2

3

4

5

6

7

8

9

10

11

1213

14

15

16

17

18 19

20

2122

23

2425

26

27

28

29

By the Committee on Budget

576-03485-11 20112122

A bill to be entitled An act relating to consumer protection; amending s. 20.14, F.S.; removing the Division of Dairy Industry within the department; amending s. 320.90, F.S.; requiring the Department of Legal Affairs, rather than the Department of Agriculture and Consumer Services, to distribute free of charge a motor vehicle consumer's rights pamphlet; amending s. 501.160, F.S.; providing for the state attorneys and the Department of Legal Affairs, rather than the Department of Agriculture and Consumer Services, to enforce the law prohibiting price gouging; reenacting s. 570.18, F.S., relating to the organization of the Department of Agriculture and Consumer Services, to incorporate the amendment made to s. 570.29, F.S., in a reference thereto; amending s. 570.20, F.S.; removing the time limitations on provisions authorizing moneys in the General Inspection Trust Fund to be used for programs operated by the Department of Agriculture and Consumer Services; amending s. 570.29, F.S.; removing the Division of Dairy Industry, to conform, and adding the Division of Licensing as a division within the department; repealing ss. 570.40 and 570.41, F.S., relating to the powers and duties of the Division of Dairy Industry; amending s. 570.50, F.S.; adding the inspection of dairy farms, milk plants, and milk product plants and other specified functions to the duties of the Division of Food Safety within the

department; amending s. 601.15, F.S.; requiring review

and approval by the Legislative Budget Commission of any proposal by the Citrus Commission to increase the box tax rate; repealing s. 681.102(7), F.S., relating to the definition of the term "division"; amending ss. 681.103, 681.108, 681.109, 681.1095, 681.1096, 681.110, 681.112, 681.114, 681.117, and 681.118, F.S.; providing for the Department of Legal Affairs, rather than the Division of Consumer Services of the Department of Agriculture and Consumer Services, to enforce the state Lemon Law; consolidating enforcement duties under the Motor Vehicle Warranty Enforcement Act within the Department of Legal Affairs; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Subsection (2) of section 20.14, Florida Statutes, is amended to read:

20.14 Department of Agriculture and Consumer Services.—
There is created a Department of Agriculture and Consumer
Services.

(2) The following divisions of the Department of Agriculture and Consumer Services are established:

(a) Administration.

(b) Agricultural Environmental Services.

(c) Animal Industry.

(d) Aquaculture.

(e) Consumer Services.

reenacted to read:

576-03485-11 20112122 59 (f) Dairy Industry. 60 (f) <del>(g)</del> Food Safety. 61 (g) (h) Forestry. 62 (h) (i) Fruit and Vegetables. 63 (i) <del>(j)</del> Licensing. 64 (j) (k) Marketing and Development. 65  $(k) \frac{(1)}{(1)}$  Plant Industry. 66 (1)<del>(m)</del> Standards. Section 2. Section 320.90, Florida Statutes, is amended to 67 68 read: 69 320.90 Notification of consumer's rights.—The department 70 shall develop a motor vehicle consumer's rights pamphlet which 71 shall be distributed free of charge by the Department of Legal 72 Affairs Agriculture and Consumer Services to the motor vehicle 73 owner upon request. Such pamphlet must contain information 74 relating to odometer fraud and provide a summary of the rights 75 and remedies available to all purchasers of motor vehicles. 76 Section 3. Subsection (8) of section 501.160, Florida 77 Statutes, is amended to read: 78 501.160 Rental or sale of essential commodities during a 79 declared state of emergency; prohibition against unconscionable 80 prices.-81 (8) Any violation of this section may be enforced by the 82 Department of Agriculture and Consumer Services, the office of 83 the state attorney, or the Department of Legal Affairs. 84 Section 4. For the purpose of incorporating the amendment 85 made by this act to section 570.29, Florida Statutes, in a 86 reference thereto, section 570.18, Florida Statutes, is

576-03485-11 20112122

570.18 Organization of departmental work.—In the assignment of functions to the 12 divisions of the department created in s. 570.29, the department shall retain within the Division of Administration, in addition to executive functions, those powers and duties enumerated in s. 570.30. The department shall organize the work of the other 11 divisions in such a way as to secure maximum efficiency in the conduct of the department. The divisions created in s. 570.29 are solely to make possible the definite placing of responsibility. The department shall be conducted as a unit in which every employee, including each division director, is assigned a definite workload, and there shall exist between division directors a spirit of cooperative effort to accomplish the work of the department.

