related Neurological Injury Compensation Association ("NICA"), relating to the petition process, Medicaid payments, compensation awards, and financial solvency.

Definitions
The bill defines "participant" to mean "the person who suffered a birth-related neurological injury as an infant and who accepted compensation under the plan by final order entered by an administrative law judge pursuant to s. 766.309, F.S." (Section 2).

The bill replaces the terms "infant" and "child" with "participant." According to NICA, 40% of its participants are adults.[1] (Sections 3, 6, and 8).

[1] Email from Hilary Brazzell, External Affairs Manager, Florida Birth-Related Neurological Injury Compensation Association, NICA Information (Jan. 28, 2026).

The bill revises the definition of "claimant" to mean any person who files a claim, regardless of whether they're seeking compensation or not. It also substitutes the term "injuries" for "injury claims." The bill also removes references to "compensation" from the petition filing process, allowing claimants who are neither the participant nor a family member of the participant to file a petition with the Division of Administrative Hearings (DOAH). (Sections 2, 3, and 4).

Medicaid and Health Care Coverage for the Participant

The bill authorizes the Agency for Health Care Administration ("AHCA") to recover the full amount of all medical assistance provided by Medicaid on behalf of recipients to the full extent of third-party benefits, including incurred costs of NICA plan participants. (Section 1).

The bill requires NICA to reimburse AHCA for fee-for-service[2] claims and capitation payments[3] for participants enrolled in Medicaid, as well as for the payment of administrative and support costs associated with the provision of the Medicaid services. (Section 6).

The bill requires a family member to continuously maintain comprehensive major medical health coverage for the participant. A family member must obtain insurance coverage within 60 days after an administrative law judge enters a final order approving a claim for compensation or apply for Medicaid coverage within 30 days after entry of such order. If the participant is ineligible for Medicaid, the family member must obtain other coverage within 60 days after receipt of a Medicaid denial. A family member of an individual who is a participant on June 30, 2026, must obtain the required coverage for the participant by January 1, 2027. (Section 6).

Compensation Awards

The bill revises the types of compensation of actual expenses for medically necessary care or services an administrative law judge may award. The bill provides the following changes in benefits:

- Codifies coverage of medically necessary dental services.
- Expands coverage of behavioral health services for the participant's family. It adds coverage for psychotherapeutic services for any relative who resided with the participant, rather than only the father, mother, or legal guardians.
    - Such relatives will share in the aggregate annual benefit of $10,000 currently allotted for psychotherapeutic services for immediate family members. In addition, the bill expands the providers covered to include psychiatrists and psychotherapists who maintain equivalent licensure in another jurisdiction.
- Codifies coverage for legal costs associated with establishing and maintaining guardianship for a participant.
- The bill expands the type of vehicles covered to include vehicles rather than just vans.
- Clarifies the coverage of housing assistance benefit of up to $100,000 for the life of the participant includes, but is not limited to, a down payment on a new home, and moving expenses. Currently, this benefit includes home construction and modification costs.
- Requires NICA to reimburse plan participants for the payment of major medical health insurance coverage, which includes the premium and any out-of-pocket expenses incurred by the participant.
- Clarifies that NICA will not provide compensation for professional custodial care provided by a family member while such care is being provided by another person or entity or the family member is being compensated from another source of work during the same time for which compensation is sought from NICA. (Section 6).

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[2] The Medicaid fee-for-service model is the one in which doctors and other providers are paid directly by the state for each service provided to the patient. *See* HealthCare.gov, *Fee for Service*, https://www.healthcare.gov/glossary/fee-for-service/ (last visited Feb. 17, 2026).

[3] The Medicaid capitated model is one in which the state pays health plans a set rate for each enrollee. *See* Centers for Medicare & Medicaid Services, *Capitated Model*, https://www.cms.gov/medicaid-chip/medicare-coordination/financial-alignment/capitated-model (last visited Feb. 17, 2026).

The bill provides that in the case that NICA believes an overpayment was made and the family member disputes that an overpayment has occurred, NICA is authorized to file a petition for DOAH review of an overpayment for a determination of the amount, if any, to be recouped by NICA. (Section 6).

Financial Soundness of NICA

Current law requires NICA to estimate the present value of the total cost of a claim within 60 days after a claim is filed and to update these estimates quarterly based on the actual costs incurred by NICA. The bill requires NICA to submit these quarterly estimates to the Office of Insurance Regulation ("OIR") within 10 business days after completion. (Section 7).

The bill also requires NICA to calculate whether the plan is actuarially sound after the completion of its quarterly revisions of claims estimates. The bill defines "actuarily sound" as the total plan assets available to fund future liabilities being equal to or greater than 90 percent of the present value of total estimated liabilities excluding any risk margin. This term is used in the NICA provisions; however, it is currently not defined. (Section 2).

The bill defines "risk margin" as "an additional, explicit allowance above the best-estimate reserve to reflect uncertainty in future claim payments, including variation in claimant life expectancy and the number and cost of pending or unreported claims. The risk margin is not included in the reserve amount used to calculate the funding ratio." (Section 2).

If NICA determines the plan is not actuarially sound, NICA must immediately notify OIR. Then, OIR must review NICA's calculations and, within 60 days after NICA's notification, determine whether to initiate an actuarial valuation, and notify NICA of its determination. OIR must, at a minimum, make its determination based on the degree to which NICA's calculations indicate that the plan is not actuarially sound, the direction and consistency of recent trends in the calculations of the plan's actuarial soundness, and the length of time since the most recent actuarial analysis conducted by OIR and until the next biennial valuation. OIR must initiate such actuarial valuation within 30 days after its determination there is a need for a valuation. (Section 7).

The bill requires OIR to make an actuarial valuation as provided upon calculation and notification by NICA that the plan is not actuarially sound, in addition to the current requirement that OIR biennially review NICA's actuarial valuation. (Section 7).

The valuation by OIR must be based on the assets and liabilities of the plan for the calendar year before the year in which the actuarial valuation is due. Further, OIR must determine whether the plan has adequate estimated cash flows for the following fiscal year, whether, based on actuarial valuation, the plan is actuarially sound, and if not, whether the plan is likely to return to actuarial soundness before the next biennial review. (Section 7).

The bill limits the assessments imposed by OIR on certain casualty insurers[4] if the Plan is not actuarially sound. The assessments must generate a total amount no greater than the amount required to achieve actuarial soundness of the plan within five years after the date of the order imposing the assessments. Additionally, the assessments may not extend five years after the date of the order. (Section 7).

The bill requires that if NICA finds that the plan is not actuarially sound and the insurer assessments and hospital and physician assessments are insufficient to achieve actuarial soundness of the plan, NICA must within 60 days of such finding, notify the Governor, the President of the Senate, the Speaker of the House of Representatives, and OIR. If NICA issues the notice, it may not accept any new claims without express authority from the Legislature. However, this provision does not preclude NICA from accepting any claim if the injury occurred 18 months or more before the effective date of the claim suspension.

[4] These assessments apply to insurers writing liability insurance, malpractice insurance, and miscellaneous casualty insurance. *See* ss. 766.314(5) and 624.605, F.S.

Under current law, for the 2025-2026 fiscal year, NICA is authorized to accept new claims during the fiscal year if the total current estimates exceed 100 percent of the funds on hand and the funds that will be available to NICA within the next 12 months. (Section 7).

The bill does not make changes to the amount paid by hospitals and physicians as annual assessments. (Section 7).

Effective Date

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

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

OIR may experience workload increases related to the bill's more rigorous, actuarial, approach to NICA financial oversight. OIR can absorb these costs within existing resources.

PRIVATE SECTOR:

The bill may have an indeterminate economic impact on the private sector. The bill may have an indeterminate impact on obstetricians' malpractice premiums and on patients' medical costs to the extent that the bill may preserve the current obstetrics tort environment.

Additionally, the bill expands certain benefits to NICA participants, which will assist parents, other family members, and legal guardians in funding medical and legal expenses and other necessary services for the care of plan participants.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Birth-Related Neurological Injury Compensation Association (NICA).

In 1988, the Legislature established the Florida Birth-Related Neurological Injury Compensation Plan (Plan) to provide compensation, on a no-fault basis, for a limited class of catastrophic birth-related neurological injuries that result in unusually high costs for custodial care and rehabilitation. The Legislature ventured to design the Plan to stabilize and reduce malpractice insurance premiums for OB/GYNs.[5] To manage the Plan, the Legislature created the Florida Birth-Related Neurological Injury Compensation Association (NICA).[6]

Petition Process

DOAH Jurisdiction

A recent opinion from the First District Court of Appeal (DCA) put at issue whether DOAH has jurisdiction over claims involving parents or legal guardians who assert that they do not seek compensation under the plan and assert that they are not "claimants" as the term is currently defined in the NICA statutes.[7] That opinion was subsequently withdrawn by the First DCA.[8] NICA has expressed concerns that while the opinion was not binding, the issue of whether an ALJ has jurisdiction to enter a Final Order in a case in which a NICA claimant is not seeking compensation from the plan may be affirmatively raised in future proceedings.[9]

[5] Ss. 766.301 and 766.303(1), F.S.
[6] *See* s. 766.302(1), F.S.
[7] *Shands Jacksonville Medical Center, Inc. v. Chavez*, 2024 WL 5059326 (Fla. 1st DCA 2024).
[8] *Shands Jacksonville Medical Center, Inc. v Chavez*, 416 So.3d 1226 (Fla. 1st DCA 2025).
[9] NICA, *HB 1291/SB 1668 Florida Birth-Related Neurological Injury Compensation Association Summary and Analysis*, at 9, January 8, 2026.

Claim Adjudication

A prospective plaintiff must exhaust all administrative remedies at the Division of Administrative Hearings (DOAH)[10] before he or she may pursue medical malpractice litigation for a birth-related neurological injury. Current law vests the presiding administrative law judge (ALJ) with exclusive original jurisdiction to hear claims filed for birth-related neurological injury compensation under the Plan.[11] The ALJ makes a determination of whether a claim is compensable. To this end, the ALJ considers all available evidence related to the nature of the injury alleged as well as the immediate circumstances surrounding the alleged injury.[12]

Adjudication

If the ALJ determines a claim is compensable, meaning the infant sustained a birth-related neurological injury and that obstetrical services were delivered by an attending or supervising participating physician at the infant's birth, current law requires the ALJ to make an award providing compensation.[13]

If the ALJ determines a claim is compensable, the rights and remedies granted by the Plan on account of a birth-related neurological injury become the exclusive remedy, which means the successful claimant is barred from pursuing a medical malpractice claim against any person or entity directly involved with the labor, delivery, or immediate postdelivery resuscitation during which a birth-related neurological injury occurs.[14],[15] In addition, an award may not be rendered if the claimant recovers under a settlement or a final judgment in a civil action.[16]

If the ALJ determines a claim is not compensable, current law authorizes him or her to file a medical malpractice lawsuit.[17]

Awards Approved without a Determination

After a claimant files a petition for claim under the Plan, DOAH serves the Florida Birth-Related Neurological Injury Compensation Association (NICA) with a copy of the petition.[18] After its own independent review, NICA may accept the claim for compensation and ask the ALJ to approve the claimant's claim as compensable. The ALJ may, without determining whether the claim is compensable, approve such claim as compensable.[19] If the claimant accepts an award under the Plan benefits, current law precludes the claimant from bringing or continuing a medical malpractice lawsuit.[20]

Compensation Awards

Lifetime Benefits

Once an ALJ determines a child is eligible under the Plan, the child is covered for life, and no other compensation from a medical malpractice lawsuit or settlement is available. Instead, there are lifetime benefits and care available through the Plan, which include actual expenses for:[21]

- medical and hospital services;
- habilitative services and training;
- family residential or custodial care;

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[10] DOAH is housed within the Florida Department of Management Services.
[11] Ss. 766.304, and 766.305(1), F.S. A claimant may appeal a DOAH order to the District Court of Appeal. S. 766.311, F.S.
[12] S. 766.309, F.S.
[13] S. 766.31(1), F.S.
[14] S. 766.304, F.S.
[15] However, current law does permit plaintiffs to bring a civil action in cases where there is clear and convincing evidence of bad faith, malicious purpose, or willful and wanton disregard of human rights, safety, or property. S. 766.303(2), F.S.
[16] S. 766.304, F.S.
[17] S. 766.304, F.S. Current law tolls the five-year statute of limitations period for birth-related neurological injury administrative claims pending or on appeal. S. 766.306, F.S. *See* s. 766.313, F.S.
[18] S. 766.305(2), F.S.
[19] S. 766.305(7), F.S.
[20] S. 766.304, F.S.
[21] S. 766.31, F.S.

- professional residential care;
- medications;
- special equipment and facilities; and
- related travel expenses.

