

Tab 1	SB 1172 by Jones ; Similar to H 00821 Business Development Incentives for Veterans and Military Spouses					
198256	A	S	RCS	CM, Jones	Before L.27:	03/17 04:42 PM
Tab 2	SB 1400 by Calatayud ; Identical to H 01161 Removal of Altered Sexual Depictions Posted Without Consent					
167756	A	S	RCS	CM, Calatayud	Delete L.95 - 96:	03/17 04:42 PM
Tab 3	SB 1438 by Grall ; Identical to H 00931 Online Access to Materials Harmful to Minors					
Tab 4	SB 1666 by Grall ; Similar to CS/H 00515 Uniform Commercial Code					
901058	A	S	RCS	CM, Grall	Delete L.1677 - 2163:	03/17 04:42 PM
Tab 5	SM 1488 by Avila ; Identical to H 04063 United States Sovereign Wealth Fund					
Tab 6	CS/SB 480 by BI, DiCeglie ; Similar to CS/H 00497 Nonprofit Agricultural Organization Medical Benefit Plans					
Tab 7	SB 922 by Leek ; Identical to H 01219 Employment Agreements					
445784	A	S	RCS	CM, Leek	Delete L.126 - 284:	03/17 04:42 PM
Tab 8	SB 1252 by Yarborough ; Identical to H 01359 Statewide Pawn Data Database					
Tab 9	SB 1776 by McClain ; Similar to H 01601 Employment Rights					
319032	A	S	RCS	CM, McClain	Delete L.141:	03/17 04:39 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

COMMERCE AND TOURISM
Senator Leek, Chair
Senator Arrington, Vice Chair

MEETING DATE: Monday, March 17, 2025

TIME: 1:30—3:30 p.m.

PLACE: Toni Jennings Committee Room, 110 Senate Building

MEMBERS: Senator Leek, Chair; Senator Arrington, Vice Chair; Senators Davis, DiCeglie, Gruters, McClain, Smith, Wright, and Yarborough

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 1172 Jones (Similar H 821)	Business Development Incentives for Veterans and Military Spouses; Citing this act as the "Florida Veterans and Military Spouse Business Development Act"; requiring the Department of State to waive specified fees for certain businesses; providing specified tax exemptions for certain businesses; establishing the Veteran and Military Spouse Entrepreneurship Program in consultation with the Department of Commerce, etc. CM 03/17/2025 Fav/CS FT AP	Fav/CS Yeas 9 Nays 0
2	SB 1400 Calatayud (Identical H 1161)	Removal of Altered Sexual Depictions Posted Without Consent; Citing this act as "Brooke's Law"; requiring covered platforms to establish a process by a specified date for removal of altered sexual depictions posted without the consent of the identifiable person; providing immunity for good faith compliance, etc. CM 03/17/2025 Fav/CS CJ RC	Fav/CS Yeas 9 Nays 0
3	SB 1438 Grall (Identical H 931, Compare H 1503, S 1718)	Online Access to Materials Harmful to Minors; Requiring a developer to, beginning on a specified date, make specific determinations about covered applications, provide notice to application stores about such applications, and provide certain features for parents to protect a user that is a child; requiring a covered manufacturer to, beginning on a specified date, take certain steps to determine specified information about the user, provide certain notices, and provide developers of covered applications with a specified means to verify the age of a user; providing requirements for devices sold before a specified date; providing construction, etc. CM 03/17/2025 Temporarily Postponed JU RC	Temporarily Postponed

COMMITTEE MEETING EXPANDED AGENDA

Commerce and Tourism

Monday, March 17, 2025, 1:30—3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SB 1666 Grall (Similar CS/H 515)	Uniform Commercial Code; Creating the “Uniform Commercial Code—Controllable Electronic Records”; specifying when a purchaser of a controllable account or controllable payment intangible is a qualifying purchaser; specifying when a person has control of a controllable electronic record; authorizing account debtors on a controllable account or controllable payment intangible to discharge obligations under certain circumstances; specifying requirements for perfecting security interests that are enforceable and perfected before a specified date, etc. CM 03/17/2025 Fav/CS JU RC	Fav/CS Yeas 9 Nays 0
5	SM 1488 Avila (Identical HM 4063)	United States Sovereign Wealth Fund; Urging Congress to establish a framework for a sovereign wealth fund for the United States, etc. CM 03/17/2025 Favorable RC	Favorable Yeas 6 Nays 3
6	CS/SB 480 Banking and Insurance / DiCeglie (Similar CS/H 497)	Nonprofit Agricultural Organization Medical Benefit Plans; Defining the term “nonprofit agricultural organization”; authorizing nonprofit agricultural organizations to provide medical benefit plans; specifying that such plans are not insurance for purposes of the Florida Insurance Code; prohibiting the nonprofit agricultural organization from marketing or selling a medical benefit plan through specified agents, etc. BI 03/03/2025 Temporarily Postponed BI 03/10/2025 Fav/CS CM 03/17/2025 Favorable RC	Favorable Yeas 6 Nays 3
7	SB 922 Leek (Identical H 1219)	Employment Agreements; Creating “The Florida Trade Secret Protection Act”; providing that certain covered garden leave agreements are not a restraint of trade or an attempt to monopolize trade or commerce; requiring a court to enter a preliminary injunction to stop covered employees, businesses, entities, or individuals if a breach of a covered garden leave agreement is alleged; providing that certain covered noncompete agreements are not a restraint of trade or an attempt to monopolize trade or commerce; authorizing a covered employer to reduce the salary or benefits of a covered employee if he or she engages in gross misconduct, etc. CM 03/17/2025 Fav/CS JU RC	Fav/CS Yeas 6 Nays 3

COMMITTEE MEETING EXPANDED AGENDA

Commerce and Tourism

Monday, March 17, 2025, 1:30—3:30 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
8	SB 1252 Yarborough (Identical H 1359)	Statewide Pawn Data Database; Providing definitions; requiring the Department of Law Enforcement to create a statewide database of transaction data electronically reported by specified businesses; prohibiting certain data transfers by third-party vendors; providing restrictions on use; providing requirements for data storage; providing penalties for violations; authorizing rulemaking, etc. CM 03/17/2025 Favorable ACJ FP	Favorable Yeas 9 Nays 0
9	SB 1776 McClain (Similar H 1601)	Employment Rights; Revising the definition of the term "independent contractor"; revising the prohibitions against retaliatory personnel action against an employee by his or her employer; providing that an employee may not recover in an action against an employer for a retaliatory personnel action unless the employee can prove certain claims by clear and convincing evidence; requiring, rather than authorizing, a court to award reasonable attorney fees and costs to the prevailing party for retaliatory personnel actions, etc. CM 03/17/2025 Fav/CS JU RC	Fav/CS Yeas 6 Nays 3
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 1172

INTRODUCER: Commerce and Tourism Committee and Senator Jones

SUBJECT: Preferences for Veterans and Military Spouses

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Fav/CS
2.			FT	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1172 creates the Florida Veterans and Military Spouse Business Development Act, to attract and support businesses owned by veterans and military spouses through financial and operational incentives. The bill defines a veteran-owned or military spouse-owned business as one that is at least 51 percent owned, controlled, or managed by one or more veterans or military spouses.

The bill amends s. 295.187, F.S., which entitles a veteran business enterprise to vendor preference, to provide that both veteran-owned businesses and those owned by military spouses are eligible for vendor contracting preferences.

The bill requires the Department of State (DOS) to waive all fees for new businesses established by veterans or military spouses and existing veteran or military spouse-owned businesses that move to Florida between July 1, 2025, and December 31, 2030.

The bill provides the following tax exemptions for eligible veteran and military spouse-owned businesses:

- A 5-year exemption from the state corporate income tax.
- A one-time sales tax exemption on equipment and supplies directly related to its business operations.
- For businesses relocating to Florida, tax exemptions apply for 5 years after the certification date.

The bill directs the Florida Department of Veterans Affairs (FDVA) and the Department of Commerce to establish the Veteran and Military Spouse Entrepreneurship Program to assist veterans and military spouses in securing funding and providing educational resources and consulting services.

The FDVA must submit an annual report to the Governor and the Legislature detailing economic metrics and demographic information regarding businesses owned by veterans and military spouses. The report must include the number of such businesses established in the state and those that have relocated to the state.

The bill requires that the state and its political subdivisions give preference in appointment and retention in positions of employment to the spouses of wartime veterans, veterans, members of any reserve component of the U.S. Armed Forces or the Florida National Guard, and certain active duty servicemembers.

The bill authorizes private employers to adopt employment policies that give preference in hiring to current members of any reserve component of the U.S. Armed Forces or the National Guard and their spouses, and the spouses of active duty servicemembers serving in the U.S. Armed Forces.