Section 5. Subsection (2) of section 570.20, Florida Statutes, is amended to read:

570.20 General Inspection Trust Fund.-

(2) For the 2010-2011 fiscal year only and Notwithstanding any other provision of law to the contrary, in addition to the spending authorized in subsection (1), moneys in the General Inspection Trust Fund may be appropriated for programs operated by the department which are related to the programs authorized by this chapter in addition to the spending authorized in subsection (1). This subsection expires July 1, 2011.

Section 6. Section 570.29, Florida Statutes, is amended to read:

570.29 Departmental divisions.—The department shall include the following divisions:

- (1) Administration.
- (2) Agricultural Environmental Services.

576-03485-11

20112122

117 (3) Animal Industry. 118 (4) Aquaculture. 119 (5) Consumer Services. 120 (6) Dairy Industry. 121  $(6)\frac{(7)}{(7)}$  Food Safety. 122  $(7)\frac{(8)}{(8)}$  Forestry. (8) <del>(9)</del> Fruit and Vegetables. 123 124 (9) Licensing. 125 (10) Marketing and Development. 126 (11) Plant Industry. 127 (12) Standards. 128 Section 7. Sections 570.40 and 570.41, Florida Statutes, 129 are repealed. Section 8. Subsections (6) and (7) are added to section 130 131 570.50, Florida Statutes, to read: 132 570.50 Division of Food Safety; powers and duties.—The 133 duties of the Division of Food Safety include, but are not 134 limited to: 135 (6) Inspecting dairy farms of the state and enforcing those 136 provisions of chapter 502 as are authorized by the department 137 relating to the supervision of milking operations and the rules 138 adopted pursuant to such law. 139 (7) Inspecting milk plants, milk product plants, and plants 140 engaged in the manufacture and distribution of frozen desserts 141 and frozen dessert mixes; analyzing and testing samples of milk, 142 milk products, frozen desserts, and frozen dessert mixes which 143 are collected by the division; and enforcing those provisions of 144 chapter 502 or chapter 503 as are authorized by the department. 145 Section 9. Paragraph (e) of subsection (3) of section

146 601.15, Florida Statutes, is amended to read:

601.15 Advertising campaign; methods of conducting; excise tax; emergency reserve fund; citrus research.—

(3)

(e) The commission, upon an affirmative vote of a majority of its members and by an order entered by it prior to November 1 of any year, may set the tax rates up to the maximum rates specified in this subsection. The tax rate shall apply only to the citrus season which began on August 1 of the same calendar year. Such tax rate may be applied by variety and on the basis of whether the fruit enters the primary channel of trade for use in fresh or processed form. If the commission cannot agree on a box tax rate, the tax rate for the previous year shall remain in effect until the commission approves a new rate. Any proposal by the commission to increase the box tax rate from the previous year's rate is subject to review and approval by the Legislative Budget Commission.

Section 10. <u>Subsection (7) of section 681.102</u>, Florida Statutes, is repealed.

Section 11. Subsections (2) and (3) of section 681.103, Florida Statutes, are amended to read:

- 681.103 Duty of manufacturer to conform a motor vehicle to the warranty.—
- (2) Each manufacturer shall provide to its consumers conspicuous notice of the address and phone number for its zone, district, or regional office for this state in the written warranty or owner's manual. By January 1 of each year, each manufacturer shall forward to the department of Legal Affairs a copy of the owner's manual and any written warranty for each

176

177

178

179

180181

182

183

184

185

186

187

188189

190

191

192

193

194

195

196

197

198

199

200

201

202203

576-03485-11 20112122

make and model of motor vehicle that it sells in this state.

(3) At the time of acquisition, the manufacturer shall inform the consumer clearly and conspicuously in writing how and where to file a claim with a certified procedure if such procedure has been established by the manufacturer pursuant to s. 681.108. The nameplate manufacturer of a recreational vehicle shall, at the time of vehicle acquisition, inform the consumer clearly and conspicuously in writing how and where to file a claim with a program pursuant to s. 681.1096. The manufacturer shall provide to the dealer and, at the time of acquisition, the dealer shall provide to the consumer a written statement that explains the consumer's rights under this chapter. The written statement shall be prepared by the department of Legal Affairs and shall contain a toll-free number for the department which division that the consumer can contact to obtain information regarding the consumer's rights and obligations under this chapter or to commence arbitration. If the manufacturer obtains a signed receipt for timely delivery of sufficient quantities of this written statement to meet the dealer's vehicle sales requirements, it shall constitute prima facie evidence of compliance with this subsection by the manufacturer. The consumer's signed acknowledgment of receipt of materials required under this subsection shall constitute prima facie evidence of compliance by the manufacturer and dealer. The form of the acknowledgments shall be approved by the department of Legal Affairs, and the dealer shall maintain the consumer's signed acknowledgment for 3 years.