At a minimum, immediate family members who reside with the covered child are entitled to a total annual benefit of $10,000, to be shared amongst themselves, for psychotherapeutic services obtained from licensed psychologists and psychotherapists.[22]

For the life of the covered child, the Plan must also provide the child's parents or legal guardians with a reliable method of transportation, accounting for the special accommodations required for the covered child regardless of the child's age or weight.[23] In addition, the Plan must fund home construction and modification costs, which current law caps at a lifetime limit of $100,000 in housing assistance.[24]
Current law limits actual expenses to the reasonable prevailing charges within the community for similar treatment of injured persons when the injured person pays for the treatment. The parents or legal guardians may dispute the amount of actual expenses reimbursed or the denial of reimbursement by filing a petition with DOAH.[25]

Intermittent Benefits
The Plan may also provide:

- Periodic payments or a lump sum cash award as determined by the ALJ to the infant's parents or guardians, not to exceed $250,000.[26]
- A $50,000 death benefit for the infant.
- Compensation for reasonable expenses incurred for filing the claim, including attorney's fees.[27]

Current law requires the Plan to immediately pay expenses previously incurred at the time the ALJ awards compensation, and future expenses as they are incurred.[28]

In 2025, NICA incurred $143,129,789 in claims; in 2024, NICA incurred $189,722,125 in claims.[29]

Medicaid Third-Party Payer Liability

The Plan does not reimburse or pay expenses that might otherwise be covered by insurance or any private or governmental programs, unless such exclusion is prohibited by federal law.[30] Many children with birth-related injuries are either covered by programs such as Children's Medical Services or Medicaid. Under current state and federal law, Medicaid is the payor of last resort for medically necessary goods and services furnished to Medicaid recipients; therefore, current law prohibits NICA from shifting covered costs onto Medicaid.[31]

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[22] S. 766.31(1)(a), F.S.
[23] S. 766.31(1)(a), F.S.
[24] S. 766.31(1)(a), F.S.
[25] S. 766.31(1)(c), F.S.
[26] This one-time award is in addition to the other recoverable lifetime expenses. Each January 1st, the award cap authorized in current law will increase by 3 percent. As of January 1, 2026, this one-time cash award cap is $289,818.51.
[27] S. 766.31(1)(d), F.S.
[28] S. 766.31(2), F.S.
[29] THF Certified Public Accountants, *Florida Birth-Related Neurological Injury Compensation Association: Years ended June 30, 2025 and 2024 with Report of Independent Auditors*, at 6 (Sept. 9, 2025) https://nica.com/wp-content/uploads/2025/09/Audited-Financial-Statements-06-30-2025.pdf (last visited Jan. 9, 2026).
[30] S. 766.31(1)(b), F.S.
[31] S. 409.910, F.S. (which may be cited as the "Medicaid Third-Party Liability Act"); 42 C.F.R. § 433.136; 42 U.S.C. § 1396a.

In 2022, NICA entered into a settlement agreement with the United States to resolve a lawsuit[32] which alleged that NICA held itself out as the payer of last resort for Plan expenses and submitted false reimbursement claims to Medicaid in violation of the federal False Claims Act.[33] The settlement agreement declares that it does not constitute an admission of liability by NICA nor a concession by the United States that its claims are not well founded.[34] NICA paid $51 million plus interest to the federal government to settle the suit.[35]

In July 2025, AHCA and NICA formalized an interagency agreement to coordinate payment for Medicaid services for individuals dually enrolled in Medicaid and the Plan, with the Plan being the primary payor for services rendered. NICA reimburses AHCA for managed care capitation rate payments and fee-for-service payments made. AHCA is currently seeking an average of $11.5 million for state fiscal years 2022-2023 through 2024-2025 in reimbursable expenses from NICA.[36]

Financial Soundness of NICA

Provider Assessments

Provider assessments primarily finance the Plan, and the Legislature may appropriate additional funds to Plan.[37] NICA holds assessment deposits and must use all funds and income collected solely for making benefit disbursements under the Plan and for reasonable administrative expenses.[38] Currently, the Plan is funded by assessments from hospitals and physicians. In 2025, NICA collected $38,012,647 in hospital and physician assessments; in 2024, NICA collected $37,945,268.[39]

Hospitals

Each hospital licensed under Chapter 395 must pay an annual assessment of $50 per infant delivered during the previous calendar year.[40] However, infants born to a charity patient[41] or to a patient for whom the hospital receives Medicaid reimbursement must not be included in the annual assessment, provided that the sum of the annual charges for charity patients plus Medicaid patients exceeds 10 percent of the hospital's total annual gross operating revenues.[42]

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[32] *U.S. ex. rel. Arven v. The Florida Birth-Related Neurological Injury Compensation Association, et al.*, No. 0:19-cv-61053 (S.D. Fla. 2019) and No. 20-13448 (11th Cir. 2022).

[33] The federal False Claims Act allows the federal government to pursue perpetrators of fraud against government programs, including its authorization of private citizens to file civil suits on behalf of the United States. Successful litigants receive a portion of the government's recovery. Civil Division, "The False Claims Act," *U.S. Department of Justice* (updated Jan. 15, 2025) https://www.justice.gov/civil/false-claims-act (last visited Jan. 9, 2026). *See* 31 U.S.C. §§ 3729-3733.

[34] *U.S. ex. rel. Arven supra* note 35, at 4 (available at https://nica.com/reports/medicaid-settlement/) (last visited Jan. 9, 2026).

[35] *Id*.

[36] AHCA, *Agency Bill Analysis for HB 1291* (2026), at 2 (Jan. 13, 2026) http://abar.laspbs.state.fl.us/ABAR/Attachment.aspx?ID=37304 (last visited Jan. 21, 2026).

[37] Ss. 766.314(1) and 766.314(2), F.S.

[38] S. 766.314(3), F.S.

[39] THF Certified Public Accountants, *supra* note 32, at 6.

[40] S. 766.314(5)(a), F.S.

[41] AHCA rule defines a charity care patient as a medically indigent patient whose charges are, in whole or in part, classified according to the Florida Hospital Uniform Reporting System Manual. Rule 59E-5.101(3), F.A.C. *See* s. 766.314(4)(a), F.S.

[42] S. 766.314(4)(a), F.S. Current law makes the hospital responsible for documenting, to NICA's satisfaction, the exclusion of any birth from the computation of the assessment. Upon demonstration of financial need by a hospital, current law authorizes NICA to provide for installment payments of assessments.

Participating Physicians
A participating physician under the Plan is a licensed Florida physician who either practices obstetrics or performs obstetrical services on a full or part-time basis[43] and pays an annual assessment[44] of $5,000 for coverage running January 1st through December 31st.[45] Participating physicians are bound by DOAH rulings, or any appeals of DOAH rulings, with respect to whether a birth-related neurological injury occurred.[46]

If the physician did not pay his or her assessment for the year in which the injury occurred, there is no NICA coverage. Hospitals that allow doctors who do not participate in NICA to deliver babies are subject to multi-million-dollar catastrophic injury lawsuits.[47]

Other Physicians
Current law requires all licensed allopathic or osteopathic physicians, regardless of medical specialty, to pay an annual assessment of $250. This means obstetricians who decline to pay the $5,000 annual assessment for NICA coverage must still pay the $250 assessment.[48]

OIR Assessments
If OIR finds that provider assessments and appropriations from the Insurance Regulatory Trust Fund are not sufficient to maintain the Plan on an actuarily sound basis, then OIR must require each licensed insurer writing liability insurance, malpractice insurance, and miscellaneous casualty insurance to pay into NICA an annual assessment as determined by OIR, which may not exceed 0.25% of the insurer's net direct premiums written.[49] Casualty insurers may recover theses assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.[50]

If OIR finds that the Plan cannot be maintained on an actuarially sound basis based on assessments to providers, appropriations from the Insurance Regulatory Trust Fund, and the special assessments to casualty insurers, then OIR must increase the assessments to providers on a proportional basis as needed.[51]

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[43] The term "participating physician" does not apply to any physician who practices medicine as an officer, employee, or agent of the federal government. S. 766.302(7), F.S.
[44] Current law exempts certain "participating physicians" from paying the annual assessment, including:
- A resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule;
- A retired physician who maintains an active license with the Department of Health;
- A physician who holds a limited license pursuant to s. 458.317 and who is not being compensated for medical services;
- A physician employed full-time by the U.S. Department of Veterans Affairs (VA) and whose practice is confined to VA hospitals;
- A physician in the U.S. Armed Forces and who meets the requirements of s. 456.024;
- A physician employed full-time by the State of Florida and whose practice is confined to state-owned facilities; and
- A physician employed full-time by the Department of Health. S. 766.314(4)(b), F.S.

[45] *See* ss. 766.314(5)(a), 766.314(7)(a), and 766.302(7), F.S. Current law requires the Office of Insurance Regulation to establish the rate of contribution for participating physicians for each tax year. s. 766.314(7)(a). If NICA receives the assessment after January 31 of any calendar year, the physician shall qualify as a participating physician for that calendar year only from the date the payment was received by the association. S. 766.314(5)(a), F.S.
[46] S. 766.309(3), F.S.
[47] Brad Blystone, *A Statutory Primer: Birth-Related Neurological Injury Compensation Act*, Florida Medical Business (March/April 2012), https://marshalldennehey.com/sites/default/files/pdf-articles/O%20243%20by%20B.%20Blystone%20%2803_04.12%29.pdf (last visited Jan. 28, 2026).
[48] Ss. 766.314(4)(b) and 766.314(5)(a), F.S.
[49] S. 766.314(5), F.S.
[50] *Id*.
[51] S. 766.314(7), F.S.

Plan Assets and Liabilities

Current law declares that Plan funds are funds of the State of Florida.[52] Current law requires each person authorized to receive deposits, issue vouchers, or withdraw or otherwise disburse any funds to post a fidelity bond in an amount reasonably sufficient to protect Plan assets.[53] Current law requires the cost of fidelity bonds to be paid from Plan assets.[54]

Current law authorizes NICA to only invest Plan funds in the investment and securities described in s. 215.47, F.S. Investment income are Plan funds. NICA may approve a trust agreement with the State Board of Administration ("SBA"), where the SBA may invest and reinvest Plan funds within the provisions of s. 215.44-215.53.[55]

As of June 30, 2025, NICA's total assets increased by 8.08%, primarily due to an increase in investments, from approximately $1.4 billion to more than $1.5 billion. However, NICA's total liabilities remain greater than its total assets; NICA's total liabilities amount to $1.7 billion for 2025, which increased by almost $100 million from 2024 levels.

This means NICA has a deficit net position of approximately $189.3 million. Notwithstanding this figure, NICA's deficit net position is an improvement from June 30, 2024, where NICA's deficit net position was about $216.6 million. This indicates that, for the moment, the growth in total assets currently exceeds the growth of total liabilities, which was 5.31% year-over-year. The independent auditors of NICA's financial statements attribute the increase is total liabilities to an increase in claim reserves. [56]

The independent auditors' report also notes that the five-year change in average claim size for an open active claim increased from $3.68 million (June 30, 2020) to $5.42 million (June 30, 2025). The average number of open claims increased from 225 to 261. During this same five-year period, NICA's overall claims reserve liability increased by $660.5 million while the annual revenues from assessments only increased by $10.2 million.[57]

Claims Management

Current law requires NICA to estimate the present value of a new claim's total cost within 60 days after a claimant files a claim for a birth-related neurological injury.[58] NICA must revise its initial estimate for a claim each quarter based upon the actual costs incurred and any additional information that becomes available to the association since the last review of such estimate, deducting amounts paid by NICA towards the claim balance.[59]

In the event the total liability of all claim estimates equals or exceeds 100% of the Plan's cash flow, which includes cash-on-hand and all provider assessments received during the next 12-month period, current law prohibits NICA from accepting any new claims for birth-related neurological injuries without express legislative authorization.[60] If this freeze on new claims occurs, NICA must notify the Governor, the Speaker of the House of Representatives, the President of the Senate, OIR, AHCA, and the Department of Health of the claims freeze within the first 30 days.[61]

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[52] S. 766.315(5)(f), F.S.

[53] Current law prohibits withdrawals of funds from the Plan unless NICA authorizes a withdrawal voucher. S. 766.315(5)(a), F.S.

[54] S. 766.315(5)(d), F.S.

[55] S. 766.315(5)(f), F.S.

[56] THF Certified Public Accountants, *supra* note 32 at 5.

[57] THF Certified Public Accountants, *supra* note 32 at 25.

[58] The total cost analysis includes the estimated amount to be paid to the claimant, the claimant's attorney, the attorney's fees of the association incident to the claim, and any other expenses that are reasonably anticipated to be incurred by the association in connection with the adjudication and payment of the claim. NICA factors in the maximum benefits for noneconomic damages. S. 766.314(9)(a), F.S.

[59] S. 766.314(9)(b), F.S.

[60] S. 766.314(9)(c), F.S. Notwithstanding this suspension, current law authorizes NICA to accept new claims as long as the birth-related neurological injury occurred at least 18 months prior to the effective date of the suspension. NICA may also accept all new claims during the 2025-2026 fiscal year if the total of all current estimates exceeds prescribed limits.

[61] S. 766.314(9)(c), F.S.

NICA's quarterly calculation at September 2023 revealed that NICA came within $2 million of breaching the liability-to-cash-flow threshold. The Plan's ratio of assets to liabilities was about 89%, which NICA attributes to a significant loss in market value due to aggressive interest rate hikes by the Federal Reserve in response to inflation during the preceding 17 months.[62]

If the claims freeze precludes a prospective plaintiff from asserting a claim for a birth-related neurological injury against NICA, current law waives his or her requirement to exhaust all administrative remedies with DOAH and NICA before pursuing medical malpractice litigation.[63]

Actuarial Soundness

Current law requires NICA to inform the Legislature of its determination as to the annual cost of maintaining the Plan on an actuarially sound basis.[64] Current law also requires OIR to conduct an actuarial valuation of the Plan's assets and liabilities on a biennial basis.[65] Should a time come when these funds prove insufficient to keep the Plan actuarially sound, current law authorizes OIR to transfer another $20 million from the Insurance Regulatory Trust Fund to the Plan.[66]

In the event the additional $20 million transfer is insufficient to bring the Plan back to actuarial soundness, current law authorizes OIR to levy an annual assessment on licensed casualty insurance carriers, not to exceed 0.25% of its net direct premiums written individually.[67] If OIR finds that NICA cannot maintain the Plan on an actuarially sound basis, current law requires OIR to increase provider assessments on a proportional basis.[68]

In 2024, the Legislature required NICA, in consultation with OIR and AHCA, to provide a report by September 1, 2024, to the Governor, CFO, President of the Senate, and the Speaker of the House of Representatives that recommends how to define actuarial soundness for NICA, how to structure a reporting obligation timeline for actuarial soundness updates, and how to ensure a sufficient revenue level for NICA to maintain actuarial soundness.[69] Pursuant to this directive, NICA recommends that:

- the funding ratio of assets-to-liabilities should be used as a point-in-time measure of actuarial soundness and as a key indicator for revenue increases;
- actuarial soundness accounts for net cash flow;
- NICA posts funding ratios for each quarter on its website to document adherence to reporting timelines;
- NICA requests any increase in provider assessments as a percentage of the reserve requirement in relation to the funding ratio, subject to OIR approval; and
- the casualty insurer assessment becomes the last option for additional Plan revenue.[70]

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[62] NICA, *supra* note 12, at 14, January 8, 2026.
[63] S. 766.314(9)(d), F.S.
[64] S. 766.314(8), F.S.
[65] S. 766.314(7), F.S.
[66] S. 766.314(5)(b), F.S.
[67] S. 766.314(5)(c), F.S. Casualty insurance carriers may recover their initial and annual assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.
[68] S. 766.314(7), F.S.
[69] Ch. 2024-182, Laws of Fla.
[70] NICA, *Report on Actuarial Soundness: September 2024*, at 3 (Sept. 2024) https://nica.com/wp-content/uploads/2025/06/NICA-Report-on-Actuarial-Soundness-%E2%80%93-September-2024-Final.pdf (last visited Jan. 11, 2026).