The Revenue Estimating Conference has not reviewed the bill.

The bill takes effect upon becoming law.

II. Present Situation:

Veterans' Employment Preference

The state and its political subdivisions¹ must give employment preference in hiring and retention to the following:²

- A disabled veteran who has served on active duty in any branch of the U.S. Armed Forces,³ who has a compensable service-connected disability, and who is receiving compensation, disability retirement benefits, or a military pension.
- The spouse of a veteran⁴ who:
 - Has a total and permanent service-connected disability and who, because of this disability, does not qualify for employment; or
 - Is missing in action, captured in the line of duty by a hostile force, or forcibly detained or interned in the line of duty by a foreign government or power.

¹ Political subdivision includes counties, cities, towns, villages, special tax school districts, special road and bridge districts, bridge districts, and all other districts in the state. Section 1.01(8), F.S.

² Section 295.07(1)(a)-(g), F.S.

³ 10 USC §101(a) defines the term “Armed Forces” as the Army, Navy, Air Force, Marine Corps, Space Force, and the Coast Guard.

⁴ See s. 1.01(14), F.S.

- A veteran of any war who has served at least one day during that wartime period or who has been awarded a campaign or expeditionary medal. Active duty for training may not be allowed for eligibility under this provision.
- The unremarried widow or widower of a veteran who died of a service-connected disability.
- The mother, father, legal guardian, or unremarried widow or widower of a member of the Armed Forces who died in the line of duty under combat-related conditions, as verified by the U.S. Department of Defense.
- A veteran as defined in s. 1.01(14), F.S.
- A current member of any reserve component of the U.S. Armed Forces or the Florida National Guard.

A private employer is authorized to adopt employment policies that give preference in hiring to:⁵

- Honorably discharged veterans.
- The spouse of a veteran with a service-connected disability.
- The unremarried widow or widower of a veteran who died of a service-connected disability.
- The unremarried widow or widower of a member of the U.S. Armed Forces who died in the line of duty under combat-related conditions.

Florida Veteran Business Enterprise Opportunity Act

The Florida Veteran Business Enterprise Opportunity Act⁶ exists to rectify the economic disadvantage of service-disabled veterans⁷ and to recognize wartime veterans⁸ for their sacrifices. The Department of Management Services' (DMS) Office of Supplier Development, in partnership with the FDVA, administers the Veteran Business Enterprises program. The DMS is responsible for working with the FDVA to establish a certification procedure and either granting, denying, or revoking the certification of a veteran business enterprise.⁹ Responsibilities of the FDVA include:¹⁰

- Assisting the DMS in establishing a certification procedure, which must be reviewed biennially and updated as necessary;
- Identifying eligible veteran business enterprises by any electronic means (including email or website) or by any other reasonable means; and
- Encouraging and assisting eligible veteran business enterprises to apply for certification.

The application process for a veteran business enterprise requires a business to register as a vendor on MyFloridaMarketPlace, the state's procurement website, and submit the required

⁵ Section 295.188(2), F.S.

⁶ Section 295.187, F.S.

⁷ A service-disabled veteran is defined as a veteran who is a permanent Florida resident with a service-connected disability as determined by the U.S. Department of Veterans Affairs or who has been terminated from military service by reason of disability by the U.S. Department of Defense. Section 295.187(3)(b), F.S.

⁸ A wartime veteran is a veteran that served in a campaign or expedition for which a campaign badge has been authorized or during a specified period of wartime service. Section 295.187(3)(d), F.S.

⁹ Section 295.187(7), F.S.

¹⁰ Section 295.187(6), F.S.

documentation to the Office of Supplier Development.¹¹ To be certified as a veteran business enterprise, a business enterprise must be an independently owned and operated business that:¹²

- Employs 200 or fewer permanent full-time employees;
- Has a net worth of \$5 million or less;
- Is domiciled in Florida;
- Is at least 51 percent owned by one or more wartime veterans or service-disabled veterans or, for a service-disabled veteran with a permanent and total disability, by the spouse or permanent caregiver of the veteran.

A veteran business enterprise is entitled to vendor preference. Vendor preference requires a state agency to award a procurement or contract to the certified veteran business enterprise when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified veteran business enterprise, which are equal to all relevant considerations, including price, quality, and service. However, if a veteran business enterprise entitled to the vendor preference and one or more businesses entitled to this preference or another vendor preference provided by law submit bids, proposals, or replies for procurement of commodities or contractual services that are equal to all relevant considerations, including price, quality, and service, the state agency will award the procurement or contract to the business having the smallest net worth.¹³

Veterans Employment and Training Services Program

The Veterans Employment and Training Services Program, created within the FDVA, assists in connecting servicemembers, veterans, or their spouses with finding employment in targeted industry¹⁴ businesses seeking to hire well-trained workers and with opportunities for entrepreneurship education, training, and resources. The program aims to meet the workforce demands of businesses in Florida by facilitating access to training and education in high-demand fields and the development of veteran-owned small businesses.¹⁵

Functions of the program include:¹⁶

- Conducting marketing and recruiting efforts directed at individuals within the target market who reside or have an interest in relocating to Florida and who are seeking employment.
- Assisting individuals in the target market who reside in or relocate to Florida and who are seeking employment with target industry or secondary industry businesses.¹⁷
- Assisting Florida target industry and secondary industry businesses in recruiting and hiring individuals.

¹¹ Department of Management Services, Office of Supplier Development, *Get Certified*, https://www.dms.myflorida.com/agency_administration/office_of_supplier_diversity_osd/get_certified (last visited March 14, 2025).

¹² Section 295.187(3)(c), F.S.

¹³ Section 295.187(4), F.S.

¹⁴ See s. 288.005, F.S.

¹⁵ Section 292.22(1), F.S.

¹⁶ Section 292.22(4)(a)-(e), F.S.

¹⁷ Secondary industry business is a business that the state has an additional interest in supporting and for which veterans and their spouses may have directly transferable skills. Such businesses are in the fields of health care, agriculture, commercial construction, education, law enforcement, and public service. Section 292.22(2)(a), F.S.

- Creating a grant program to provide funding to assist individuals in the target market in meeting the workforce-skill needs of target industry and secondary industry businesses seeking to hire, promote, or generally improve specialized skills of veterans.
- Contracting with entities to administer an entrepreneur initiative program.

Corporation Fees

A Limited Liability Company (LLC) is a type of business entity recognized by and regulated under chapter 605, F.S., the Florida Revised Limited Liability Company Act. Benefits to forming a business as an LLC include a flexible tax structure and a vertical liability shield, which limits the personal liability of the LLC's members and managers for company obligations.

A for-profit corporation is a type of business entity recognized and regulated under chapter 607, F.S. To organize, a corporation must file articles of incorporation, including specifics such as a corporate name, address, number of shares, and the designation of a registered office and agent.¹⁸

The DOS is the state's central location responsible for receiving and maintaining a number of corporate records. Florida law requires certain documents to be filed with the Division of Corporations (division) of the DOS for a business to be organized as a corporation, partnership, LLC, or other business/commercial entity. Business entities can file these documents and check their status through an internet portal maintained by the division.

To help maintain these records, the DOS is statutorily allowed to collect fees. The relevant fees for the bill are as follows:¹⁹

<u>Corporation Fees</u>	
New Florida/Foreign Corporation	
Filing Fees	\$35.00
Registered Agent Designation	\$35.00
Annual Reports	
Annual Report of a For Profit Corporation	\$150.00
Annual Report of Not For Profit Corporation	\$61.25
Resignation of Agent	
Resignation of Registered Agent of an Active Corporation	\$87.50
Resignation of Registered Agent of an Administratively Dissolved/Voluntarily Dissolved/Withdrawn Corporation/Inactive Corporation	\$35.00

<u>Limited Liability Company Fees</u>
New Florida/Foreign LLC

¹⁸ Section 607.0202, F.S.

¹⁹ The Florida Department of State, Division of Corporations, *Fees*, available at <https://dos.fl.gov/sunbiz/forms/fees/>, (last visited March 14, 2025).

Filing Fee	\$100.00
Registered Agent Designation Fee	\$25.00
Annual Reports	
Annual Report	\$138.75
Resignation of Agent	
Resignation of Registered Agent for an active LLC	\$85.00
Resignation of Registered Agent for a dissolved/inactive LLC	\$25.00

Florida Sales and Use Tax

Florida levies a 6 percent tax on the sale or rental of most items of tangible personal property,²⁰ admissions,²¹ transient rentals,²² and a limited number of services, as well as a 2 percent tax on commercial leases.²³ Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.²⁴ Counties are authorized to impose local discretionary sales surtaxes in addition to the state sales tax.²⁵

Section 212.05, F.S. provides several exemptions from the sales and use tax, many directly related to “business operations.”