Section 12. Subsections (1), (2), (3), (4), (5), and (8) of section 681.108, Florida Statutes, are amended to read:

205

206

207

208

209

210

211

212213

214215

216

217218

219

220

221

222

223

224

225

226

227

228

229

230

231232

576-03485-11 20112122

681.108 Dispute-settlement procedures.—

- (1) If a manufacturer has established a procedure, which the department division has certified as substantially complying with the provisions of 16 C.F.R. part 703, in effect October 1, 1983, and with the provisions of this chapter and the rules adopted under this chapter, and has informed the consumer how and where to file a claim with such procedure pursuant to s. 681.103(3), the provisions of s. 681.104(2) apply to the consumer only if the consumer has first resorted to such procedure. The decisionmakers for a certified procedure shall, in rendering decisions, take into account all legal and equitable factors germane to a fair and just decision, including, but not limited to, the warranty; the rights and remedies conferred under 16 C.F.R. part 703, in effect October 1, 1983; the provisions of this chapter; and any other equitable considerations appropriate under the circumstances. Decisionmakers and staff of a procedure shall be trained in the provisions of this chapter and in 16 C.F.R. part 703, in effect October 1, 1983. In an action brought by a consumer concerning an alleged nonconformity, the decision that results from a certified procedure is admissible in evidence.
- (2) A manufacturer may apply to the <u>department</u> division for certification of its procedure. After receipt and evaluation of the application, the <u>department</u> division shall certify the procedure or notify the manufacturer of any deficiencies in the application or the procedure.
- (3) A certified procedure or a procedure of an applicant seeking certification shall submit to the <u>department</u> division a copy of each settlement approved by the procedure or decision

576-03485-11 20112122

made by a decisionmaker within 30 days after the settlement is reached or the decision is rendered. The decision or settlement must contain at a minimum the:

- (a) Name and address of the consumer;
- (b) Name of the manufacturer and address of the dealership from which the motor vehicle was purchased;
- (c) Date the claim was received and the location of the procedure office that handled the claim;
  - (d) Relief requested by the consumer;
- (e) Name of each decisionmaker rendering the decision or person approving the settlement;
  - (f) Statement of the terms of the settlement or decision;
  - (g) Date of the settlement or decision; and
- (h) Statement of whether the decision was accepted or rejected by the consumer.
- (4) Any manufacturer establishing or applying to establish a certified procedure must file with the <u>department</u> division a copy of the annual audit required under the provisions of 16 C.F.R. part 703, in effect October 1, 1983, together with any additional information required for purposes of certification, including the number of refunds and replacements made in this state pursuant to the provisions of this chapter by the manufacturer during the period audited.
- (5) The <u>department</u> <u>division</u> shall review each certified procedure at least annually, prepare an annual report evaluating the operation of certified procedures established by motor vehicle manufacturers and procedures of applicants seeking certification, and, for a period not to exceed 1 year, shall grant certification to, or renew certification for, those

576-03485-11 20112122

manufacturers whose procedures substantially comply with the provisions of 16 C.F.R. part 703, in effect October 1, 1983, and with the provisions of this chapter and rules adopted under this chapter. If certification is revoked or denied, the <u>department</u> division shall state the reasons for such action. The reports and records of actions taken with respect to certification shall be public records.

(8) The <u>department</u> <u>division</u> shall adopt rules to implement this section.

Section 13. Subsections (1), (2), (3), (5), (6), and (7) of section 681.109, Florida Statutes, are amended to read:

681.109 Florida New Motor Vehicle Arbitration Board; dispute eligibility.—

- (1) If a manufacturer has a certified procedure, a consumer claim arising during the Lemon Law rights period must be filed with the certified procedure no later than 60 days after the expiration of the Lemon Law rights period. If a decision is not rendered by the certified procedure within 40 days after of filing, the consumer may apply to the department division to have the dispute removed to the board for arbitration.
- (2) If a manufacturer has a certified procedure, a consumer claim arising during the Lemon Law rights period must be filed with the certified procedure no later than 60 days after the expiration of the Lemon Law rights period. If a consumer is not satisfied with the decision or the manufacturer's compliance therewith, the consumer may apply to the <u>department division</u> to have the dispute submitted to the board for arbitration. A manufacturer may not seek review of a decision made under its procedure.