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/*SENATE* SPONSOR(S)	OTHER INFORMATION
2025	SB 2502 - Implementing the 2025-2026 General Appropriations Act	McClure/ *Hooper*	Became law on July 1, 2025.
2024	CS/CS/HB 1611 - Insurance	Stevenson/ *Trumbull*	Became law on July 1, 2024.
2024	CS/CS/CS/HB 989 - Chief Financial Officer	LaMarca/ *DiCeglie*	Became law on May 2, 2024.
2021	CS/CS/SB 1786 - Florida Birth-Related Neurological Injury Compensation Plan	Koster/ *Book*	Became law on June 21, 2021.

OTHER RESOURCES:

2025 NICA Actuarial Report (June 30, 2025)

2025 NICA Audited Financial Statements (September 2025)

Agency for Health Care Administration Report on NICA as Third-Party Benefit Payer (November 2021)

Auditor General Operational Audit of NICA (October 2023)

Medicaid Settlement Agreement (December 2022)

NICA Report on Actuarial Soundness (September 2024)

Legislatively Mandated Report (January 2026)

U.S. ex. rel. Arven v. Florida Birth-Related Neurological Injury Compensation Association, 2020 WL 5540367 (S.D. Fla. September 8, 2020)

U.S. ex. rel. Arven v. Florida Birth-Related Neurological Injury Compensation Association, 2022 WL 1180142 (11th Cir. April 22, 2022)

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	17 Y, 0 N	1/29/2026	Brackett	Miguez
State Administration Budget Subcommittee	11 Y, 0 N, As CS	2/12/2026	Topp	Helping
THE CHANGES ADOPTED BY THE COMMITTEE:	• Removes the increase to the NICA reserve in the Insurance Regulatory Trust Fund from $50 million to the current reserve of $20 million.			
Commerce Committee			Hamon	Miguez

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

A bill to be entitled

An act relating to the Florida Birth-Related Neurological Injury Compensation Association; amending s. 409.910, F.S.; requiring the agency to recover the full amount of medical assistance from the neurological injury compensation association; amending s. 766.302, F.S.; providing and revising definitions; amending s. 766.303, F.S.; revising the exclusiveness of remedy under the Florida Birth-Related Neurological Injury Compensation Plan; amending s. 766.305, F.S.; revising provisions relating to filing claims; amending s. 766.309, F.S.; conforming a cross-reference; amending s. 766.31, F.S.; revising items that are eligible for an award providing compensation; requiring compensation to be provided for certain actual expenses; requiring compensation for the costs of major medical health coverage; requiring the plan to reimburse certain payments made for services provided; exempting expenses for professional custodial care in certain circumstances; requiring that, upon entry of a final order for compensation, parents or legal guardians obtain private health insurance or submit an application for the Medicare program; amending s. 766.314, F.S.; requiring the directors to maintain a plan of operation; requiring

certain assessments to be paid into the Florida Birth-Related Neurological Injury Compensation Association at certain times for certain purposes; requiring the plan of operation to include a provision for fraud; removing obsolete provisions; revising provisions relating to an actuarial valuation of the plan; requiring the association to submit quarterly estimates; requiring the association to state whether the plan is actuarially sound; authorizing a transfer of funds to the association from the Insurance Regulatory Trust Fund if the plan is not actuarially sound; requiring the association to require each entity to issue casualty insurance and pay an annual assessment; providing requirements for annual assessments; requiring an increase in assessments after certain findings; requiring the association to determine whether the plan is actuarially sound after certain revisions; providing criteria for such determination; requiring notification to the Governor, Legislature, and Office of Insurance Regulation after certain findings; amending s. 766.315, F.S.; revising membership of the directors of the association; providing an effective date.

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

Section 1. Paragraph (a) of subsection (7) of section 409.910, Florida Statutes, is amended to read:

409.910 Responsibility for payments on behalf of Medicaid-eligible persons when other parties are liable.—

(7) The agency shall recover the full amount of all medical assistance provided by Medicaid on behalf of the recipient to the full extent of third-party benefits.

(a) Recovery of such benefits shall be collected directly from:

1. Any third party;

2. The recipient or legal representative, if he or she has received third-party benefits;

3. The provider of a recipient's medical services if third-party benefits have been recovered by the provider; notwithstanding any provision of this section, to the contrary, however, no provider shall be required to refund or pay to the agency any amount in excess of the actual third-party benefits received by the provider from a third-party payor for medical services provided to the recipient; ~~or~~

4. Any person who has received the third-party benefits; or

5. The Florida Birth-Related Neurological Injury Compensation Association for plan participant costs incurred under s. 766.31.

The provisions of this subsection do not apply to any proceeds received by the state, or any agency thereof, pursuant to a final order, judgment, or settlement agreement, in any matter in which the state asserts claims brought on its own behalf, and not as a subrogee of a recipient, or under other theories of liability. The provisions of this subsection do not apply to any proceeds received by the state, or an agency thereof, pursuant to a final order, judgment, or settlement agreement, in any matter in which the state asserted both claims as a subrogee and additional claims, except as to those sums specifically identified in the final order, judgment, or settlement agreement as reimbursements to the recipient as expenditures for the named recipient on the subrogation claim.

Section 2. Section 766.302, Florida Statutes, is amended to read:

766.302 Definitions; ss. 766.301-766.316.—As used in ss. 766.301-766.316, the term:

(1) "Actuarially sound" means that the total plan assets available to fund future liabilities are equal to or greater than 90 percent of the present value of total estimated liabilities excluding any risk margin.

(2)~~(4)~~ "Administrative law judge" means an administrative law judge appointed by the division.

(3)~~(1)~~ "Association" means the Florida Birth-Related

Neurological Injury Compensation Association established in s. 766.315 to administer the Florida Birth-Related Neurological Injury Compensation Plan and the plan of operation established in s. 766.314.

(4) ~~(2)~~ "Birth-related neurological injury" means injury to the brain or spinal cord of a live infant weighing at least 2,500 grams for a single gestation or, in the case of a multiple gestation, a live infant weighing at least 2,000 grams at birth caused by oxygen deprivation or mechanical injury occurring in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital, which renders the infant permanently and substantially mentally and physically impaired. This definition shall apply to live births only and shall not include disability or death caused by genetic or congenital abnormality.

(5) ~~(3)~~ "Claimant" means any person who files a claim pursuant to s. 766.305 ~~for compensation~~ for a birth-related neurological injury to an infant. Such a claim may be filed by any legal representative on behalf of an injured infant; and, in the case of a deceased infant, the claim may be filed by an administrator, personal representative, or other legal representative thereof.

(6) ~~(5)~~ "Division" means the Division of Administrative Hearings of the Department of Management Services.

(7) ~~(9)~~ "Family member" means a father, mother, or legal

guardian.

(8) ~~(10)~~ "Family residential or custodial care" means care normally rendered by trained professional attendants which is beyond the scope of child care duties, but which is provided by family members. Family members who provide nonprofessional residential or custodial care may not be compensated under this act for care that falls within the scope of child care duties and other services normally and gratuitously provided by family members. Family residential or custodial care shall be performed only at the direction and control of a physician when such care is medically necessary. Reasonable charges for expenses for family residential or custodial care provided by a family member shall be determined as follows:

(a) If the family member is not employed, the per-hour value equals the federal minimum hourly wage.

(b) If the family member is employed and elects to leave that employment to provide such care, the per-hour value of that care shall equal the rates established by Medicaid for private duty services provided by a home health aide. A family member or a combination of family members providing care in accordance with this definition may not be compensated for more than a total of 10 hours per day. Family care is in lieu of professional residential or custodial care, and no professional residential or custodial care may be awarded for the period of time during the day that family care is being provided.

(9)~~(6)~~ "Hospital" means any hospital licensed in Florida.

(10) "Participant" means the person who suffered a birth-related neurological injury as an infant and who accepted compensation under the plan by final order entered by an administrative law judge pursuant to s. 766.309.

(11)~~(7)~~ "Participating physician" means a physician licensed in Florida to practice medicine who practices obstetrics or performs obstetrical services either full time or part time and who had paid or was exempted from payment at the time of the injury the assessment required for participation in the birth-related neurological injury compensation plan for the year in which the injury occurred. Such term shall not apply to any physician who practices medicine as an officer, employee, or agent of the Federal Government.

(12)~~(8)~~ "Plan" means the Florida Birth-Related Neurological Injury Compensation Plan established under s. 766.303.

(13) "Risk margin" means an additional, explicit allowance above the best-estimate reserve to reflect uncertainty in future claim payments, including variation in claimant life expectancy and the number and cost of pending or unreported claims. The risk margin is not included in the reserve amount used to calculate the funding ratio.

Section 3. Section 766.303, Florida Statutes, is amended to read:

766.303 Florida Birth-Related Neurological Injury Compensation Plan; exclusiveness of remedy.—

(1) There is established the Florida Birth-Related Neurological Injury Compensation Plan for the purpose of providing compensation, irrespective of fault, for birth-related neurological injuries ~~injury claims~~. Such plan shall apply to births occurring on or after January 1, 1989, and shall be administered by the Florida Birth-Related Neurological Injury Compensation Association.

(2) The rights and remedies granted by this plan on account of a birth-related neurological injury shall exclude all other rights and remedies of such infant, her or his personal representative, family members ~~parents~~, dependents, and next of kin, at common law or otherwise, against any person or entity ~~directly~~ involved with the labor, delivery, or immediate postdelivery resuscitation during which such injury occurs, arising out of or related to a medical negligence claim with respect to such injury; except that a civil action shall not be foreclosed where there is clear and convincing evidence of bad faith or malicious purpose or willful and wanton disregard of human rights, safety, or property, provided that such suit is filed prior to and in lieu of payment of an award under ss. 766.301-766.316. Such suit shall be filed before the award of the division becomes conclusive and binding as provided for in s. 766.311.

(3) Sovereign immunity is hereby waived on behalf of the Florida Birth-Related Neurological Injury Compensation Association solely to the extent necessary to assure payment of compensation as provided in s. 766.31.

(4) The association shall administer the plan in a manner that promotes and protects the health and best interests of participants ~~children~~ with birth-related neurological injuries.

Section 4. Subsections (1) and (3) of section 766.305, Florida Statutes, are amended to read:

766.305 Filing of claims and responses; medical disciplinary review.—

(1) All claims filed ~~for compensation~~ under the plan shall commence by the claimant filing with the division a petition that ~~seeking compensation. Such petition~~ shall include the following information:

(a) The name and address of the legal representative and the basis for her or his representation of the injured infant.

(b) The name and address of the injured infant.

(c) The name and address of any physician providing obstetrical services who was present at the birth and the name and address of the hospital at which the birth occurred.

(d) A description of the disability for which the claim is made.

(e) The time and place the injury occurred.

(f) A brief statement of the facts and circumstances

surrounding the injury and giving rise to the claim.

(3) The claimant shall furnish to the ~~Florida Birth-Related Neurological Injury Compensation~~ association the following information, which must be filed with the association within 10 days after the filing of the petition as set forth in subsection (1):

(a) All available relevant medical records relating to the birth-related neurological injury and a list identifying any unavailable records known to the claimant and the reasons for the records' unavailability.

(b) Appropriate assessments, evaluations, and prognoses and such other records and documents as are reasonably necessary for the determination of the amount of compensation to be paid to, or on behalf of, the injured infant on account of the birth-related neurological injury.

(c) Documentation of expenses and services incurred to date which identifies any payment made for such expenses and services and the payor.

(d) Documentation of any applicable private or governmental source of services or reimbursement relative to the impairments.

The information required by paragraphs (a)-(d) shall remain confidential and exempt under the provisions of s. 766.315(5)(b).

Section 5. Paragraph (a) of subsection (1) of section 766.309, Florida Statutes, is amended to read:

766.309 Determination of claims; presumption; findings of administrative law judge binding on participants.—

(1) The administrative law judge shall make the following determinations based upon all available evidence:

(a) Whether the injury claimed is a birth-related neurological injury. If the claimant has demonstrated, to the satisfaction of the administrative law judge, that the infant has sustained a brain or spinal cord injury caused by oxygen deprivation or mechanical injury and that the infant was thereby rendered permanently and substantially mentally and physically impaired, a rebuttable presumption shall arise that the injury is a birth-related neurological injury as defined in s. 766.302 ~~s. 766.302(2)~~.