Corporate Income/Franchise Tax

Florida levies a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida.²⁶ Florida utilizes the taxable income determined for federal income tax purposes as a starting point to determine the total amount of Florida corporate income tax due.²⁷ This means that a corporation paying taxes in Florida generally receives the same benefits from deductions allowed when determining taxable income for federal tax purposes as it does when determining taxable income for state taxation purposes.

Florida provides various tax benefits for certain corporate activities. These tax benefits take the form of subtractions, which reduce the amount of income that is subject to tax; exemptions, which prohibit taxation on certain levels of income; and tax credits, which reduce a corporation’s tax liability dollar-for-dollar.

III. Effect of Proposed Changes:

Section 1 amends s. 295.07, F.S., to require the state and its political subdivisions to give preference in appointment and retention in positions of employment to the spouses of wartime

²⁰ Section 212.05(1)(a)1.a., F.S.

²¹ Section 212.04(1)(b), F.S.

²² Section 212.03(1)(a), F.S.

²³ Section 212.031, F.S.

²⁴ Section 212.07(2), F.S.

²⁵ Section 212.055, F.S.

²⁶ Section 220.11(2), F.S.

²⁷ Section 220.12, F.S.

veterans, veterans, members of any reserve component of the U.S. Armed Forces or the Florida National Guard, and certain active duty servicemembers.

Section 2 amends s. 295.187, F.S., relating to the “Florida Veteran Business Enterprise Opportunity Act,” to define a business owned by a veteran or military spouse and provide that such businesses be considered for vendor contracting preferences.

Section 3 amends s. 295.188, F.S., to authorize private employers to adopt employment policies that give preference in hiring to current members of any reserve component of the U.S. Armed Forces or the Florida National Guard and their spouses, and the spouses of active duty servicemembers serving in the U.S. Armed Forces.

Section 4 creates s. 295.189, F.S., the Florida Veterans and Military Spouse Business Development Act to attract and support veteran-owned and military spouse-owned businesses by providing financial and operational incentives.

The bill defines a veteran-owned or military spouse-owned business as a business entity that is at least 51 percent owned, controlled, or managed by one or more veterans or military spouses. The bill defines “military spouse” as the spouse of an active duty²⁸ member of the U.S. Armed Forces²⁹ or a veteran.

Fee Waivers

The DOS must waive all fees for a new business established by a veteran or military spouse or an existing veteran-owned or military spouse-owned business that relocates to Florida.

The DOS must establish registration requirements for the fee waivers, which must include:

- For veterans - A DD Form 214 or another acceptable form of identification as specified by the FDVA; or
- For military spouses – verification of a relationship with a spouse on active duty.

The fee waivers apply to such businesses established or certified between July 1, 2025, and December 31, 2030, and must receive expedited processing for certifications.

Tax Exemptions

Eligible veteran-owned and military spouse-owned business must receive the following tax exemptions:

- A 5-year exemption from the state corporate income tax.
- A one-time sales tax exemption on equipment and supplies directly related to its business operations.
- For businesses relocating to Florida, tax exemptions apply for 5 years after the certification date.

The Department of Revenue must establish procedures for claiming the exemptions.

²⁸ See s. 250.01(1), F.S.

²⁹ See s. 250.01(4), F.S.

Veteran & Military Spouse Entrepreneurship Program

The bill directs the FDVA, in conjunction with the Department of Commerce, to establish the Veteran and Military Spouse Entrepreneurship Program (program), including an application process and eligibility criteria. The program must include:

- Personalized business mentorship and consulting services;
- Assistance with obtaining startup capital through state and federal funding programs; and
- Educational resources, including workshops on business planning, marketing, and regulatory compliance.

Priority must be given to applications from veteran-owned or military spouse-owned businesses.

Other Provisions

The bill requires the FDVA, the DOS, and the Department of Revenue to develop rules to administer the Act and to ensure interagency cooperation.

The FDVA must submit an annual report to the Governor and the Legislature and include the following:

- The number of veteran-owned or military spouse-owned businesses that were established in Florida or relocated to Florida;
- Economic metrics such as jobs created by and tax revenue impact of veteran-owned or military spouse-owned businesses; and
- Demographic data for the participating veterans and military spouses.

Section 5 provides the bill takes effect upon becoming law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Article VII, section 18 of the Florida Constitution requires a two-thirds vote of the membership of each house of the Legislature requiring counties and municipalities to spend funds, limit their ability to raise revenue, or reduce the percentage of a state tax shared with them. This bill does not require counties and municipalities to spend funds, limit their ability to raise revenue, or reduce the percentage of a shared state tax. Therefore, the provisions of Article VII, section 18 of the Florida Constitution do not apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

The bill does not create or raise a state tax or fee. Therefore, the requirements of Art. VII, s. 19 of the Florida Constitution do not apply.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not reviewed the bill. The state would likely collect less in fees and taxes.

B. Private Sector Impact:

The bill may have a positive fiscal impact on eligible veteran and military spouse-owned businesses that receive tax exemptions and fee waivers and on spouses who find employment with private employers or with the state.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Regarding the corporate income/franchise tax, as drafted, the bill does not prohibit or prevent a business owned by a veteran or a military spouse from ceasing operation after 5 years under one legal entity and creating a new legal entity for an additional 5 years.

Regarding the sales and use tax exemption, it is unclear if it means the use of the exemption is limited to a single purchase transaction, a single item, or a time frame. It is also unclear how long the sales tax exemption applies to purchases of equipment and supplies directly related to business operations made by a new Florida business or an existing business that relocates to Florida.³⁰

Relating to the annual report required by the FDVA, the bill does not provide a date for which the report is due.

³⁰ Department of Revenue analysis for SB 1172. On file with Senate Commerce and Tourism Committee.

VIII. Statutes Affected:

This bill substantially amends sections 295.07, 295.187, and 295.188 of the Florida Statutes. This bill creates section 295.189 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Committee on Commerce and Tourism on March 17, 2025:

The CS:

- Requires the state and its political subdivisions to give preference in appointment and retention in positions of employment to the spouses of wartime veterans, veterans, members of any reserve component of the U.S. Armed Forces or the Florida National Guard, and certain active duty servicemembers.
- Authorizes private employers to adopt employment policies that give preference in hiring to current members of any reserve component of the U.S. Armed Forces or the Florida National Guard and their spouses, and the spouses of active duty servicemembers serving in the U.S. Armed Forces.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

	Senate	House
Comm: RCS	.	.
03/17/2025	.	.
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The Committee on Commerce and Tourism (Jones) recommended the following:

Senate Amendment (with title amendment)

Before line 27

insert:

Section 1. Paragraphs (c), (f), and (g) of subsection (1) of section 295.07, Florida Statutes, are amended, and paragraph (h) is added to that subsection, to read:

295.07 Preference in appointment and retention.—

(1) The state and its political subdivisions shall give preference in appointment and retention in positions of



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employment to:

(c) A wartime veteran as defined in s. 1.01(14), who has served at least 1 day during a wartime period, and his or her spouse. Active duty for training may not be allowed for eligibility under this paragraph.

(f) A veteran as defined in s. 1.01(14) and his or her spouse. Active duty for training may not be allowed for eligibility under this paragraph.

(g) A current member of any reserve component of the United States Armed Forces or the Florida National Guard and his or her spouse.

(h) The spouse of an active duty servicemember serving in the United States Armed Forces. Active duty training may not be allowed for eligibility under this paragraph.

Section 2. Section 295.188, Florida Statutes, is amended to read:

295.188 Preference in hiring veterans and their spouses for private employers.—

(1) The Legislature intends to establish a permissive preference in private employment for certain veterans and their spouses.

(2) A private employer may adopt an employment policy that gives preference in hiring to an honorably discharged veteran, as defined in s. 1.01(14); the spouse of a veteran with a service-connected disability, as described in s. 295.07(1)(b); the unremarried widow or widower of a veteran who died of a service-connected disability, as described in s. 295.07(1)(d); ~~or~~ the unremarried widow or widower of a member of the United States Armed Forces who died in the line of duty under combat—



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related conditions; a current member of any reserve component of the United States Armed Forces or the Florida National Guard or his or her spouse; or the spouse of an active duty servicemember serving in the United States Armed Forces. Active duty training may not be allowed for eligibility under this subsection. Such policy shall be applied uniformly to employment decisions regarding hiring and promotion.

(3) These preferences are not considered violations of any state or local equal employment opportunity law.