576-03485-11 20112122

(3) If a manufacturer has no certified procedure or if a certified procedure does not have jurisdiction to resolve the dispute, a consumer may apply directly to the <u>department</u> division to have the dispute submitted to the board for arbitration.

- (5) The <u>department</u> <u>division</u> shall screen all requests for arbitration before the board to determine eligibility. The consumer's request for arbitration before the board shall be made on a form prescribed by the department. The <u>department</u> <u>division</u> shall forward to the board all disputes that the <u>department</u> <u>division</u> determines are potentially entitled to relief under this chapter.
- (6) The <u>department</u> <u>division</u> may reject a dispute that it determines to be fraudulent or outside the scope of the board's authority. Any dispute deemed by the <u>department</u> <u>division</u> to be ineligible for arbitration by the board due to insufficient evidence may be reconsidered upon the submission of new information regarding the dispute. Following a second review, the <u>department</u> <u>division</u> may reject a dispute if the evidence is clearly insufficient to qualify for relief. <u>If a Any</u> dispute <u>is</u> rejected by the <u>department</u>, the <u>department</u> shall send <u>division</u> shall be forwarded to the department and a copy shall be sent by registered mail to the consumer and the manufacturer, <u>containing</u> a brief explanation as to the reason for rejection.
- (7) If the <u>department</u> <u>division</u> rejects a dispute, the consumer may file a lawsuit to enforce the remedies provided under this chapter. In any civil action arising under this chapter and relating to a matter considered by the <u>department</u> <u>division</u>, any determination made to reject a dispute is

320 admissible in evidence.

Section 14. Subsections (1) through (6) and subsection (11) of section 681.1095, Florida Statutes, are amended to read:

681.1095 Florida New Motor Vehicle Arbitration Board; creation and function.—

- Affairs, the Florida New Motor Vehicle Arbitration Board, consisting of members appointed by the Attorney General for an initial term of 1 year. Board members may be reappointed for additional terms of 2 years. Each board member is accountable to the Attorney General for the performance of the member's duties and is exempt from civil liability for any act or omission that which occurs while acting in the member's official capacity. The department of Legal Affairs shall defend a member in any action against the member or the board which arises from any such act or omission. The Attorney General may establish as many regions of the board as necessary to carry out the provisions of this chapter.
- (2) The boards shall hear cases in various locations throughout the state so any consumer whose dispute is approved for arbitration by the <u>department</u> <u>division</u> may attend an arbitration hearing at a reasonably convenient location and present a dispute orally. Hearings shall be conducted by panels of three board members assigned by the department. A majority vote of the three-member board panel shall be required to render a decision. Arbitration proceedings under this section shall be open to the public on reasonable and nondiscriminatory terms.
- (3) Each region of the board shall consist of up to eight members. The members of the board shall construe and apply the

576-03485-11 20112122

provisions of this chapter, and rules adopted thereunder, in making their decisions. An administrator and a secretary shall be assigned to each board by the department of Legal Affairs. At least one member of each board must be a person with expertise in motor vehicle mechanics. A member must not be employed by a manufacturer or a franchised motor vehicle dealer or be a staff member, a decisionmaker, or a consultant for a procedure. Board members shall be trained in the application of this chapter and any rules adopted under this chapter, shall be reimbursed for travel expenses pursuant to s. 112.061, and shall be compensated at a rate or wage prescribed by the Attorney General.

- (4) Before filing a civil action on a matter subject to s. 681.104, the consumer must first submit the dispute to the department division, and to the board if such dispute is deemed eligible for arbitration.
- (5) Manufacturers shall submit to arbitration conducted by the board if such arbitration is requested by a consumer and the dispute is deemed eligible for arbitration by the <u>department</u> division pursuant to s. 681.109.
- (6) The board shall hear the dispute within 40 days and render a decision within 60 days after the date the request for arbitration is approved. The board may continue the hearing on its own motion or upon the request of a party for good cause shown. A request for continuance by the consumer constitutes waiver of the time periods set forth in this subsection. The department of Legal Affairs, at the board's request, may investigate disputes, and may issue subpoenas for the attendance of witnesses and for the production of records, documents, and other evidence before the board. The failure of the board to

576-03485-11 20112122

hear a dispute or render a decision within the prescribed periods does not invalidate the decision.