Section 6. Section 766.31, Florida Statutes, is amended to read:

766.31 Administrative law judge awards for birth-related neurological injuries; notice of award.—

(1) Upon determining that an infant has sustained a birth-related neurological injury and that obstetrical services were delivered by a participating physician at the birth, the administrative law judge shall make an award providing compensation for the following items relative to such injury:

(a) Actual expenses since date of birth for medically necessary and reasonable:

1. Medical and hospital care and services.~~,~~

2. Habilitative services. ~~and training,~~

3. Dental services.

4. Family residential or custodial care.~~,~~

5. Professional residential care.~~, and~~

6. Professional custodial care. ~~and service,~~

7. ~~for medically necessary~~ Drugs.~~,~~

8. Special equipment.~~, and facilities, and~~

9. ~~for~~ Related travel.

(b) At a minimum, compensation must be provided for the following actual expenses:

1. Psychotherapeutic services for ~~A total annual benefit of up to $10,000 for immediate~~ family members and other relatives who have resided ~~reside~~ with the participant, which are ~~infant for psychotherapeutic services~~ obtained from a psychiatrist licensed under chapter 458 or chapter 459, a provider ~~providers~~ licensed under chapter 490 or chapter 491, or a psychiatrist or provider who has equivalent licensure by another jurisdiction. This benefit for such family members and relatives shall be up to a total of $10,000 annually during the participant's lifetime and up to a total of $20,000 subsequent to the participant's death.

2. For the life of the participant ~~child~~, providing family

members ~~parents or legal guardians~~ with a reliable method of transporting ~~transportation for the care of~~ the participant and ~~child or reimbursing the cost of upgrading an existing vehicle to accommodate~~ the participant's wheelchair and medically necessary equipment ~~child's needs when it becomes medically necessary for wheelchair transportation~~. ~~The mode of transportation must take into account the special accommodations required for the specific child.~~ The plan may not limit such transportation assistance based on the participant's ~~child's~~ age or weight. The plan must replace any vehicles ~~vans~~ purchased by the plan every 7 years or 150,000 miles, whichever comes first.

3. Housing assistance of up to $100,000 for the life of the participant ~~child~~, including, but not limited to, a down payment on a new home, moving expenses, and home construction and modification costs.

4. Legal costs associated with establishing and maintaining guardianship for a participant.

(c) The costs of major medical health coverage for the participant obtained pursuant to subsection (3), including, but not limited to, the premium and out-of-pocket costs. For participants enrolled in Florida Medicaid, the plan must reimburse fee-for-service paid claims and capitation payments, as applicable, for services to persons enrolled in the Medicaid program for compensation pursuant to this section and for the administrative and support costs associated with the provided

medical assistance. Such funds shall be credited to the Agency for Health Care Administration Medical Care Trust Fund.

(d) ~~(b)~~ However, the following expenses are not subject to compensation:

1. Expenses for items or services that the ~~infant~~ participant has received, or is entitled to receive, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.

2. Expenses for items or services that the participant ~~infant~~ has received, or is contractually entitled to receive, from any prepaid health plan, health maintenance organization, or other private insuring entity.

3. Expenses for which the participant ~~infant~~ has received reimbursement, or for which the participant ~~infant~~ is entitled to receive reimbursement, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.

4. Expenses for which the participant ~~infant~~ has received reimbursement, or for which the participant ~~infant~~ is contractually entitled to receive reimbursement, pursuant to the provisions of any health or sickness insurance policy or other private insurance program.

5. Expenses for professional custodial care provided by a family member while:

a. Care and supervision of the participant is

simultaneously being provided by another person or entity; or

b. The family member receives compensation from another source for work performed during the same time for which compensation is sought from the association.

(e) ~~(c)~~ Expenses included under paragraphs ~~paragraph~~ (a) and (b) are limited to reasonable charges prevailing in the same community for similar treatment of injured persons when such treatment is paid for by the injured person.

(f)1. A family member ~~The parents or legal guardians~~ receiving benefits under the plan may file a petition with the division ~~of Administrative Hearings~~ to dispute the amount of actual expenses reimbursed or a denial of reimbursement.

2. In the case of an alleged overpayment of an expense reimbursement by the association to a family member, if the family member does not agree that an overpayment has occurred, the association may file a petition for division review of the overpayment for a determination of the amount, if any, to be recouped by the association.

(g)1. ~~(d)1.a.~~ Periodic payments of an award to the family members ~~parents or legal guardians~~ of the participant ~~infant found to have sustained a birth-related neurological injury,~~ which award may not exceed $100,000. However, at the discretion of the administrative law judge, such award may be made in a lump sum. Beginning on January 1, 2021, the award may not exceed $250,000, and each January 1 thereafter, the maximum award

authorized under this paragraph shall increase by 3 percent.

~~b. Parents or legal guardians who received an award pursuant to this section before January 1, 2021, must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to sub-subparagraph a. to $250,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.~~

2.~~a.~~ Death benefit for the participant ~~infant~~ in an amount of $50,000.

~~b. Parents or legal guardians who received an award pursuant to this section, and whose child died since the inception of the program, must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to sub-subparagraph a. to $50,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.~~

(h)~~(c)~~ Reasonable expenses incurred in connection with the filing of a claim under ss. 766.301-766.316, including reasonable attorney's fees, which shall be subject to the approval and award of the administrative law judge. In determining an award for attorney's fees, the administrative law judge shall consider the following factors:

1. The time and labor required, the novelty and difficulty

of the questions involved, and the skill requisite to perform the legal services properly.

2. The fee customarily charged in the locality for similar legal services.

3. The time limitations imposed by the claimant or the circumstances.

4. The nature and length of the professional relationship with the claimant.

5. The experience, reputation, and ability of the lawyer or lawyers performing services.

6. The contingency or certainty of a fee.

Should there be a final determination of compensability, and the claimants accept an award under this section, the claimants shall ~~are~~ not be liable for any expenses, including attorney fees, incurred in connection with the filing of a claim under ss. 766.301-766.316 other than those expenses awarded under this section.

(2) The award shall require the immediate payment of expenses previously incurred and shall require that future expenses be paid as incurred.

(3) A family member must continuously maintain comprehensive major medical health coverage for the participant.

(a) If the participant does not have such coverage at the time of entry of a final order by an administrative law judge

approving a claim for compensation, the family member must obtain coverage within 60 days after entry of such order or apply for Medicaid coverage within 30 days after entry of such order.

(b) If the participant is determined to be ineligible for Medicaid, the family member must obtain other coverage within 60 days after receiving the Medicaid application denial.

(c) A family member of an individual who is a participant on June 30, 2026, must obtain the required coverage for the participant by January 1, 2027.

(4) ~~(3)~~ A copy of the award shall be sent immediately by registered or certified mail to each person served with a copy of the petition under s. 766.305(2).

Section 7. Section 766.314, Florida Statutes, is amended to read:

766.314 Assessments; plan of operation.—

(1) The assessments established pursuant to this section shall be used to finance the Florida Birth-Related Neurological Injury Compensation Plan.

(2) The assessments and appropriations dedicated to the plan shall be administered by the Florida Birth-Related Neurological Injury Compensation Association established in s. 766.315, in accordance with the following requirements:

(a) ~~On or before July 1, 1988,~~ The directors of the association shall maintain ~~submit to the Department of Insurance~~

~~for review~~ a plan of operation which shall provide for the efficient administration of the plan and for prompt processing of claims against and awards made on behalf of the plan. The plan of operation shall include provision for:

1. Establishment of necessary facilities;

2. Management of the funds collected on behalf of the plan;

3. Processing of claims against the plan;

4. Assessment of the persons and entities listed in subsections (4) and (7) ~~(5)~~ to pay awards and expenses~~, which assessments shall be on an actuarially sound basis subject to the limits set forth in subsections (4) and (5)~~;

5. A fraud and overpayment prevention and detection program; and

6.~~5.~~ Any other matters necessary for the efficient operation of the birth-related neurological injury compensation plan.

(b) Amendments to the plan of operation may be made by the directors of the plan, subject to the approval of the office ~~of Insurance Regulation of the Financial Services Commission~~.

(3) All assessments shall be deposited with the ~~Florida Birth-Related Neurological Injury Compensation~~ association. The funds collected by the association and any income therefrom shall be disbursed only for the payment of awards under ss. 766.301-766.316 and for the payment of the reasonable expenses

of administering the plan.

(4) The following persons and entities shall pay into the association assessments as follows ~~an initial assessment in accordance with the plan of operation~~:

(a)1. ~~On or before October 1, 1988,~~ Each hospital licensed under chapter 395 shall pay an ~~initial~~ assessment of $50 per infant delivered in that ~~the~~ hospital ~~during the prior calendar year~~, as reported to the Agency for Health Care Administration; provided, however, that a hospital owned or operated by the state or a county, special taxing district, or other political subdivision of the state shall not be required to pay ~~the initial assessment or~~ any assessment required by this subsection or subsection (7) ~~(5)~~. The term "infant delivered" includes live births and not stillbirths, but the term does not include infants delivered by employees or agents of the board of trustees of a state university, those born in a teaching hospital as defined in s. 408.07, or those born in a teaching hospital as defined in s. 395.806 that have been deemed by the association as being exempt from assessments since fiscal year 1997 to fiscal year 2001. The ~~initial~~ assessment and any assessment imposed pursuant to subsection (7) ~~(5)~~ may not include any infant born to a charity patient (as defined by rule of the Agency for Health Care Administration) or born to a patient for whom the hospital receives Medicaid reimbursement, if the sum of the annual charges for charity patients plus the

annual Medicaid contractuals of the hospital exceeds 10 percent of the total annual gross operating revenues of the hospital. The hospital is responsible for documenting, to the satisfaction of the association, the exclusion of any birth from the computation of the assessment. Upon demonstration of financial need by a hospital, the association may provide for installment payments of assessments.

2. Assessments shall be due, and hospitals shall pay, all assessments required under this section by December 31 of the calendar year immediately subsequent to the birth year.

(b)1.a. ~~On or before October 15, 1988,~~ All physicians licensed pursuant to chapter 458 or chapter 459 ~~as of October 1, 1988~~, other than participating physicians, shall be assessed an annual ~~initial~~ assessment of $250.~~,~~

b. Payment for all assessments required under this paragraph is due on or before December 31 of each year ~~which must be paid no later than December 1, 1988~~.

~~2. Any such physician who becomes licensed after September 30, 1988, and before January 1, 1989, shall pay into the association an initial assessment of $250 upon licensure.~~

~~3. Any such physician who becomes licensed on or after January 1, 1989, shall pay an initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5)(a), or paragraph (7)(b).~~

2.~~4.~~ However, if the physician is a physician specified in

this subparagraph, the assessment is not applicable:

a. A resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule;

b. A retired physician who has withdrawn from the practice of medicine but who maintains an active license as evidenced by an affidavit filed with the Department of Health. Prior to reentering the practice of medicine in this state, a retired physician as herein defined must notify the Board of Medicine or the Board of Osteopathic Medicine and pay the appropriate assessments pursuant to this section;

c. A physician who holds a limited license pursuant to s. 458.317 and who is not being compensated for medical services;

d. A physician who is employed full time by the United States Department of Veterans Affairs and whose practice is confined to United States Department of Veterans Affairs hospitals; or

e. A physician who is a member of the Armed Forces of the United States and who meets the requirements of s. 456.024.

f. A physician who is employed full time by the State of Florida and whose practice is confined to state-owned correctional institutions, a county health department, or state-owned mental health or developmental services facilities, or who is employed full time by the Department of Health.

(c)1. ~~On or before December 1, 1988,~~ Each physician licensed pursuant to chapter 458 or chapter 459 who wishes to participate in the Florida Birth-Related Neurological Injury Compensation Plan and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an annual ~~initial~~ assessment of $5,000 and any assessment required under paragraph (7)(d), if assessed. However, if the physician is either a resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule, and is supervised in accordance with program requirements established by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association by a physician who is participating in the plan, such resident physician, assistant resident physician, or intern is deemed to be a participating physician without the payment of the assessment. Participating physicians also include any employee of the board of trustees of a state university who has paid the assessment required by this paragraph and, if assessed, paragraph (7)(d) ~~(5)(a)~~, and any certified nurse midwife supervised by such employee. Participating physicians include any certified nurse midwife who has paid 50 percent of the physician assessment required by this paragraph and, if assessed, paragraph (7)(d), ~~(5)(a)~~ and who is supervised by a participating physician who has paid the assessment required by this paragraph and, if

assessed, paragraph (7)(d) ~~(5)(a)~~. Supervision for nurse midwives shall require that the supervising physician will be easily available and have a prearranged plan of treatment for specified patient problems which the supervised certified nurse midwife may carry out in the absence of any complicating features. ~~Any physician who elects to participate in such plan on or after January 1, 1989, who was not a participating physician at the time of such election to participate and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an additional initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5)(a), or paragraph (7)(b).~~

2. Payment of assessments required by this paragraph is due on or before December 31 of each year for qualification as a participating physician during the next calendar year. If payment of the assessments is received by the association on or before January 31 of any calendar year, the physician shall qualify as a participating physician for that entire calendar year. If the payment is received after January 31, the physician shall qualify as a participating physician for that calendar year only from the date the payment was received by the association.