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

And the title is amended as follows:

Delete lines 2 - 7

and insert:

An act relating to preferences for veterans and military spouses; amending s. 295.07, F.S.; requiring the state and its political subdivisions to give preference in appointment and retention in positions of employment to the spouses of wartime veterans, veterans, members of any reserve component of the United States Armed Forces or the Florida National Guard, and certain active duty servicemembers; amending s. 295.188, F.S.; authorizing private employers to adopt employment policies that give preference in hiring to current members of any reserve component of the United States Armed Forces or the Florida National Guard and their spouses and the spouses of active duty servicemembers serving in the United States Armed Forces; prohibiting members on



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active duty training from being eligible for such preference; amending s. 295.187, F.S.; defining the term "veteran-owned or military spouse-owned business"; providing for contracting preferences for such businesses; creating s. 295.189, F.S.; providing a short title; providing

By Senator Jones

34-01662-25

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A bill to be entitled

An act relating to business development incentives for veterans and military spouses; providing a short title; amending s. 295.187, F.S.; defining the term "veteran-owned or military spouse-owned business"; providing for contracting preferences for such businesses; creating s. 295.189, F.S.; providing definitions; requiring the Department of State to waive specified fees for certain businesses; providing eligibility requirements for the fee waivers; providing applicability; providing specified tax exemptions for certain businesses; requiring the Department of Revenue to develop procedures for such exemptions; providing that such exemptions apply for a specified period for certain businesses relocating to this state; establishing the Veteran and Military Spouse Entrepreneurship Program in consultation with the Department of Commerce; providing requirements for the program; requiring that certain businesses receive expedited processing for certain certifications; providing for rulemaking and interagency cooperation; providing reporting requirements; providing an effective date.

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

Section 1. Present paragraph (d) of subsection (3) of section 295.187, Florida Statutes, is redesignated as paragraph (e), a new paragraph (d) is added to that subsection, and

Page 1 of 5

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

34-01662-25

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subsection (4) of that section is amended, to read:

295.187 Florida Veteran Business Enterprise Opportunity Act.—

(3) DEFINITIONS.—For the purpose of this section, the term:

(d) "Veteran-owned or military spouse-owned business" has the same meaning as in s. 295.189(3).

(4) VENDOR PREFERENCE.—

(a) A state agency, when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified veteran business enterprise or veteran-owned or military spouse-owned business, which are equal with respect to all relevant considerations, including price, quality, and service, shall award such procurement or contract to the certified veteran business enterprise or the veteran-owned or military spouse-owned business.

(b) Notwithstanding s. 287.057(12), if a veteran business enterprise or a veteran-owned or military spouse-owned business entitled to the vendor preference under this section and one or more businesses entitled to this preference or another vendor preference provided by law submit bids, proposals, or replies for procurement of commodities or contractual services which are equal with respect to all relevant considerations, including price, quality, and service, the state agency shall award the procurement or contract to the business having the smallest net worth.

(c) Political subdivisions of the state are encouraged to offer a similar consideration to businesses certified under this section.

Page 2 of 5

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

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59 Section 2. Section 295.189, Florida Statutes, is created to
 60 read:
 61 295.189 Business development incentives for veterans and
 62 military spouses.—
 63 (1) SHORT TITLE.—This act may be cited as the “Florida
 64 Veterans and Military Spouse Business Development Act.”
 65 (2) LEGISLATIVE FINDINGS AND INTENT.—
 66 (a) The Legislature finds that veterans and military
 67 spouses contribute significantly to this state’s economy through
 68 their skills, expertise, and entrepreneurial efforts.
 69 (b) The Legislature recognizes the challenges of frequent
 70 relocations and economic instability faced by many military
 71 spouses.
 72 (c) It is the intent of the Legislature that this act
 73 attract and support veteran-owned and military spouse-owned
 74 businesses by providing financial and operational incentives.
 75 (3) DEFINITIONS.—For the purpose of this section, the term:
 76 (a) “Military spouse” means the spouse of:
 77 1. An active duty member of the United States Armed Forces;
 78 or
 79 2. A veteran.
 80 (b) “Veteran” has the same meaning as in s. 1.01(14).
 81 (c) “Veteran-owned or military spouse-owned business” means
 82 a business entity that is at least 51 percent owned, controlled,
 83 or managed by one or more veterans or military spouses.
 84 (4) FEE WAIVER.—
 85 (a) The Department of State shall waive all fees for:
 86 1. A new business established by a veteran or military
 87 spouse.

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88 2. An existing veteran-owned or military spouse-owned
 89 business that relocates to this state.
 90 (b) The Department of State shall establish registration
 91 requirements for such fee waivers, which must include:
 92 1. For veterans, a DD Form 214 or another acceptable form
 93 of identification as specified by the Department of Veterans’
 94 Affairs; or
 95 2. For military spouses, verification of a military spouse
 96 relationship with a spouse who is on active duty.
 97 (c) The fee waivers apply to veteran-owned or military
 98 spouse-owned businesses established or certified between July 1,
 99 2025, and December 31, 2030.
 100 (5) TAX EXEMPTIONS.—
 101 (a) Eligible veteran-owned and military spouse-owned
 102 businesses shall receive:
 103 1. A 5-year exemption from the state corporate income tax
 104 and state franchise tax.
 105 2. A one-time sales tax exemption on equipment and supplies
 106 directly related to its business operations.
 107 (b) The Department of Revenue shall establish procedures
 108 for claiming these exemptions.
 109 (c) For businesses relocating to this state, tax exemptions
 110 apply for 5 years after the date of certification.
 111 (6) VETERAN AND MILITARY SPOUSE ENTREPRENEURSHIP PROGRAM.—
 112 (a) The Department of Veterans’ Affairs, in conjunction
 113 with the Department of Commerce, shall establish the Veteran and
 114 Military Spouse Entrepreneurship Program, including an
 115 application process and eligibility criteria. The program must
 116 include:

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117 1. Personalized business mentorship and consulting
118 services.

119 2. Assistance with obtaining startup capital through state
120 and federal funding programs.

121 3. Educational resources, including workshops on business
122 planning, marketing, and regulatory compliance.

123 (b) Priority must be given to applications from businesses
124 that are veteran-owned or military spouse-owned.

125 (7) EXPEDITED PROCESSING.—Veteran-owned and military
126 spouse-owned businesses must receive expedited processing for
127 certifications.

128 (8) ADMINISTRATION.—The Department of Veterans' Affairs,
129 the Department of Revenue, and the Department of State shall:

130 (a) Develop rules for administering this section.

131 (b) Ensure interagency cooperation for seamless
132 implementation of this section.

133 (9) ANNUAL REPORTING.—The Department of Veterans' Affairs
134 shall submit an annual report to the Governor, the President of
135 the Senate, and the Speaker of the House of Representatives that
136 includes:

137 (a) The number of veteran-owned or military spouse-owned
138 businesses that were established in this state or that relocated
139 to this state.

140 (b) Economic metrics such as jobs created by and tax
141 revenue impact of veteran-owned or military spouse-owned
142 businesses.

143 (c) Demographic data for the participating veterans and
144 military spouses.

145 Section 3. This act shall take effect upon becoming a law.



The Florida Senate

Committee Agenda Request

To: Senator Thomas Leek, Chair
Committee on Commerce and Tourism

Subject: Committee Agenda Request

Date: March 4, 2025

I respectfully request that **Senate Bill #1172**, relating to Business Development Incentives for Veterans, Retirees, and Military Spouses, be placed on the:

- ☒ committee agenda at your earliest possible convenience.
- ☐ next committee agenda.

A handwritten signature in blue ink, appearing to read "Shev", is written above a horizontal line.