(11) All provisions in this section and s. 681.109 pertaining to compulsory arbitration before the board, the dispute eligibility screening by the <u>department</u> division, the proceedings and decisions of the board, and any appeals thereof, are exempt from the provisions of chapter 120.

Section 15. Subsections (2) and (4) of section 681.1096, Florida Statutes, are amended to read:

681.1096 RV Mediation and Arbitration Program; creation and qualifications.—

- (2) Each manufacturer of a recreational vehicle involved in a dispute that is determined eligible under this chapter, including chassis and component manufacturers which separately warrant the chassis and components and which otherwise meet the definition of manufacturer set forth in s.  $\underline{681.102(13)}$   $\underline{681.102(14)}$ , shall participate in a mediation and arbitration program that is deemed qualified by the department.
- (4) The department shall monitor the program for compliance with this chapter. If the program is determined not qualified or if qualification is revoked, then disputes shall be subject to the provisions of ss. 681.109 and 681.1095. If the program is determined not qualified or if qualification is revoked as to a manufacturer, all those manufacturers potentially involved in the eligible consumer dispute shall be required to submit to arbitration conducted by the board if such arbitration is requested by a consumer and the dispute is deemed eligible for arbitration by the department division pursuant to s. 681.109. A consumer having a dispute involving one or more manufacturers

576-03485-11 20112122

for which the program has been determined not qualified, or for which qualification has been revoked, is not required to submit the dispute to the program irrespective of whether the program may be qualified as to some of the manufacturers potentially involved in the dispute.

Section 16. Section 681.110, Florida Statutes, is amended to read:

681.110 Compliance and disciplinary actions.—The department of Legal Affairs may enforce and ensure compliance with the provisions of this chapter and rules adopted thereunder, may issue subpoenas requiring the attendance of witnesses and production of evidence, and may seek relief in the circuit court to compel compliance with such subpoenas. The department of Legal Affairs may impose a civil penalty against a manufacturer not to exceed \$1,000 for each count or separate offense. The proceeds from the fine imposed herein shall be placed in the Motor Vehicle Warranty Trust Fund in the department of Legal Affairs for implementation and enforcement of this chapter.

Section 17. Subsection (2) of section 681.112, Florida Statutes, is amended to read:

681.112 Consumer remedies.-

(2) An action brought under this chapter must be commenced within 1 year after the expiration of the Lemon Law rights period, or, if a consumer resorts to an informal disputesettlement procedure or submits a dispute to the <u>department</u> division or board, within 1 year after the final action of the procedure, department division, or board.

Section 18. Subsection (2) of section 681.114, Florida

436 Statutes, is amended to read:

681.114 Resale of returned vehicles.-

(2) A person shall not knowingly lease, sell at wholesale or retail, or transfer a title to a motor vehicle returned by reason of a settlement, determination, or decision pursuant to this chapter or similar statute of another state unless the nature of the nonconformity is clearly and conspicuously disclosed to the prospective transferee, lessee, or buyer, and the manufacturer warrants to correct such nonconformity for a term of 1 year or 12,000 miles, whichever occurs first. The department of Legal Affairs shall prescribe by rule the form, content, and procedure pertaining to such disclosure statement.

Section 19. Subsection (1) of section 681.117, Florida Statutes, is amended to read:

681.117 Fee.-

(1) A \$2 fee shall be collected by a motor vehicle dealer, or by a person engaged in the business of leasing motor vehicles, from the consumer at the consummation of the sale of a motor vehicle or at the time of entry into a lease agreement for a motor vehicle. Such fees shall be remitted to the county tax collector or private tag agency acting as agent for the Department of Revenue. If the purchaser or lessee removes the motor vehicle from the state for titling and registration outside this state, the fee shall be remitted to the Department of Revenue. All fees, less the cost of administration, shall be transferred monthly to the department of Legal Affairs for deposit into the Motor Vehicle Warranty Trust Fund. The Department of Legal Affairs shall distribute monthly an amount not exceeding one-fourth of the fees received to the Division of

576-03485-11 20112122 465 Consumer Services of the Department of Agriculture and Consumer 466 Services to carry out the provisions of ss. 681.108 and 681.109. 467 The Department of Legal Affairs shall contract with the Division 468 of Consumer Services for payment of services performed by the 469 division pursuant to ss. 681.108 and 681.109. 470 Section 20. Section 681.118, Florida Statutes, is amended 471 to read: 472 681.118 Rulemaking authority.-The department of Legal 473 Affairs shall adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. 474 475 Section 21. This act shall take effect July 1, 2011.