(d) Any hospital located in a county with a population in excess of 1.1 million as of January 1, 2003, as determined by the Agency for Health Care Administration under the Health Care

Responsibility Act, may elect to pay the assessments required by paragraph (c) ~~fee~~ for the participating physician and the certified nurse midwife if the hospital first determines that the primary motivating purpose for making such payment is to ensure coverage for the hospital's patients under the provisions of ss. 766.301-766.316; however, no hospital may restrict any participating physician or nurse midwife, directly or indirectly, from being on the staff of hospitals other than the staff of the hospital making the payment. ~~Each hospital shall file with the association an affidavit setting forth specifically the reasons why the hospital elected to make the payment on behalf of each participating physician and certified nurse midwife. The payments authorized under this paragraph shall be in addition to the assessment set forth in paragraph (5)(a).~~

~~(5)(a) Beginning January 1, 1990, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, as of the date determined in accordance with the plan of operation, taking into account persons licensed subsequent to the payment of the initial assessment, shall pay an annual assessment in the amount equal to the initial assessments provided in paragraphs (4)(b) and (c). If payment of the annual assessment by a physician is received by the association by January 31 of any calendar year, the physician shall qualify as a participating~~

~~physician for that entire calendar year. If the payment is received after January 31 of any calendar year, the physician shall qualify as a participating physician for that calendar year only from the date the payment was received by the association. On January 1, 1991, and on each January 1 thereafter, the association shall determine the amount of additional assessments necessary pursuant to subsection (7), in the manner required by the plan of operation, subject to any increase determined to be necessary by the Office of Insurance Regulation pursuant to paragraph (7)(b). On July 1, 1991, and on each July 1 thereafter, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, shall pay the additional assessments which were determined on January 1. Beginning January 1, 1990, the entities listed in paragraph (4)(a), including those licensed on or after October 1, 1988, shall pay an annual assessment of $50 per infant delivered during the prior calendar year. The additional assessments which were determined on January 1, 1991, pursuant to the provisions of subsection (7) shall not be due and payable by the entities listed in paragraph (4)(a) until July 1.~~

~~(b) If the assessments collected pursuant to subsection (4) and the appropriation of funds provided by s. 76, chapter 88-1, Laws of Florida, as amended by s. 41, chapter 88-277, Laws of Florida, to the plan from the Insurance Regulatory Trust Fund~~

~~are insufficient to maintain the plan on an actuarially sound basis, there is hereby appropriated for transfer to the association from the Insurance Regulatory Trust Fund an additional amount of up to $20 million.~~

~~(c)1. Taking into account the assessments collected pursuant to subsection (4) and appropriations from the Insurance Regulatory Trust Fund, if required to maintain the plan on an actuarially sound basis, the Office of Insurance Regulation shall require each entity licensed to issue casualty insurance as defined in s. 624.605(1)(b), (k), and (q) to pay into the association an annual assessment in an amount determined by the office pursuant to paragraph (7)(a), in the manner required by the plan of operation.~~

~~2. All annual assessments shall be made on the basis of net direct premiums written for the business activity which forms the basis for each such entity's inclusion as a funding source for the plan in the state during the prior year ending December 31, as reported to the Office of Insurance Regulation, and shall be in the proportion that the net direct premiums written by each carrier on account of the business activity forming the basis for its inclusion in the plan bears to the aggregate net direct premiums for all such business activity written in this state by all such entities.~~

~~3. No entity listed in this paragraph shall be individually liable for an annual assessment in excess of 0.25~~

~~percent of that entity's net direct premiums written.~~

~~4. Casualty insurance carriers shall be entitled to recover their initial and annual assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.~~

(5)~~(6)~~(a) The association shall make all assessments required by this section, except initial assessments of physicians newly licensed by the Department of Health, which assessments shall be made by the Department of Health, and except assessments of casualty insurers pursuant to paragraph (7)(c) ~~subparagraph (5)(c)1.~~, which assessments will be made by the office ~~of Insurance Regulation~~. The Department of Health shall provide the association, in an electronic format, with a monthly report of the names and license numbers of all physicians licensed under chapter 458 or chapter 459.

(b)1. The association may enforce collection of assessments required to be paid pursuant to ss. 766.301-766.316 by suit filed in county court, or in circuit court if the amount due could exceed the jurisdictional limits of county court. The association is entitled to an award of attorney fees, costs, and interest upon the entry of a judgment against a physician for failure to pay such assessment, with such interest accruing until paid. Notwithstanding chapters 47 and 48, the association may file such suit in either Leon County or the county of the residence of the defendant. The association shall notify the

Department of Health and the applicable board of any unpaid final judgment against a physician within 7 days after the entry of final judgment.

2. The Department of Health, upon notification by the association that an assessment has not been paid and that there is an unsatisfied judgment against a physician, shall refuse to renew any license issued to such physician under chapter 458 or chapter 459 until the association notifies the Department of Health that the judgment is satisfied in full.

(c) The Agency for Health Care Administration shall, upon notification by the association that an assessment has not been timely paid, enforce collection of such assessments required to be paid by hospitals pursuant to ss. 766.301-766.316. Failure of a hospital to pay such assessment is grounds for disciplinary action pursuant to s. 395.1065 notwithstanding any law to the contrary.

(6) ~~(9)~~ (a) Within 60 days after a claim is filed, the association shall estimate the present value of the total cost of the claim, including the estimated amount to be paid to the claimant, the claimant's attorney, the attorney's fees of the association incident to the claim, and any other expenses that are reasonably anticipated to be incurred by the association in connection with the adjudication and payment of the claim. For purposes of this estimate, the association should include the maximum benefits for noneconomic damages.

(b) The association shall revise these estimates quarterly based upon the actual costs incurred and any additional information that becomes available to the association since the last review of this estimate. The estimate shall be reduced by any amounts paid by the association that were included in the current estimate. The association must submit such quarterly estimates to the office within 10 business days after completion.

(c) After the revisions of estimates required under paragraph (b), each quarter, the association shall calculate whether the plan is actuarially sound. If the association's calculation indicates that the plan is not actuarially sound, the association shall immediately notify the office as described in subsection (7). The office must review the association's calculations and, within 60 days after the association's notification, determine whether to initiate an actuarial valuation as described in subsection (7), and notify the association of its determination. At a minimum, the office shall make its determination based on the degree to which the association's calculations indicate that the plan is not actuarially sound, the direction and consistency of recent trends in the calculations of the plan's actuarial soundness, and the length of time since the most recent actuarial valuation conducted by the office and until the next biennial valuation. The office shall initiate such actuarial valuation within 30

days after its determination that there is a need for a valuation.

~~1. If the total of all current estimates equals or exceeds 100 percent of the funds on hand and the funds that will become available to the association within the next 12 months from all sources described in subsection (4) and paragraph (5)(a), the association may not accept any new claims without express authority from the Legislature. This section does not preclude the association from accepting any claim if the injury occurred 18 months or more before the effective date of this suspension. Within 30 days after the effective date of this suspension, the association shall notify the Governor, the Speaker of the House of Representatives, the President of the Senate, the Office of Insurance Regulation, the Agency for Health Care Administration, and the Department of Health of this suspension.~~

~~2. Notwithstanding this paragraph, the association is authorized to accept new claims during the 2025-2026 fiscal year if the total of all current estimates exceeds the limits described in subparagraph 1. during that fiscal year. This subparagraph expires July 1, 2026.~~

~~(d) If any person is precluded from asserting a claim against the association because of paragraph (c), the plan shall not constitute the exclusive remedy for such person, his or her personal representative, parents, dependents, or next of kin.~~

(7)(a) The office ~~of Insurance Regulation shall undertake~~

~~an actuarial investigation of the requirements of the plan based on the plan's experience in the first year of operation and any additional relevant information, including without limitation the assets and liabilities of the plan. Pursuant to such investigation, the Office of Insurance Regulation shall establish the rate of contribution of the entities listed in paragraph (5)(c) for the tax year beginning January 1, 1990. Following the initial valuation, the Office of Insurance Regulation~~ shall cause an actuarial valuation to be made of the assets and liabilities of the plan at a minimum ~~no less frequently than~~ biennially on or before December 31 of even-numbered years and as provided in subsection (6). Such valuation shall be based on the assets and liabilities of the plan for the calendar year before the year in which the actuarial valuation is due. The office shall also determine whether the plan has adequate estimated cash flow for the following fiscal year, whether, based on the actuarial valuation, the plan is actuarially sound, and if not, whether the plan is likely to return to actuarial soundness before the next biennial review. ~~Pursuant to the results of such valuations, the Office of Insurance Regulation shall prepare a statement as to the contribution rate applicable to the entities listed in paragraph (5)(c). However, at no time shall the rate be greater than 0.25 percent of net direct premiums written.~~

(b) If the office determines that the plan lacks adequate

cash flow for the following fiscal year pursuant to the review in paragraph (a), the office shall authorize a transfer of up to $20 million from the Insurance Regulatory Trust Fund to the association within 30 calendar days.

(c) ~~(b)~~ If the office ~~of Insurance Regulation~~ finds that the plan is not likely to return to actuarial soundness before the next biennial review pursuant to the review in paragraph (a), the office shall, within 60 calendar days after this finding, order one or more of the following actions:

1. Require each entity licensed to issue casualty insurance as defined in s. 624.605(1)(b), (k), and (q) to pay into the association an annual assessment that is calculated to generate a total amount no greater than the amount required to achieve actuarial soundness of the plan within 5 years after the date of the order, subject to the limitations of this subparagraph.

a. These assessments shall be made on the basis of net direct premiums written for the business activity which forms the basis for each such entity's inclusion as a funding source for the plan in the state during the prior year ending December 31, as reported to the office, and shall be in the proportion that the net direct premiums written by each carrier on account of the business activity forming the basis for its inclusion in the plan bears to the aggregate net direct premiums for all such business activity written in this state by all such entities.

b. No entity shall be individually liable for an annual assessment in excess of 0.25 percent of that entity's net direct premiums written.

c. Casualty insurance carriers shall be entitled to recover their assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.

d. An assessment under this paragraph must not extend 5 years after the date of the order.

2. If actuarial soundness cannot be achieved after using the remedy in subparagraph 1., increase the assessments specified in subsection (4) on a proportional basis that is calculated to generate a total amount no greater than the amount required to maintain the plan on an actuarially sound basis.

(d) If the office finds that the plan is not actuarially sound pursuant to the review in paragraph (a), the plan shall provide the office with quarterly reports projecting the plan's financial health and, if assessments were ordered by the office under this paragraph, projected revenues for such assessments.

(e) If the association finds that the plan is not actuarially sound and the remedies provided under subsection (7) are insufficient to reestablish the actuarial soundness of the plan, the association shall, within 60 days after such finding, notify the Governor, the President of the Senate, the Speaker of the House of Representatives, and the office. If the plan issues

the notice, the association may not accept any new claims without express authority from the Legislature. This paragraph does not preclude the association from accepting any claim if the injury occurred 18 months or more before the effective date of this suspension ~~cannot be maintained on an actuarially sound basis based on the assessments and appropriations listed in subsections (4) and (5), the office shall increase the assessments specified in subsection (4) on a proportional basis as needed~~.

~~(8) The association shall report to the Legislature its determination as to the annual cost of maintaining the fund on an actuarially sound basis. In making its determination, the association shall consider the recommendations of all hospitals, physicians, casualty insurers, attorneys, consumers, and any associations representing any such person or entity. Notwithstanding the provisions of s. 395.3025, all hospitals, casualty insurers, departments, boards, commissions, and legislative committees shall provide the association with all relevant records and information upon request to assist the association in making its determination. All hospitals shall, upon request by the association, provide the association with information from their records regarding any live birth. Such information shall not include the name of any physician, the name of any hospital employee or agent, the name of the patient, or any other information which will identify the infant involved~~

~~in the birth. Such information thereby obtained shall be utilized solely for the purpose of assisting the association and shall not subject the hospital to any civil or criminal liability for the release thereof. Such information shall otherwise be confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution.~~

Section 8. Subsection (1) of section 766.315, Florida Statutes, is amended to read:

766.315 Florida Birth-Related Neurological Injury Compensation Association; board of directors; notice of meetings; report.—

(1)(a) The Florida Birth-Related Neurological Injury Compensation Plan shall be governed by a board of seven directors which shall be known as the Florida Birth-Related Neurological Injury Compensation Association. The association is not a state agency, board, or commission. Notwithstanding the provision of s. 15.03, the association is authorized to use the state seal.

(b) The directors shall be appointed for staggered terms of 3 years or until their successors are appointed and have qualified; however, a director may not serve for more than 6 consecutive years.

(c) The directors shall be appointed by the Chief Financial Officer as follows:

1. One citizen representative who is not affiliated with

any of the groups identified in subparagraphs 2.-7.

2. One representative of participating physicians.

3. One representative of hospitals.

4. One representative of casualty insurers.

5. One representative of physicians other than participating physicians.

6. One family member of a participant ~~parent or legal guardian representative of an injured infant under the plan~~.

7. One representative of an advocacy organization for children with disabilities.

Section 9. This act shall take effect July 1, 2026.

COMMERCE COMMITTEE

CS/HB 1291 by Rep. Anderson
Florida Birth-Related Neurological Injury Compensation Association

AMENDMENT SUMMARY
February 26, 2026

Amendment #635371 by Rep. Anderson (strike-all):

- Defines “family care” and removes the 10-hour limit on compensation for care provided by a family member.
- Adds “supplies” to the list of expenses that may be compensated under NICA.
- Provides that “facility care” and “nursing and home health” are compensable expenses under NICA, instead of professional custodial care.
- Provides that compensation for psychotherapeutic services for family members, transportation, housing assistance, and the legal costs associated with guardianship proceedings are only compensable when medically necessary, if applicable.
- Specifies that certain care expenses are not reimbursable if the care is simultaneously being provided by another provider.
- Revises and reorders the priority order of the increased assessments that are triggered if NICA becomes actuarially unsound, as follows:
    - The increased assessment on hospitals and participating providers, which are protected from tort risk by NICA, is given first priority.
    - The increased assessment on non-participating providers becomes second priority.
    - The increased assessment on certain casualty insurers is moved from first priority to third (last) priority.
- Limits assessment increases on providers to 100 percent of the value of the current regular assessment.
- Prohibits NICA from creating new benefits or expanding existing benefits, if operating expenses exceed gross revenue.
- Requires NICA to report and publish compensation paid to independent contractors, in addition to existing financial transparency requirements.
- Restores current law regarding legal rights in the event NICA becomes actuarially unsound.