Senator Shevrin D. "Shev" Jones
Florida Senate, District 34

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

17 Mar 2025

Meeting Date

Veteran Benefit

Committee

1172

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Rod JOSEPH

Phone

321 662 1704

Address

2201 NW 4TH AVE

Email

Rod25j78@gmail.com

Street

Lander Hill FL 33313

City

State

Zip

Speaking:

☒ For

☐ Against

☐ Information

OR

Waive Speaking:

☐ In Support

☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)



2025 AGENCY LEGISLATIVE BILL ANALYSIS

DEPARTMENT OF REVENUE

BILL INFORMATION

BILL NUMBER:	SB 1172
BILL TITLE:	Business Development Incentives for Veterans and Military Spouses
BILL SPONSOR:	Senator Jones
EFFECTIVE DATE:	Upon becoming a law

COMMITTEES OF REFERENCE

1) Commerce and Tourism
2) Finance and Tax
3) Appropriations
4)
5)

CURRENT COMMITTEE

N/A

SIMILAR BILLS

BILL NUMBER:	HB 821
SPONSOR:	Representative Gantt

IDENTICAL BILLS

BILL NUMBER:	N/A
SPONSOR:	

PREVIOUS LEGISLATION

YEAR/BILL NUMBER/SPONSOR/LAST ACTION:
--

BILL ANALYSIS INFORMATION

DATE OF ANALYSIS:	March 7, 2025
AGENCY CONTACT:	Alec Yarger (850) 717-6153

POLICY ANALYSIS

1. ANALYSIS OF EACH SECTION THAT AFFECTS THE DEPARTMENT OF REVENUE.Section 1 (pp. 1-2): Florida Veteran Business Enterprise Opportunity Act**PRESENT SITUATION**

Section 295.187, F.S., provides for the Florida Veteran Business Enterprise Opportunity Act, which was established to rectify the economic disadvantage of service-disabled veterans. Section 295.187(3), F.S., provides definitions to administer the act.

EFFECT OF THE BILL

Amends s. 295.187(3), F.S., to provide that the phrase "veteran-owned or military spouse-owned business" means "a business entity that is at least 51 percent owned, controlled, or managed by one or more veterans or military spouses," as defined in proposed s. 295.189, F.S., which is created by section 2 of the bill.

Section 2 (pp. 3-5): Business development incentives for veterans and military spouses**PRESENT SITUATION**

Florida does not currently provide specific financial and operational incentives to veteran-owned and military spouse-owned businesses.

EFFECT OF THE BILL

Creates s. 295.189, F.S., to establish the Florida Veterans and Military Spouse Business Development Act, which is intended to provide financial and operational incentives in order to attract and support veteran-owned and military spouse-owned businesses.

As part of the act, s. 295.189(4), F.S., requires the Department of State to waive all fees for new veteran-owned or military spouse-owned businesses and existing veteran-owned or military spouse-owned businesses that relocate to Florida.

Section 295.189(5), F.S., provides tax exemptions to a veteran-owned or military spouse-owned business. The exemptions include a 5-year exemption from Florida corporate income/franchise tax and a one-time sales tax exemption on purchases of equipment and supplies directly related to the business operations of a veteran-owned or military spouse-owned business. Provides that the tax exemptions for businesses relocating to Florida shall apply for 5 years after the date of certification.

Other incentives include the Veteran and Military Spouse Entrepreneurship Program to be established by the Department of Veterans' Affairs in conjunction with the Department of Commerce, as well as required expedited processing for certifications.

The Department is required to develop procedures for claiming the tax exemptions, as well as rules for administering the provisions of the act.

Section 3. (p. 5): Provides the bill shall take effect upon becoming a law.

- 2. DOES THE DEPARTMENT EXPECT TO DEVELOP, ADOPT, MODIFY OR ELIMINATE ANY RULES, REGULATIONS, POLICIES, OR PROCEDURES?** ☒ YES ☐ NO

If yes, explain:	Possible amendment of an existing rule or new rule to administer the SUT exemption. The Department will post TIPs to inform eligible veteran-owned and military spouse-owned businesses about the CIT and SUT exemptions.
Rule(s) impacted (provide references to F.A.C., etc.):	To be determined.

- 3. WHAT IS THE POSITION OF AFFECTED CITIZENS OR STAKEHOLDER GROUPS?** N/A

- 4. DOES THE BILL REQUIRE THE DEPARTMENT TO SUBMIT, MODIFY OR DELETE ANY REPORTS, STUDIES OR PLANS?** ☐ YES ☒ NO

If yes, provide a description:	
Date Due:	
Bill Section Number(s):	

- 5. ARE THERE ANY GUBERNATORIAL APPOINTMENTS OR CHANGES TO EXISTING BOARDS, TASK FORCES, COUNCILS, COMMISSIONS, ETC. THAT AFFECTS THE DEPARTMENT OF REVENUE REQUIRED BY THIS BILL?** ☐ YES ☒ NO

Board:	
Board Purpose:	
Who Appoints:	
Changes:	
Bill Section Number(s):	

FISCAL ANALYSIS

- 6. DOES THE BILL HAVE A FISCAL IMPACT TO LOCAL GOVERNMENT?** The Department of Revenue does not conduct this analysis. The Revenue Estimating Conference will determine the revenue impact, if any, to local governments.

7. DOES THE BILL HAVE A FISCAL IMPACT TO STATE GOVERNMENT?

Revenues:	The Department of Revenue does not conduct this analysis. The Revenue Estimating Conference will determine the revenue impact, if any, to state government.
Expenditures: <i>(Department of Revenue expenditures and operational impacts)</i>	☐ NO IMPACT ☐ LESS THAN \$25,000 ☐ MORE THAN \$25,000 ☐ UNABLE TO DETERMINE ☒ OPERATIONAL IMPACT ONLY
Does the legislation contain an appropriation to the Department?	☐ YES ☒ NO

8. DOES THE BILL HAVE A FISCAL IMPACT TO THE PRIVATE SECTOR? The Department of Revenue does not conduct this analysis.

9. DOES THE BILL INCREASE OR DECREASE TAXES, FEES OR FINES? The Department of Revenue does not conduct this analysis. The Revenue Estimating Conference will determine the revenue impact on state and local government, if any.

TECHNOLOGY IMPACT

If any, see attached Fiscal Impact Analysis.

FEDERAL IMPACT

If any, see Additional Comments section below.

ADDITIONAL COMMENTS

10. STATUTE(S) AFFECTED: Sections 295.187 and 295.189, F.S.

11. HAS SIMILAR LANGUAGE, A COMPANION BILL OR A PREVIOUS VERSION OF THE BILL BEEN ANALYZED THIS SESSION? ☒ YES ☐ NO If no, go to #12. If yes:

A. Identify language or bill number. HB 821

B. Were issues/problems identified? ☒ YES ☐ NO

a. If yes, have they been resolved? ☐ YES ☒ NO If no, briefly explain.

The issues pointed out for HB 821 remain.

C. Are new issues/problems created? ☐ YES ☐ NO If yes, briefly identify.

12. DOES THE BILL PRESENT DIFFICULTY IN IMPLEMENTATION, ADMINISTRATION OR ENFORCEMENT? ☒ YES ☐ NO

If yes, describe administrative problems, technical errors, or other difficulties:

Section 2:

- Exemption for corporate income/franchise tax:

As written, there is nothing to prohibit or prevent a veteran-owned or military spouse-owned business to cease operation after 5 years under one legal entity and create a new legal entity for an additional 5-year period. The Department assumes that an eligible veteran-owned or military spouse-owned business does not have to file a CIT return to get the tax exemption. Since there is not a registration requirement for taxpayers subject to CIT, there would be no way to track or discover such entities.

- Exemption for sales and use tax:

It is unclear if one-time sales tax exemption means the use of the exemption is limited to a single purchase transaction, a single item, or time frame. It is unclear how long the sales tax exemption applies to purchases of equipment and supplies directly related to business operations made by a new Florida business or existing business that relocates to Florida. It is unclear whether the 5-year tax exemption period for businesses relocating to Florida applies to both the CIT and SUT exemptions.

It is unclear how the veteran-owned or military spouse-owned business will document that purchases of equipment and supplies are directly related to business operations.

13. RECOMMENDED CORRECTIONS: ☒ YES ☐ NO **If yes, provide corrections.**

- The Department will likely need emergency rulemaking authority to implement the provisions of the bill:

The Department of Revenue may, and all conditions are deemed met to, adopt emergency rules pursuant to s. 120.54(4), Florida Statutes, for the purpose of implementing the provisions of this act. Notwithstanding any other law, emergency rules adopted pursuant to this subsection are effective for 6 months after adoption and may be renewed during the pendency of procedures to adopt permanent rules addressing the subject of the emergency rules.