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 Anderson offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraph (a) of subsection (7) of section 409.910, Florida Statutes, is amended to read:

409.910 Responsibility for payments on behalf of Medicaid-eligible persons when other parties are liable.—

(7) The agency shall recover the full amount of all medical assistance provided by Medicaid on behalf of the recipient to the full extent of third-party benefits.

(a) Recovery of such benefits shall be collected directly from:

1. Any third party;

2. The recipient or legal representative, if he or she has received third-party benefits;

3. The provider of a recipient's medical services if third-party benefits have been recovered by the provider; notwithstanding any provision of this section, to the contrary, however, no provider shall be required to refund or pay to the agency any amount in excess of the actual third-party benefits received by the provider from a third-party payor for medical services provided to the recipient; ~~or~~

4. Any person who has received the third-party benefits; or

5. The Florida Birth-Related Neurological Injury Compensation Association for plan participant costs incurred under s. 766.31.

The provisions of this subsection do not apply to any proceeds received by the state, or any agency thereof, pursuant to a final order, judgment, or settlement agreement, in any matter in which the state asserts claims brought on its own behalf, and not as a subrogee of a recipient, or under other theories of liability. The provisions of this subsection do not apply to any proceeds received by the state, or an agency thereof, pursuant to a final order, judgment, or settlement agreement, in any matter in which the state asserted both claims as a subrogee and additional claims, except as to those sums specifically

identified in the final order, judgment, or settlement agreement as reimbursements to the recipient as expenditures for the named recipient on the subrogation claim.

Section 2. Section 766.302, Florida Statutes, is amended to read:

766.302 Definitions; ss. 766.301-766.316.—As used in ss. 766.301-766.316, the term:

(1) "Actuarially sound" means that the total plan assets available to fund future liabilities are equal to or greater than 90 percent of the present value of total estimated liabilities excluding any risk margin.

(2)~~(4)~~ "Administrative law judge" means an administrative law judge appointed by the division.

(3)~~(1)~~ "Association" means the Florida Birth-Related Neurological Injury Compensation Association established in s. 766.315 to administer the Florida Birth-Related Neurological Injury Compensation Plan and the plan of operation established in s. 766.314.

(4)~~(2)~~ "Birth-related neurological injury" means injury to the brain or spinal cord of a live infant weighing at least 2,500 grams for a single gestation or, in the case of a multiple gestation, a live infant weighing at least 2,000 grams at birth caused by oxygen deprivation or mechanical injury occurring in the course of labor, delivery, or resuscitation in the immediate postdelivery period in a hospital, which renders the infant

permanently and substantially mentally and physically impaired. This definition shall apply to live births only and does ~~shall~~ not include disability or death caused by genetic or congenital abnormality.

(5)~~(3)~~ "Claimant" means any person who files a claim pursuant to s. 766.305 ~~for compensation~~ for a birth-related neurological injury to an infant. Such a claim may be filed by any legal representative on behalf of an injured infant; and, in the case of a deceased infant, the claim may be filed by an administrator, personal representative, or other legal representative thereof.

(6)~~(5)~~ "Division" means the Division of Administrative Hearings of the Department of Management Services.

(7)~~(9)~~ "Family member" means a father, mother, or legal guardian.

(8)~~(10)~~ "Family ~~residential or custodial~~ care" means care normally rendered by trained professional attendants which is beyond the scope of child care duties, but which is provided by family members. Family members who provide nonprofessional ~~residential or custodial~~ care may not be compensated under this act for care that falls within the scope of child care duties and other services normally and gratuitously provided by family members. Family ~~residential or custodial~~ care shall be performed only at the direction and control of a physician when such care is medically necessary. ~~Reasonable charges for expenses for~~

~~family residential or custodial care provided by a family member shall be determined as follows:~~

~~(a) If the family member is not employed, the per-hour value equals the federal minimum hourly wage.~~

~~(b) If the family member is employed and elects to leave that employment to provide such care,~~ The per-hour value of that care shall equal the rates established by Medicaid for private duty services provided by a home health aide. ~~A family member or a combination of family members providing care in accordance with this definition may not be compensated for more than a total of 10 hours per day. Family care is in lieu of professional residential or custodial care, and no professional residential or custodial care may be awarded for the period of time during the day that family care is being provided.~~

(9)~~(6)~~ "Hospital" means any hospital licensed in Florida.

(10) "Office" means the Office of Insurance Regulation.

(11) "Participant" means the person who suffered a birth-related neurological injury as an infant and who accepted compensation under the plan by final order entered by an administrative law judge pursuant to s. 766.309.

(12)~~(7)~~ "Participating physician" means a physician licensed in Florida to practice medicine who practices obstetrics or performs obstetrical services either full time or part time and who had paid or was exempted from payment at the time of the injury the assessment required for participation in

the birth-related neurological injury compensation plan for the year in which the injury occurred. Such term does ~~shall~~ not apply to any physician who practices medicine as an officer, employee, or agent of the Federal Government.

(13)~~(8)~~ "Plan" means the Florida Birth-Related Neurological Injury Compensation Plan established under s. 766.303.

(14) "Risk margin" means an additional, explicit allowance above the best-estimate reserve to reflect uncertainty in future claim payments, including variation in claimant life expectancy and the number and cost of pending or unreported claims. The risk margin is not included in the reserve amount used to calculate the funding ratio.

Section 3. Section 766.303, Florida Statutes, is amended to read:

766.303 Florida Birth-Related Neurological Injury Compensation Plan; exclusiveness of remedy.—

(1) There is established the Florida Birth-Related Neurological Injury Compensation Plan for the purpose of providing compensation, irrespective of fault, for birth-related neurological injuries ~~injury claims~~. Such plan shall apply to births occurring on or after January 1, 1989, and shall be administered by the Florida Birth-Related Neurological Injury Compensation Association.

(2) The rights and remedies granted by this plan on account of a birth-related neurological injury shall exclude all other rights and remedies of such infant, her or his personal representative, family members ~~parents~~, dependents, and next of kin, at common law or otherwise, against any person or entity ~~directly~~ involved with the labor, delivery, or immediate postdelivery resuscitation during which such injury occurs, arising out of or related to a medical negligence claim with respect to such injury; except that a civil action may ~~shall~~ not be foreclosed where there is clear and convincing evidence of bad faith or malicious purpose or willful and wanton disregard of human rights, safety, or property, provided that such suit is filed prior to and in lieu of payment of an award under ss. 766.301-766.316. Such suit shall be filed before the award of the division becomes conclusive and binding as provided for in s. 766.311.

(3) Sovereign immunity is hereby waived on behalf of the Florida Birth-Related Neurological Injury Compensation Association solely to the extent necessary to assure payment of compensation as provided in s. 766.31.

(4) The association shall administer the plan in a manner that promotes and protects the health and best interests of participants ~~children~~ with birth-related neurological injuries.

Section 4. Subsections (1) and (3) of section 766.305, Florida Statutes, are amended to read:

766.305 Filing of claims and responses; medical disciplinary review.—

(1) All claims filed ~~for compensation~~ under the plan must ~~shall~~ commence by the claimant filing with the division a petition that includes all of ~~seeking compensation. Such petition shall include~~ the following information:

(a) The name and address of the legal representative and the basis for her or his representation of the injured infant.

(b) The name and address of the injured infant.

(c) The name and address of any physician providing obstetrical services who was present at the birth and the name and address of the hospital at which the birth occurred.

(d) A description of the disability for which the claim is made.

(e) The time and place the injury occurred.

(f) A brief statement of the facts and circumstances surrounding the injury and giving rise to the claim.

(3) The claimant shall furnish to the ~~Florida Birth-Related Neurological Injury Compensation~~ association the following information, which must be filed with the association within 10 days after the filing of the petition as set forth in subsection (1):

(a) All available relevant medical records relating to the birth-related neurological injury and a list identifying any

unavailable records known to the claimant and the reasons for the records' unavailability.

(b) Appropriate assessments, evaluations, and prognoses and such other records and documents as are reasonably necessary for the determination of the amount of compensation to be paid to, or on behalf of, the injured infant on account of the birth-related neurological injury.

(c) Documentation of expenses and services incurred to date which identifies any payment made for such expenses and services and the payor.

(d) Documentation of any applicable private or governmental source of services or reimbursement relative to the impairments.

The information required by paragraphs (a)-(d) shall remain confidential and exempt under the provisions of s. 766.315(6)(b) ~~s. 766.315(5)(b)~~.

Section 5. Paragraph (a) of subsection (1) of section 766.309, Florida Statutes, is amended to read:

766.309 Determination of claims; presumption; findings of administrative law judge binding on participants.—

(1) The administrative law judge shall make the following determinations based upon all available evidence:

(a) Whether the injury claimed is a birth-related neurological injury. If the claimant has demonstrated, to the

satisfaction of the administrative law judge, that the infant has sustained a brain or spinal cord injury caused by oxygen deprivation or mechanical injury and that the infant was thereby rendered permanently and substantially mentally and physically impaired, a rebuttable presumption shall arise that the injury is a birth-related neurological injury as defined in s. 766.302 ~~s. 766.302(2)~~.

Section 6. Section 766.31, Florida Statutes, is amended to read:

766.31 Administrative law judge awards for birth-related neurological injuries; notice of award.—

(1) Upon determining that an infant has sustained a birth-related neurological injury and that obstetrical services were delivered by a participating physician at the birth, the administrative law judge shall make an award providing compensation for the following items relative to such injury:

(a) Actual expenses incurred since the date of birth for medically necessary and reasonable:

1. Medical and hospital care and services.~~,~~

2. Habilitative services. ~~and training,~~

3. Dental services.

4. Family ~~residential or custodial~~ care.~~,~~

5. Facility care. ~~Professional residential, and~~

6. Nursing and home health ~~custodial~~ care. ~~and service,~~

7. ~~for medically necessary~~ Drugs.~~,~~

8. Special equipment.~~, and facilities, and~~

9. ~~for~~ Related travel.

10. Supplies.

(b) At a minimum, compensation must be provided for the following medically necessary, as applicable, and reasonable actual expenses:

1. Psychotherapeutic services for ~~A total annual benefit of up to $10,000 for immediate~~ family members and other relatives who have resided ~~reside~~ with the participant, which are ~~infant for psychotherapeutic services~~ obtained from a psychiatrist licensed under chapter 458 or chapter 459, a provider ~~providers~~ licensed under chapter 490 or chapter 491, or a psychiatrist or provider who has equivalent licensure by another jurisdiction. This benefit for such family members and relatives shall be up to a total of $10,000 annually during the participant's lifetime and up to a total of $20,000 subsequent to the participant's death.

2. For the life of the participant ~~child~~, providing family members ~~parents or legal guardians~~ with a reliable method of transporting ~~transportation for the care of~~ the participant and ~~child or reimbursing the cost of upgrading an existing vehicle to accommodate~~ the participant's wheelchair and medically necessary equipment ~~child's needs when it becomes medically necessary for wheelchair transportation~~. ~~The mode of transportation must take into account the special accommodations~~

~~required for the specific child.~~ The plan may not limit such transportation assistance based on the participant's ~~child's~~ age or weight. The plan must replace any vehicle ~~vans~~ purchased by the plan every 7 years or 150,000 miles, whichever comes first.

3. Housing assistance of up to $100,000 for the life of the participant ~~child~~, including, but not limited to, a down payment on a new home, moving expenses, and home construction and modification costs.

4. Legal costs associated with establishing and maintaining guardianship for a participant.

(c)1. The costs of a health insurance policy or contract that provides major medical or similar comprehensive health coverage for the participant obtained pursuant to subsection (3), including, but not limited to, the premium and out-of-pocket costs. For participants enrolled in the state Medicaid program, the plan must reimburse fee-for-service paid claims and capitation payments, as applicable, for services provided to such participants pursuant to this section and for the administrative and support costs associated with the provided medical assistance. Such funds shall be credited to the Agency for Health Care Administration's Medical Care Trust Fund.

2. By December 31, 2026, the plan shall reimburse any participant for reasonable, medically necessary care received by the participant on or before June 30, 2026, which was reduced or not paid by the plan because such participant did not have

health coverage.

(d) ~~(b)~~ However, the following expenses are not subject to compensation:

1. Expenses for items or services that the participant ~~infant~~ has received, or is entitled to receive, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.

2. Expenses for items or services that the participant ~~infant~~ has received, or is contractually entitled to receive, from any prepaid health plan, health maintenance organization, or other private insuring entity.

3. Expenses for which the participant ~~infant~~ has received reimbursement, or for which the participant ~~infant~~ is entitled to receive reimbursement, under the laws of any state or the Federal Government, except to the extent such exclusion may be prohibited by federal law.

4. Expenses for which the participant ~~infant~~ has received reimbursement, or for which the participant ~~infant~~ is contractually entitled to receive reimbursement, pursuant to the provisions of any health or sickness insurance policy or other private insurance program.

5. Expenses for nursing, home health care, or family care provided while care and supervision of the participant is simultaneously being provided by another person or entity.

(e) Notwithstanding subparagraphs (d)2. and 4., the plan may provide compensation for a medically necessary expense when coverage secured under subsection (3) would not adequately meet the participant's needs, would involve significant disruption in continuity of care, or would be significantly burdensome to access, provided the expense otherwise meets the requirements of ss. 766.301-766.316.

(f) ~~(e)~~ Expenses included under paragraphs ~~paragraph~~ (a) and (b) are limited to reasonable charges prevailing in the same community for similar treatment of injured persons when such treatment is paid for by the injured person.

(h)1. A family member ~~The parents or legal guardians~~ receiving benefits under the plan may file a petition with the division ~~of Administrative Hearings~~ to dispute the amount of actual expenses reimbursed or a denial of reimbursement.

2. In the case of an alleged overpayment of an expense reimbursement by the association to a family member, if the family member does not agree that an overpayment has occurred, the association may file a petition for division review of the overpayment for a determination of the amount, if any, to be recouped by the association.

(h)1. ~~(d)1.a.~~ Periodic payments of an award to the family members ~~parents or legal guardians~~ of the participant ~~infant found to have sustained a birth-related neurological injury,~~ which award may not exceed $100,000. However, at the discretion

of the administrative law judge, such award may be made in a lump sum. Beginning on January 1, 2021, the award may not exceed $250,000, and each January 1 thereafter, the maximum award authorized under this paragraph shall increase by 3 percent.

~~b. Parents or legal guardians who received an award pursuant to this section before January 1, 2021, must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to sub-subparagraph a. to $250,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.~~

2.~~a.~~ Death benefit for the participant ~~infant~~ in an amount of $50,000.

~~b. Parents or legal guardians who received an award pursuant to this section, and whose child died since the inception of the program, must receive a retroactive payment in an amount sufficient to bring the total award paid to the parents or legal guardians pursuant to sub-subparagraph a. to $50,000. This additional payment may be made in a lump sum or in periodic payments as designated by the parents or legal guardians and must be paid by July 1, 2021.~~

(i)~~(c)~~ Reasonable expenses incurred in connection with the filing of a claim under ss. 766.301-766.316, including reasonable attorney ~~attorney's~~ fees, which shall be subject to the approval and award of the administrative law judge. In

determining an award for attorney ~~attorney's~~ fees, the administrative law judge shall consider the following factors:

1. The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal services properly.

2. The fee customarily charged in the locality for similar legal services.

3. The time limitations imposed by the claimant or the circumstances.

4. The nature and length of the professional relationship with the claimant.

5. The experience, reputation, and ability of the lawyer or lawyers performing services.

6. The contingency or certainty of a fee.

If there is ~~Should there be~~ a final determination of compensability, and the claimants accept an award under this section, the claimants shall ~~are~~ not be liable for any expenses, including attorney fees, incurred in connection with the filing of a claim under ss. 766.301-766.316 other than those expenses awarded under this section.

(2) The award shall require the immediate payment of expenses previously incurred and shall require that future expenses be paid as incurred.

(3) A family member must continuously maintain comprehensive major medical health coverage for the participant.

(a) If the participant does not have such coverage at the time of entry of a final order by an administrative law judge approving a claim for compensation, the family member must obtain coverage within 60 days after entry of such order or apply for Medicaid coverage within 30 days after entry of such order.

(b) If the participant is determined to be ineligible for Medicaid, the family member must obtain other coverage within 60 days after receiving the Medicaid application denial.

(c) A family member of an individual who is a participant on June 30, 2026, must obtain the required coverage for the participant by January 1, 2027.

(4)~~(3)~~ A copy of the award shall be sent immediately by registered or certified mail to each person served with a copy of the petition under s. 766.305(2).

Section 7. Section 766.314, Florida Statutes, is amended to read:

766.314 Assessments; plan of operation.—

(1) The assessments established pursuant to this section shall be used to finance the Florida Birth-Related Neurological Injury Compensation Plan.

(2) The assessments and appropriations dedicated to the plan shall be administered by the Florida Birth-Related

Neurological Injury Compensation Association established in s. 766.315, in accordance with the following requirements:

(a) ~~On or before July 1, 1988,~~ The directors of the association shall submit to the office ~~Department of Insurance~~ for review and approval a plan of operation and any amendment thereto which shall provide for the efficient administration of the plan and for prompt processing of claims against and awards made on behalf of the plan. The plan of operation shall include provision for:

1. Establishment of necessary facilities;

2. Management of the funds collected on behalf of the plan;

3. Processing of claims against the plan;

4. Assessment of the persons and entities listed in subsections (4) and (7) ~~(5)~~ to pay awards and expenses~~, which assessments shall be on an actuarially sound basis subject to the limits set forth in subsections (4) and (5)~~;

5. A fraud and overpayment prevention and detection program; and

6.~~5.~~ Any other matters necessary for the efficient operation of the birth-related neurological injury compensation plan.

(b) Amendments to the plan of operation may be made by the directors of the plan, subject to the approval of the office ~~of Insurance Regulation of the Financial Services Commission~~.

(3) All assessments shall be deposited with the ~~Florida Birth-Related Neurological Injury Compensation~~ association. The funds collected by the association and any income therefrom shall be disbursed only for the payment of awards under ss. 766.301-766.316 and for the payment of the reasonable expenses of administering the plan.

(4) The following persons and entities shall pay into the association assessments as follows ~~an initial assessment in accordance with the plan of operation~~:

(a)1. ~~On or before October 1, 1988,~~ Each hospital licensed under chapter 395 shall pay an ~~initial~~ assessment of $50 per infant delivered in that ~~the~~ hospital ~~during the prior calendar year~~, as reported to the Agency for Health Care Administration; provided, however, that a hospital owned or operated by the state or a county, special taxing district, or other political subdivision of the state shall not be required to pay ~~the initial assessment or~~ any assessment required by this subsection or subsection (7) ~~(5)~~. The term "infant delivered" includes live births and not stillbirths, but the term does not include infants delivered by employees or agents of the board of trustees of a state university, those born in a teaching hospital as defined in s. 408.07, or those born in a teaching hospital as defined in s. 395.806 that have been deemed by the association as being exempt from assessments since fiscal year 1997 to fiscal year 2001. The ~~initial~~ assessment and any

assessment imposed pursuant to subsection (7) ~~(5)~~ may not include any infant born to a charity patient (as defined by rule of the Agency for Health Care Administration) or born to a patient for whom the hospital receives Medicaid reimbursement, if the sum of the annual charges for charity patients plus the annual Medicaid contractuals of the hospital exceeds 10 percent of the total annual gross operating revenues of the hospital. The hospital is responsible for documenting, to the satisfaction of the association, the exclusion of any birth from the computation of the assessment. Upon demonstration of financial need by a hospital, the association may provide for installment payments of assessments.

2. Assessments are due, and hospitals shall pay, all assessments required under this section by December 31 of the calendar year immediately subsequent to the birth year.

(b)1.a. ~~On or before October 15, 1988,~~ All physicians licensed pursuant to chapter 458 or chapter 459 ~~as of October 1, 1988~~, other than participating physicians, shall be assessed an annual ~~initial~~ assessment of $250.~~,~~

b. Payment for all assessments required under this paragraph is due on or before December 31 of each year ~~which must be paid no later than December 1, 1988~~.

~~2. Any such physician who becomes licensed after September 30, 1988, and before January 1, 1989, shall pay into the association an initial assessment of $250 upon licensure.~~

~~3. Any such physician who becomes licensed on or after January 1, 1989, shall pay an initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5)(a), or paragraph (7)(b).~~

2.~~4.~~ However, if the physician is a physician specified in this subparagraph, the assessment is not applicable:

a. A resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule;

b. A retired physician who has withdrawn from the practice of medicine but who maintains an active license as evidenced by an affidavit filed with the Department of Health. Prior to reentering the practice of medicine in this state, a retired physician as herein defined must notify the Board of Medicine or the Board of Osteopathic Medicine and pay the appropriate assessments pursuant to this section;

c. A physician who holds a limited license pursuant to s. 458.317 and who is not being compensated for medical services;

d. A physician who is employed full time by the United States Department of Veterans Affairs and whose practice is confined to United States Department of Veterans Affairs hospitals; or

e. A physician who is a member of the Armed Forces of the United States and who meets the requirements of s. 456.024.

f. A physician who is employed full time by the State of Florida and whose practice is confined to state-owned correctional institutions, a county health department, or state-owned mental health or developmental services facilities, or who is employed full time by the Department of Health.

(c)1. ~~On or before December 1, 1988,~~ Each physician licensed pursuant to chapter 458 or chapter 459 who wishes to participate in the Florida Birth-Related Neurological Injury Compensation Plan and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an annual ~~initial~~ assessment of $5,000 and any assessment required under paragraph (7)(d), if assessed. However, if the physician is either a resident physician, assistant resident physician, or intern in an approved postgraduate training program, as defined by the Board of Medicine or the Board of Osteopathic Medicine by rule, and is supervised in accordance with program requirements established by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association by a physician who is participating in the plan, such resident physician, assistant resident physician, or intern is deemed to be a participating physician without the payment of the assessment. Participating physicians also include any employee of the board of trustees of a state university who has paid the assessment required by this paragraph and, if assessed, paragraph (7)(d) ~~(5)(a)~~, and any certified nurse midwife supervised by such

employee. Participating physicians include any certified nurse midwife who has paid 50 percent of the physician assessment required by this paragraph and, if assessed, paragraph (7)(d), ~~(5)(a)~~ and who is supervised by a participating physician who has paid the assessment required by this paragraph and, if assessed, paragraph (7)(d) ~~(5)(a)~~. Supervision for nurse midwives shall require that the supervising physician will be easily available and have a prearranged plan of treatment for specified patient problems which the supervised certified nurse midwife may carry out in the absence of any complicating features. ~~Any physician who elects to participate in such plan on or after January 1, 1989, who was not a participating physician at the time of such election to participate and who otherwise qualifies as a participating physician under ss. 766.301-766.316 shall pay an additional initial assessment equal to the most recent assessment made pursuant to this paragraph, paragraph (5)(a), or paragraph (7)(b).~~

2. Payment of assessments required by this paragraph is due on or before December 31 of each year for qualification as a participating physician during the next calendar year. If payment of the assessments is received by the association on or before January 31 of any calendar year, the physician shall qualify as a participating physician for that entire calendar year. If the payment is received after January 31, the physician shall qualify as a participating physician for that calendar

year only from the date the payment was received by the association.

(d) Any hospital located in a county with a population in excess of 1.1 million as of January 1, 2003, as determined by the Agency for Health Care Administration under the Health Care Responsibility Act, may elect to pay the assessments required by paragraph (c) ~~fee~~ for the participating physician and the certified nurse midwife if the hospital first determines that the primary motivating purpose for making such payment is to ensure coverage for the hospital's patients under the provisions of ss. 766.301-766.316; however, no hospital may restrict any participating physician or nurse midwife, directly or indirectly, from being on the staff of hospitals other than the staff of the hospital making the payment. ~~Each hospital shall file with the association an affidavit setting forth specifically the reasons why the hospital elected to make the payment on behalf of each participating physician and certified nurse midwife. The payments authorized under this paragraph shall be in addition to the assessment set forth in paragraph (5)(a).~~

~~(5)(a) Beginning January 1, 1990, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, as of the date determined in accordance with the plan of operation, taking into account persons licensed subsequent to the payment~~

~~of the initial assessment, shall pay an annual assessment in the amount equal to the initial assessments provided in paragraphs (4)(b) and (c). If payment of the annual assessment by a physician is received by the association by January 31 of any calendar year, the physician shall qualify as a participating physician for that entire calendar year. If the payment is received after January 31 of any calendar year, the physician shall qualify as a participating physician for that calendar year only from the date the payment was received by the association. On January 1, 1991, and on each January 1 thereafter, the association shall determine the amount of additional assessments necessary pursuant to subsection (7), in the manner required by the plan of operation, subject to any increase determined to be necessary by the Office of Insurance Regulation pursuant to paragraph (7)(b). On July 1, 1991, and on each July 1 thereafter, the persons and entities listed in paragraphs (4)(b) and (c), except those persons or entities who are specifically excluded from said provisions, shall pay the additional assessments which were determined on January 1. Beginning January 1, 1990, the entities listed in paragraph (4)(a), including those licensed on or after October 1, 1988, shall pay an annual assessment of $50 per infant delivered during the prior calendar year. The additional assessments which were determined on January 1, 1991, pursuant to the provisions~~

~~of subsection (7) shall not be due and payable by the entities listed in paragraph (4)(a) until July 1.~~

~~(b) If the assessments collected pursuant to subsection (4) and the appropriation of funds provided by s. 76, chapter 88-1, Laws of Florida, as amended by s. 41, chapter 88-277, Laws of Florida, to the plan from the Insurance Regulatory Trust Fund are insufficient to maintain the plan on an actuarially sound basis, there is hereby appropriated for transfer to the association from the Insurance Regulatory Trust Fund an additional amount of up to $20 million.~~

~~(c)1. Taking into account the assessments collected pursuant to subsection (4) and appropriations from the Insurance Regulatory Trust Fund, if required to maintain the plan on an actuarially sound basis, the Office of Insurance Regulation shall require each entity licensed to issue casualty insurance as defined in s. 624.605(1)(b), (k), and (q) to pay into the association an annual assessment in an amount determined by the office pursuant to paragraph (7)(a), in the manner required by the plan of operation.~~

~~2. All annual assessments shall be made on the basis of net direct premiums written for the business activity which forms the basis for each such entity's inclusion as a funding source for the plan in the state during the prior year ending December 31, as reported to the Office of Insurance Regulation, and shall be in the proportion that the net direct premiums~~

~~written by each carrier on account of the business activity forming the basis for its inclusion in the plan bears to the aggregate net direct premiums for all such business activity written in this state by all such entities.~~

~~3. No entity listed in this paragraph shall be individually liable for an annual assessment in excess of 0.25 percent of that entity's net direct premiums written.~~

~~4. Casualty insurance carriers shall be entitled to recover their initial and annual assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.~~

(5) ~~(6)~~ (a) The association shall make all assessments required by this section, except initial assessments of physicians newly licensed by the Department of Health, which assessments will be made by the Department of Health, and except assessments of casualty insurers pursuant to paragraph (7)(c) ~~subparagraph (5)(c)1.~~, which assessments will be made by the office ~~of Insurance Regulation~~. The Department of Health shall provide the association, in an electronic format, with a monthly report of the names and license numbers of all physicians licensed under chapter 458 or chapter 459.