14. OTHER:

- It may be helpful to add reference to the sales and use tax exemption to s. 212.08, F.S.
- It may be helpful to add reference to the corporate income/franchise tax exemption to Ch. 220, F.S.
- If the sales tax exemption is intended to apply to a single purchase transaction, purchase of a single item, or purchases made within a limited time frame, the Department recommends that the proposed sales tax exemption be provided by way of a refund of the sales tax paid by the veteran-owned or military spouse-owned business. There are several existing exemptions administered by way of refund. Examples include:
 - Tax Refund for Building Materials, Rental Items, and Pest Control Services Used in Rural Areas of Opportunity, pursuant to s. 212.08(5)(q), F.S.
 - Exemption for Building Materials Used in Construction of Eligible Residential Units for Affordable Housing, pursuant to s. 212.08(5)(u), F.S.
 - Florida Neighborhood Revitalization Program (Tax Refund for Building Materials used in Redevelopment Projects), pursuant to s. 212.08(5)(o), F.S.
 - Tax Refund for Community Contribution, pursuant to s. 212.08(5)(p), F.S.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 1400

INTRODUCER: Commerce and Tourism Committee and Senator Calatayud

SUBJECT: Removal of Altered Sexual Depictions Posted Without Consent

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Dike	McKay	CM	Fav/CS
2.			CJ	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1400 amends s. 836.13, F.S., to require covered platforms, such as websites and online services, to remove altered sexual depictions and copies of such from their platform upon request of the victim. Upon receipt of the request, a covered platform has 48 hours to remove the altered sexual depiction. The bill requires covered platforms to provide clear notice of the platform's responsibilities under the bill, including the manner in which a person can submit a notification and request for removal of the altered sexual depiction. The bill identifies which platforms are bound by these requirements and provides liability protections for platforms' good faith efforts to remove altered sexual depictions. Further, the bill provides a remedy for violations, classifying a failure to follow these requirements as an unfair or deceptive act or practice under the Florida Deceptive and Unfair Trade Practices Act.

The bill takes effect upon becoming law.

II. Present Situation:

Nonconsensual Altered Sexual Depictions

Over the last decade, Americans have started to recognize the growing problem of distribution of sexually explicit images without consent, otherwise known as “revenge porn.”¹ Although Florida and other states have enacted protections against revenge porn, there are still instances in which a person may be a victim of nonconsensual pornography in the form of altered sexual depictions, more commonly known as “deepfakes.”² Deepfakes typically take the form of imagery, video, and audio material that “is produced or distributed without the consent of the subject and has been altered, potentially with artificial intelligence, to show nonconsensual intimate or explicit content.”³ Advancements in technology, such as increased availability and usage of generative AI, have enabled perpetrators to manipulate sexual materials in ways that circumvent revenge porn laws.⁴ For example, “if a photo depicted the victim nude, where the victim’s face was real, but the victim’s genitals were computer generated, many laws would not apply because the intimate part of the image was not the victim’s.”⁵

Researchers have discovered that 98% of the deepfake videos found online are explicitly pornographic and 99% of deepfake pornography features women.⁶ Moreover, the creation of deepfake pornography is rapidly increasing, as researchers found that there were 464% more deepfake pornographic videos created in 2023 than in 2022.⁷ Further, 90% of deepfake pornography is found on dedicated deepfake pornography platforms.⁸ In response to the prevalence of deepfakes, the Department of Homeland Security has declared that “[d]eepfakes and the misuse of synthetic content pose a clear, present, and evolving threat to the public across national security, law enforcement, financial, and societal domains.”⁹

¹ “In 2016, 10 million people, or 2% of Americans had reported being victims of nonconsensual porn. Individuals ages 18-29 generally, and women aged 18-29 specifically, as well as LGBTQ+ Americans were victimized at even higher rates. In 2017, the number of young Americans ages 18-29 who had become victims of nonconsensual porn jumped to 12%, an increase of over 100%. In 2019, a larger study suggests that the problem has only grown, showing a 400% increase in the number of victims from 2016. Taken as a whole, these statistics show the number of victims continues to rise at an alarming rate even though both the legal system and society as a whole have attempted to address the issue.” Chance Carter, NAT’L ASS’N OF ATT’Y GEN., *An Update on the Legal Landscape of Revenge Porn*, available at https://www.naag.org/attorney-general-journal/an-update-on-the-legal-landscape-of-revenge-porn/#identifier_4_21493 (last visited Mar. 17, 2025).

² RAINN, *RAINN’s Recommendation for Effectively Addressing Nonconsensual Manipulated Intimate Material (Deepfakes)*, available at <https://www.rainn.org/sites/default/files/import/RAINN%20on%20nonconsensual%20manipulated%20intimate%20material%20-%20Google%20Docs.pdf#:~:text=We%20refer%20to%20imagery%2C%20video%2C%20audio%2C%20etc.%20that,or%20explicit%20content%20as%20%E2%80%9Cnonconsensual%20manipulated%20intimate%20material%E2%80%9D> (last visited Mar. 17, 2025).; see also DEPT. OF HOMELAND SEC., *Increasing Threat of Deepfake Identities*, https://www.dhs.gov/sites/default/files/publications/increasing_threats_of_deepfake_identities_0.pdf (last visited Mar. 17, 2025).

³ RAINN, *supra* note 2.

⁴ RAINN, *supra* note 2.

⁵ RAINN, *supra* note 2.

⁶ Security Hero, *2023 State of Deepfakes*, available at <https://www.securityhero.io/state-of-deepfakes/#concluding-remarks> (last visited Mar. 17, 2025).

⁷ *Id.*

⁸ *Id.*

⁹ DEPT. OF HOMELAND SEC., *supra* note 2.

Florida Law

In 2022, the Florida Legislature created s. 836.13, F.S., to cover this gap in law. The statute addresses deepfake images by providing that a person commits a third degree felony when he or she willfully and maliciously promotes any altered sexual depiction of an identifiable person, without the consent of the identifiable person, and who knows or reasonably should have known that such visual depiction was an altered sexual depiction.¹⁰ A victim may initiate a civil action against those violating against a person who violates the statute to obtain injunctive relief, monetary damages of \$10,000 or actual damages, and reasonable attorney's fees and costs.¹¹ While this statute may be used by victims to obtain justice against perpetrators for the harm caused by deepfake pornography, the statute does not currently provide a mechanism by which victims can request removal of such media from online platforms.

Florida Deceptive and Unfair Trade Practices Act

It is unlawful under the Florida Deceptive and Unfair Trade Practices Act (FDUTPA), ss. 501.201-501.213, F.S., for a party to take part in “unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts of practices in the conduct of any trade or commerce.”¹² Such practices include fraudulent billing,¹³ misleading a consumer or misrepresenting a product's characteristics,¹⁴ or other behavior determined to be unfair by a court.¹⁵ Under the FDUTPA, the Office of the State Attorney or Department of Legal Affairs, either by their own inquiry or through complaints, may investigate violations of the FDUTPA.¹⁶ In addition to other remedies under state and federal law, the enforcing authority may bring actions for declaratory judgment, injunctive relief, actual damages on behalf of consumers and businesses, cease and desist orders, and civil penalties up to \$10,000 per violation.¹⁷ Moreover, consumers may bring private actions against parties for violating the FDUTPA, resulting in either:

- Declaratory judgment and injunctive relief when the consumer is aggrieved by a FDUTPA violation; or
- Actual damages, attorney fees, and court costs, when the consumer has suffered a loss due to the FDUTPA violation.¹⁸

¹⁰ Section 836.13, F.S.

¹¹ Section 836.13(5), F.S.

¹² Section 501.204, F.S.

¹³ *State Farm Mut. Auto. Ins. Co. v. Medical Service Center of Florida, Inc.*, 103 F. Supp. 3d 1343 (S.D. Fla. 2015).

¹⁴ *Lewis v. Mercedes-Benz USA, LLC*, 530 F. Supp. 3d 1183 (S.D. Fla. 2021); *Marty v. Anheuser-Busch Companies, LLC*, 43 F. Supp. 3d 1333 (S.D. Fla. 2014).

¹⁵ *See Siever v. BWGaskets, Inc.*, 669 F. Supp. 2d 1286, 1292-93 (M.D. Fla. 2009).

¹⁶ The enforcing authority under the FDUTPA may “administer oaths and affirmations, subpoena witnesses or matter, and collect evidence.” Section 501.206, F.S.

¹⁷ Sections 501.207, 501.2077, 501.2075, 501.208, F.S.

¹⁸ Sections 501.2105, 501.211, F.S.

III. Effect of Proposed Changes:

Required Removal Procedure

CS/SB 1400 requires that no later than December 31, 2025, covered platforms establish a process by which a person may notify and request removal of an altered sexual depiction¹⁹ that was published without their consent. The notification and request for removal must include, in writing:

- A physical or electronic signature of the identifiable person or an authorized person acting on their behalf.
- An identification of, and information reasonably sufficient for the covered platform to locate, the altered sexual depiction of the identifiable person.
- A brief statement that the identifiable person has a good faith belief that any altered sexual depiction identified is not consensual, including any relevant information for the covered platform to determine the depiction was published without consent.
- Information sufficient to enable the covered platform to contact the person.

Upon receipt of a valid removal request, within 48 hours the covered platform must remove the altered sexual depiction and make reasonable efforts to identify and remove any known, identical copies of such depiction.