(b)1. The association may enforce collection of assessments required to be paid pursuant to ss. 766.301-766.316 by suit filed in county court, or in circuit court if the amount due could exceed the jurisdictional limits of county court. The

association is entitled to an award of attorney fees, costs, and interest upon the entry of a judgment against a physician for failure to pay such assessment, with such interest accruing until paid. Notwithstanding chapters 47 and 48, the association may file such suit in either Leon County or the county of the residence of the defendant. The association shall notify the Department of Health and the applicable board of any unpaid final judgment against a physician within 7 days after the entry of final judgment.

2. The Department of Health, upon notification by the association that an assessment has not been paid and that there is an unsatisfied judgment against a physician, shall refuse to renew any license issued to such physician under chapter 458 or chapter 459 until the association notifies the Department of Health that the judgment is satisfied in full.

(c) The Agency for Health Care Administration shall, upon notification by the association that an assessment has not been timely paid, enforce collection of such assessments required to be paid by hospitals pursuant to ss. 766.301-766.316. Failure of a hospital to pay such assessment is grounds for disciplinary action pursuant to s. 395.1065 notwithstanding any law to the contrary.

(6) ~~(9)~~ (a) Within 60 days after a claim is filed, the association shall estimate the present value of the total cost of the claim, including the estimated amount to be paid to the

claimant, the claimant's attorney, the attorney's fees of the association incident to the claim, and any other expenses that are reasonably anticipated to be incurred by the association in connection with the adjudication and payment of the claim. For purposes of this estimate, the association should include the maximum benefits for noneconomic damages.

(b) The association shall revise these estimates quarterly based upon the actual costs incurred and any additional information that becomes available to the association since the last review of this estimate. The estimate shall be reduced by any amounts paid by the association that were included in the current estimate. The association must submit such quarterly estimates to the office within 10 business days after completion.

(c) After the revisions of estimates required under paragraph (b), each quarter, the association shall calculate whether the plan is actuarially sound. If the association's calculation indicates that the plan is not actuarially sound, the association shall immediately notify the office as described in subsection (7). The office must review the association's calculations and, within 60 days after the association's notification, determine whether to initiate an actuarial valuation as described in subsection (7), and notify the association of its determination. At a minimum, the office shall make its determination based on the degree to which the

association's calculations indicate that the plan is not actuarially sound, the direction and consistency of recent trends in the calculations of the plan's actuarial soundness, and the length of time since the most recent actuarial valuation conducted by the office and until the next biennial valuation. The office shall initiate such actuarial valuation within 30 days after its determination that there is a need for a valuation.

~~1. If the total of all current estimates equals or exceeds 100 percent of the funds on hand and the funds that will become available to the association within the next 12 months from all sources described in subsection (4) and paragraph (5)(a), the association may not accept any new claims without express authority from the Legislature. This section does not preclude the association from accepting any claim if the injury occurred 18 months or more before the effective date of this suspension. Within 30 days after the effective date of this suspension, the association shall notify the Governor, the Speaker of the House of Representatives, the President of the Senate, the Office of Insurance Regulation, the Agency for Health Care Administration, and the Department of Health of this suspension.~~

~~2. Notwithstanding this paragraph, the association is authorized to accept new claims during the 2025-2026 fiscal year if the total of all current estimates exceeds the limits~~

~~described in subparagraph 1. during that fiscal year. This subparagraph expires July 1, 2026.~~

~~(d) If any person is precluded from asserting a claim against the association because of paragraph (c), the plan shall not constitute the exclusive remedy for such person, his or her personal representative, parents, dependents, or next of kin.~~

(7)(a) The office ~~of Insurance Regulation shall undertake an actuarial investigation of the requirements of the plan based on the plan's experience in the first year of operation and any additional relevant information, including without limitation the assets and liabilities of the plan. Pursuant to such investigation, the Office of Insurance Regulation shall establish the rate of contribution of the entities listed in paragraph (5)(c) for the tax year beginning January 1, 1990. Following the initial valuation, the Office of Insurance Regulation~~ shall cause an actuarial valuation to be made of the assets and liabilities of the plan at a minimum ~~no less frequently than~~ biennially on or before December 31 of even-numbered years and as provided in subsection (6). Such valuation shall be based on the assets and liabilities of the plan for the calendar year before the year in which the actuarial valuation is due. The office shall also determine whether the plan has adequate estimated cash flow for the following fiscal year, whether, based on the actuarial valuation, the plan is actuarially sound, and if not, whether the plan is likely to

return to actuarial soundness before the next biennial review. ~~Pursuant to the results of such valuations, the Office of Insurance Regulation shall prepare a statement as to the contribution rate applicable to the entities listed in paragraph (5)(c). However, at no time shall the rate be greater than 0.25 percent of net direct premiums written.~~

(b) If the office determines that the plan lacks adequate cash flow for the following fiscal year pursuant to the review in paragraph (a), the office shall authorize a transfer of up to $20 million from the Insurance Regulatory Trust Fund to the association within 30 calendar days.

(c) ~~(b)~~ If the office ~~of Insurance Regulation~~ finds that the plan is not likely to return to actuarial soundness before the next biennial review pursuant to the review in paragraph (a), the office shall, within 60 calendar days after this finding, order one or more of the following actions:

1. Increase the assessments specified in paragraphs (4)(a) and (c) on a proportional basis, by an amount not exceeding 100 percent of the applicable assessment in paragraphs (4)(a) and (c), that is calculated to generate a total amount no greater than the amount required to maintain the plan on an actuarially sound basis.

2. If actuarial soundness cannot be achieved after using the remedy in subparagraph 1., increase the assessments specified in paragraph (4)(b) on a proportional basis, by an

amount not exceeding 100 percent of the assessment in paragraph (4)(b), that is calculated to generate a total amount no greater than the amount required to maintain the plan on an actuarially sound basis.

3. If actuarial soundness cannot be achieved after using the remedies in subparagraphs 1. and 2., require each entity licensed to issue casualty insurance as defined in s. 624.605(1)(b), (k), and (q) to pay into the association an annual assessment that is calculated to generate a total amount no greater than the amount required to achieve actuarial soundness of the plan within 5 years after the date of the order, subject to the limitations of this subparagraph.

a. These assessments shall be made on the basis of net direct premiums written for the business activity which forms the basis for each such entity's inclusion as a funding source for the plan in the state during the prior year ending December 31, as reported to the office, and shall be in the proportion that the net direct premiums written by each carrier on account of the business activity forming the basis for its inclusion in the plan bears to the aggregate net direct premiums for all such business activity written in this state by all such entities.

b. No entity shall be individually liable for an annual assessment in excess of 0.25 percent of that entity's net direct premiums written.

c. Casualty insurance carriers shall be entitled to recover their assessments through a surcharge on future policies, a rate increase applicable prospectively, or a combination of the two.

d. An assessment under this subparagraph must not extend 5 years after the date of the order.

(d) If the office finds that the plan is not actuarially sound pursuant to the review in paragraph (a), the plan shall provide the office with quarterly reports projecting the plan's financial health and, if assessments were ordered by the office under this paragraph, projected revenues for such assessments.

(e) If the association finds that the plan is not actuarially sound and the remedies provided under subsection (7) are insufficient to reestablish the actuarial soundness of the plan, the association shall, within 60 days after such finding, notify the Governor, the President of the Senate, the Speaker of the House of Representatives, and the office. If the plan issues the notice, the association may not accept any new claims without express authority from the Legislature. This paragraph does not preclude the association from accepting any claim if the injury occurred 18 months or more before the effective date of this suspension.

(f) If any person is precluded from asserting a claim against the association because of paragraph (e), the plan shall not constitute the exclusive remedy for such person, his or her

personal representative, parents, dependents, or next of kin ~~cannot be maintained on an actuarially sound basis based on the assessments and appropriations listed in subsections (4) and (5), the office shall increase the assessments specified in subsection (4) on a proportional basis as needed~~.

~~(8) The association shall report to the Legislature its determination as to the annual cost of maintaining the fund on an actuarially sound basis. In making its determination, the association shall consider the recommendations of all hospitals, physicians, casualty insurers, attorneys, consumers, and any associations representing any such person or entity. Notwithstanding the provisions of s. 395.3025, all hospitals, casualty insurers, departments, boards, commissions, and legislative committees shall provide the association with all relevant records and information upon request to assist the association in making its determination. All hospitals shall, upon request by the association, provide the association with information from their records regarding any live birth. Such information shall not include the name of any physician, the name of any hospital employee or agent, the name of the patient, or any other information which will identify the infant involved in the birth. Such information thereby obtained shall be utilized solely for the purpose of assisting the association and shall not subject the hospital to any civil or criminal liability for the release thereof. Such information shall~~

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

Section 8. Present subsections (5) through (8) of section 766.315, Florida Statutes, are redesignated as subsections (6) through (9), respectively, a new subsection (5) is added to that section, and subsection (1), paragraph (e) of present subsection (5), and present subsections (7) and (8) of that section are amended to read:

766.315 Florida Birth-Related Neurological Injury Compensation Association; board of directors; notice of meetings; report.—

(1)(a) The Florida Birth-Related Neurological Injury Compensation Plan shall be governed by a board of seven directors which shall be known as the Florida Birth-Related Neurological Injury Compensation Association. The association is not a state agency, board, or commission. Notwithstanding the provision of s. 15.03, the association is authorized to use the state seal.

(b) The directors shall be appointed for staggered terms of 3 years or until their successors are appointed and have qualified; however, a director may not serve for more than 6 consecutive years.

(c) The directors shall be appointed by the Chief Financial Officer as follows:

1. One citizen representative who is not affiliated with any of the groups identified in subparagraphs 2.-7.

2. One representative of participating physicians.

3. One representative of hospitals.

4. One representative of casualty insurers.

5. One representative of physicians other than participating physicians.

6. One family member of a participant ~~parent or legal guardian representative of an injured infant under the plan~~.

7. One representative of an advocacy organization for children with disabilities.

(5) The board of directors may not create new benefits or expand existing benefits that result in additional costs to the plan if the plan's operating expenses exceed assessment revenue, plus investment income, as documented in the plan's audited financial statements for the prior fiscal year.

(6)~~(5)~~

(e) Annually, the association shall furnish audited financial reports to any plan participant upon request, to the office ~~of Insurance Regulation of the Financial Services Commission~~, and to the Joint Legislative Auditing Committee. The reports must be prepared in accordance with generally accepted auditing standards ~~accounting procedures~~ and must include such information as may be required by the office ~~of Insurance Regulation~~ or the Joint Legislative Auditing Committee. At any

time determined to be necessary, the office ~~of Insurance Regulation~~ or the Joint Legislative Auditing Committee may conduct an audit of the plan.

(8)~~(7)~~ The association shall publish a report on its website by January 1 of each year. The report must ~~shall~~ include all of the following:

(a) The names and terms of each board member and executive staff member.

(b) The amount of compensation paid to each association employee or independent contractor.

(c) A summary of reimbursement disputes and resolutions.

(d) A list of expenditures for attorney fees and lobbying fees.

(e) Other expenses to oppose each plan claim. Any personal identifying information of the parent, legal guardian, or child involved in the claim must be removed from this list.

(9)~~(8)~~ By November 1 of each year, the association shall submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Financial Officer. The report must include all of the following:

(a) The number of petitions filed for compensation with the division, the number of claimants awarded compensation, the number of claimants denied compensation, and the reasons for the denial of compensation.

(b) The number and dollar amount of paid and denied compensation for expenses by category and the reasons for any denied compensation for expenses by category.

(c) The average turnaround time for paying or denying compensation for expenses.

(d) Legislative recommendations to improve the program.

(e) A summary of any pending or resolved litigation during the year which affects the plan.

(f) The amount of compensation paid to each association employee, independent contractor, or member of the board of directors.

Section 9. This act shall take effect July 1, 2026.

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

Remove lines 7-48 and insert:

s. 766.302, F.S.; providing and revising definitions; removing a limitation on time subject to plan compensation; amending s. 766.303, F.S.; revising terminology; amending s. 766.305, F.S.; revising provisions relating to filing claims; amending s. 766.309, F.S.; conforming a cross-reference; amending s. 766.31, F.S.; revising items that are eligible for an award providing compensation; requiring compensation to be provided for certain actual

expenses; requiring compensation for the costs of major medical health coverage; requiring the plan to reimburse certain payments made for services provided; exempting expenses for professional custodial care in certain circumstances; requiring that, upon entry of a final order for compensation, parents or legal guardians obtain private health insurance or submit an application for the Medicaid program; amending s. 766.314, F.S.; requiring the directors to maintain a plan of operation; requiring certain assessments to be paid into the Florida Birth-Related Neurological Injury Compensation Association at certain times for certain purposes; requiring the plan of operation to include a provision for fraud; removing obsolete provisions; revising provisions relating to an actuarial valuation of the plan; requiring the association to submit quarterly estimates; requiring the association to state whether the plan is actuarially sound; authorizing a transfer of funds to the association from the Insurance Regulatory Trust Fund if the plan is not actuarially sound; requiring the association to require each entity to issue casualty insurance and pay an annual assessment; providing requirements for annual assessments; requiring an increase in assessments after certain

findings; requiring the association to determine whether the plan is actuarially sound after certain revisions; providing criteria for such determination; requiring notification to the Governor, Legislature, and Office of Insurance Regulation after certain findings; providing that the plan is not the exclusive remedy if it is prohibited from accepting new claims; amending s. revising membership of the association's board of directors; prohibiting the board of directors from creating new benefits or expanding existing benefits under the plan under certain circumstances; revising requirements for certain reports of the association; providing an effective date.