Clear and Conspicuous Notice

The bill requires a covered platform to provide clear and conspicuous notice of the notice and removal process, which:

- Is easy to read and is in plain language.
- Provides information regarding the responsibilities of the covered platform under this bill.
- Includes a description of how a person can submit a notification and request for removal.

Covered Platforms

Under the bill, “covered platform” means a website, online service, online application, or mobile application that serves the public and:

- Primarily provides a forum for user-generated content, including messages, videos, images, games, and audio files; or
- For which it is in the regular course of trade or business of the website, online service, online application, or mobile application to publish, curate, host, or make available content of nonconsensual altered sexual depictions.

The bill explicitly does not apply to:

- A provider of information service or telecommunications service, as defined in 47 U.S.C. s. 153, for content provided by another person.

¹⁹ “Altered sexual depiction” means any visual depiction that, as a result of any type of digital, electronic, mechanical, or other modification, alteration, or adaptation, depicts a realistic version of an identifiable person: 1. With the nude body parts of another person as the nude body parts of the identifiable person; 2. With computer-generated nude body parts as the nude body parts of the identifiable person; or 3. Engaging in sexual conduct as defined in s. 847.001 in which the identifiable person did not engage. Section 836.13, F.S.

- Electronic mail.
- Except as otherwise provided, an online service, application, or website:
 - That consists primarily of preselected content by the provider, rather than content that is user generated; and
 - For which any chat, comment, or interactive functionality is incidental to, directly related to, or dependent on the provision of the content described above.

Liability

The bill provides that a covered platform shall not be found liable for any claim based on the platform's good faith removal of material claimed to be a nonconsensual altered sexual depiction, regardless of whether the altered sexual depiction is ultimately found to be unlawful.

Remedies

In addition to the remedies provided in s. 836.13(5), F.S., a failure to comply with the notice and removal requirements of the bill constitutes an unfair or deceptive act or practice under the FDUTPA.

Effective Date

The bill takes effect upon becoming law.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Covered platforms will need to comply with the notification and removal requirements in the bill.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 836.13 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism Committee on March 17, 2024:

The committee substitute excludes providers of information service or telecommunications service, for content provided by another person, from the covered platforms under this bill.

B. Amendments:

None.



167756

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/17/2025	.	
	.	
	.	
	.	

The Committee on Commerce and Tourism (Calatayud) recommended the following:

Senate Amendment

Delete lines 95 - 96
and insert:

1. A provider of information service or telecommunications service, as those terms are defined in 47 U.S.C. s. 153, for content provided by another person.

By Senator Calatayud

38-01679A-25

20251400__

A bill to be entitled

An act relating to removal of altered sexual depictions posted without consent; providing a short title; amending s. 836.13, F.S.; defining the term "covered platform"; requiring covered platforms to establish a process by a specified date for removal of altered sexual depictions posted without the consent of the identifiable person; providing requirements for such process; requiring notice of such a process; providing immunity for good faith compliance; prohibiting unreasonable failure to comply; providing for penalties and remedies; providing exceptions; providing an effective date.

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

Section 1. This act may be cited as "Brooke's Law."

Section 2. Present paragraphs (b) through (e) of subsection (1) of section 836.13, Florida Statutes, are redesignated as paragraphs (c) through (f), respectively, a new paragraph (b) is added to that subsection, and present subsections (6), (7), and (8) of that section are redesignated as subsections (7), (8), and (9), respectively, and a new subsection (6) is added to that section, to read:

836.13 Promotion of an altered sexual depiction; prohibited acts; penalties; applicability.—

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

(b) "Covered platform" means a website, online service, online application, or mobile application that serves the public

Page 1 of 4

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

38-01679A-25

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and:

1. That primarily provides a forum for user-generated content, including messages, videos, images, games, and audio files; or

2. For which it is in the regular course of trade or business of the website, online service, online application, or mobile application to publish, curate, host, or make available content of nonconsensual altered sexual depictions.

(6)(a) No later than December 31, 2025, a covered platform shall establish a process whereby an identifiable person or an authorized person acting on behalf of such person may:

1. Notify the covered platform of an altered sexual depiction published on the covered platform which includes a depiction of the identifiable person and was published without the consent of the identifiable person; and

2. Submit a request for the covered platform to remove such altered sexual depiction.

(b) A notification and request for removal of an altered sexual depiction submitted under the process in paragraph (a) shall include, in writing:

1. A physical or electronic signature of the identifiable person or authorized person.

2. An identification of, and information reasonably sufficient for the covered platform to locate, the altered sexual depiction of the identifiable person.

3. A brief statement that the identifiable person has a good faith belief that any altered sexual depiction identified under subparagraph 2. is not consensual, including any relevant information for the covered platform to determine the altered

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

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sexual depiction was published without the consent of the identifiable person.

4. Information sufficient to enable the covered platform to contact the identifiable person or authorized person.

(c) A covered platform shall provide on the platform a clear and conspicuous notice, which may be provided through a clear and conspicuous link to another web page or disclosure, of the notice and removal process established under paragraph (a) which:

1. Is easy to read and in plain language.

2. Provides information regarding the responsibilities of the covered platform under this subsection, including a description of how a person can submit a notification and request for removal.

(d) Upon receiving a valid removal request from an identifiable person or an authorized person using the process described in paragraph (a), a covered platform shall, as soon as possible, but not later than 48 hours after receiving such request:

1. Remove the altered sexual depiction.

2. Make reasonable efforts to identify and remove any known identical copies of such altered sexual depiction.

(e) A covered platform shall not be liable for any claim based on the covered platform's good faith disabling of access to, or removal of, material claimed to be a nonconsensual altered sexual depiction based on facts or circumstances from which the unlawful publishing of an altered sexual depiction is apparent, regardless of whether the altered sexual depiction is ultimately determined to be unlawful.

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(f) In addition to the remedies under subsection (5), a failure to reasonably comply with the notice and removal obligations under this subsection shall be treated as an unfair or a deceptive act or practice under part II of chapter 501, and the person or entity responsible shall be subject to the penalties and remedies provided in part II of chapter 501.

(g) This subsection does not apply to the following:

1. A provider of broadband Internet access service, as described in 47 C.F.R. s. 8.1(b).

2. Electronic mail.

3. Except as provided in subparagraph (1)(b)2., an online service, application, or website:

a. That consists primarily of content that is not user generated but is preselected by the provider of such online service, application, or website; and

b. For which any chat, comment, or interactive functionality is incidental to, directly related to, or dependent on the provision of the content described in subparagraph a.

Section 3. This act shall take effect upon becoming a law.



The Florida Senate

Committee Agenda Request

To: Senator Thomas Leek, Chair
Committee on Commerce and Tourism

Subject: Committee Agenda Request

Date: March 7, 2025

I respectfully request that **Senate Bill #1400**, relating to Removal of Altered Depictions Posted Without Consent, be placed on the:

- ☐ committee agenda at your earliest possible convenience.
- ☒ next committee agenda.

A handwritten signature in black ink, reading "Alexis Calatayud".

Senator Alexis Calatayud
Florida Senate, District 38

March 17, 2025

Meeting Date

Commerce & Tourism

Committee

The Florida Senate

APPEARANCE RECORDDeliver both copies of this form to
Senate professional staff conducting the meeting

1400

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Barney Bishop III** Phone **850-510-9922**Address **1454 Vieux Carre Drive** Email **Barney@BarneyBishop.com**

Street

Tallahassee**FL****32308**

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:☐I am appearing without
compensation or sponsorship.☒I am a registered lobbyist,
representing:**Fla. Smart Justice Alliance**☐I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

3/17/2025

Meeting Date

commerce

Committee

1400

Bill Number or Topic

167756

Amendment Barcode (if applicable)

Name **charles dudley**

Phone **850-681-0024**

Address **108 s monroe street**

Email **cdudley@flapartners.com**

Street

tallahassee

fl

32301

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

**Florida Internet & Television
Association**

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1438

INTRODUCER: Senator Grall

SUBJECT: Online Access to Materials Harmful to Minors

DATE: March 14, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McMillan	McKay	CM	Pre-meeting
2.			JU	
3.			RC	

I. Summary:

SB 1438 creates ss. 282.803 and 501.1741, F.S., to enhance online protections for minors, and establishes requirements for developers and manufacturers of applications and devices. Developers are required to assess whether their applications are likely to be accessed by minors, and manufacturers must implement age verification measures upon the activation of devices. The bill also requires developers to provide features for parental management of a minor's usage of applications and devices.

The bill amends s. 501.1737, F.S., to require commercial entities to use digital age verification methods to verify that a user accessing harmful materials is 18 years or older. "Digital age verification" means either anonymous age verification, standard age verification, or device-based age verification.

The bill creates a framework for device-based age verification, which requires that covered manufacturers take reasonable steps to determine user age and obtain parental consent for users under 16, and requires a website, application, or online service to block access for minors under 18 years of age. Additionally, the bill requires a website, application, or online service to provide disclaimers before displaying known material harmful to minors.

The Department of Legal Affairs is authorized to adopt rules to enforce the provisions of the bill.

The bill takes effect July 1, 2025.

II. Present Situation:

Addictive Designs and Deceptive Patterns

In general, “addictive designs” or “deceptive patterns,” also called “dark patterns,” are deceptive user experiences that take advantage of how people habitually use websites, to get them to do things that they may not normally do, such as impulse purchasing, giving away personal information, or spending excessive time on websites.¹

In 2022, the Federal Trade Commission (FTC) issued a report outlining the ways that companies are increasingly using dark patterns to manipulate consumers into buying products or forfeiting their privacy.² Common dark pattern tactics include:

- Disguising ads by designing advertisements to look like independent editorial content.
- Claiming to be neutral, but actually ranking companies in exchange for compensation.
- Using countdown timers designed to make consumers believe they only have a limited time to purchase a product or service, even though the offer is not actually time-limited.
- Making it difficult to cancel subscriptions or charges, which involves tricking someone into paying for goods or services without consent.
- Burying key terms and junk fees, which involves hiding or obscuring material information from consumers that they do not see before making a purchase.
- Tricking consumers into sharing data, which involves falsely giving consumers choices about privacy settings or sharing data, but instead steering them toward the option that gives away the most personal information.³

Effects on Children

Social media has become an important aspect of the digital interactions of minors who use social media for entertainment and communication purposes.⁴ Adolescents are constantly in touch with their peers via social media accounts. However, social media has the potential to have both positive and negative effects on their health.⁵ Some 80 percent of teenagers say social media allows them to feel more connected to their peers, according to a 2022 Pew Research Center survey of U.S. teens ages 13 to 17. Overall, one in three said that social media has had a mostly positive effect on them, while 59 percent said that it had neither a positive nor a negative effect.⁶ On the other hand, many teens’ use, and overuse, of social media has raised questions about its

¹ Brad Bartlett, *Dark Design Patterns: Teach Kids to Recognise Them*, Kidslox, Feb. 7, 2023, available at <https://kidslox.com/guide-to/dark-design-patterns/> (last visited Mar. 14, 2025).

² Federal Trade Commission (FTC), *FTC Report Shows Rise in Sophisticated Dark Patterns Designed to Trick and Trap Consumers*, Sep. 15, 2022, available at <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-report-shows-rise-sophisticated-dark-patterns-designed-trick-trap-consumers> (last visited Mar. 14, 2025).

³ *Id.*

⁴ Andrea Irmer & Florian Schmiedek, *Associations between youth’s daily social media use and well-being are mediated by upward comparisons*, 1 COMMUN. PSYCHOL. 12 (Aug. 22, 2023), available at <https://doi.org/10.1038/s44271-023-00013-0> (last visited Mar. 14, 2025).

⁵ Maya Dollarhide, *Social Media: Definition, Effects, and List of Top Apps*, Investopedia.com, Feb. 19, 2025, available at <https://www.investopedia.com/terms/s/social-media.asp> (last visited Mar. 14, 2025).

⁶ Monica Anderson et al., *Connection, Creativity, and Drama: Teen Life on Social Media in 2022*, Pew Research Center, Nov. 16, 2022, available at <https://www.pewresearch.org/internet/2022/11/16/connection-creativity-and-drama-teen-life-on-social-media-in-2022/> (last visited Mar. 14, 2025).

effect on their physical and mental health by distracting them, disrupting their sleep, and exposing them to bullying, rumor spreading, unrealistic views of other people's lives, and peer pressure.⁷

In May 2023, U.S. Surgeon General Dr. Vivek Murthy released an advisory to call attention to the effects of social media on youth mental health. The advisory noted that at crucial periods of adolescent brain development, social media use is predictive of decreases in life satisfaction, as well as additional concerns around body image, sleep issues, and much more.⁸ He also concluded that 13 years old is “too early” for children to use social media, despite most social media companies allowing 13-year-olds to use their platforms, because in early adolescence, kids are still “developing their identity, their sense of self.”⁹

Other experts, such as David Greenfield, a psychologist, agree and assert the platforms lure users with powerful tactics. One such tactic is “intermittent reinforcement,” which refers to a reward scheme in which the user receives rewards inconsistently and unpredictably. While adults are susceptible, young people are particularly at risk because the brain regions that are involved in resisting temptation and reward are not nearly as developed in children and teenagers as in adults.¹⁰

Based on their preparation and review of studies and other scientific research, many experts have called for the regulation of social media, and specifically, regulation of the use of social media by children. Dr. Mary Alvord, a member of the American Psychological Association social media advisory panel, has stated that just because social media is here to stay, it does not mean the dangers have to be accepted. “Just as we decide when kids are old enough to drive, and we teach them to be good drivers, we can establish guidelines and teach children to use social media safely.”¹¹

Safety Measures and Parental Controls

Providing children with information regarding how to more safely use social media could reduce or eliminate harms. Having conversations with them about social media, its benefits, and its risks, could promote positive social media usage.¹² Parental controls can also protect children

⁷ Mayo Clinic, *Tween and teen health*, available at <https://www.mayoclinic.org/healthy-lifestyle/tween-and-teen-health/in-depth/teens-and-social-media-use/art-20474437> (last visited Mar. 14, 2025).

⁸ U.S. Department of Health and Human Services, Office of the Surgeon General, *Social Media and Youth Mental Health: The U.S. Surgeon General's Advisory* (2023), available at <https://www.ncbi.nlm.nih.gov/books/NBK594761/> (last visited Mar. 14, 2025).

⁹ Lauraine Langreo, *Surgeon General: Kids Under 14 Should Not Use Social Media*, EducationWeek, Feb. 2, 2023, available at <https://www.edweek.org/leadership/surgeon-general-kids-under-14-should-not-use-social-media/2023/02> (last visited Mar. 14, 2025).

¹⁰ Matt Richtel, *Is Social Media Addictive? Here's What the Science Says.*, The New York Times, Oct. 25, 2023, available at <https://www.nytimes.com/2023/10/25/health/social-media-addiction.html> (last visited Mar. 14, 2025).

¹¹ Kirsten Weir, *Social media brings benefits and risks to teens. Here's how psychology can help identify a path forward*, American Psychological Association, Sept. 1, 2023, available at <https://www.apa.org/monitor/2023/09/protecting-teens-on-social-media> (last visited Mar. 14, 2025).

¹² WebMD Editorial Contributors, *How to Talk to Your Kids About Social Media*, WebMD.com, available at <https://www.webmd.com/parenting/how-to-talk-to-kids-about-social-media> (last visited Mar. 14, 2025).

from inappropriate content, cyberbullying, and other online safety issues.¹³ Examples of parental controls include blocking websites, filtering content, imposing limits on screen time, allowing parents to monitor online activity, using location tracking, and disabling Wi-Fi.¹⁴

However, two 2018 studies found that parental control apps may actually be counterproductive because they harm the trust between a parent and child and reduce the child's ability to respond to online threats. In one of the studies, children believed that the apps were overly restrictive and prevented them from doing everyday tasks, such as homework assignments. Additionally, a researcher stated that "parental involvement and direct supervision were both associated with fewer peer problems and less online victimization for teens, but neither of these factors correlated with the use of parental control apps."¹⁵

Child-Focused Online Privacy Laws

Federal Children's Online Privacy Protection Act (COPPA)

COPPA,¹⁶ and its related rules,¹⁷ regulate websites' collection and use of children's information. The operator of a website or online service that is directed to children, or that has actual knowledge that it collects children's personal information (covered entities), must comply with requirements regarding data collection and use, privacy policy notifications, and data security.¹⁸

For purposes of COPPA, children are individuals under the age of 13.¹⁹ A covered entity may not collect personal information from a child under the age of 13 without the prior, verifiable consent of his or her parent.²⁰

COPPA defines personal information as individually identifiable information about an individual that is collected online, including:²¹

- First and last name.
- A home or other physical address including street name and name of a city or town.
- An email address.
- A telephone number.
- A social security number.
- Any other identifier that the FTC determines permits the physical or online contacting of a specific individual; or

¹³ Internetmatters.org, *Parental Controls*, available at <https://www.internetmatters.org/parental-controls/> (last visited Mar. 14, 2025).

¹⁴ Caroline Knorr, *Parents' Ultimate Guide to Parental Controls*, Commonsensemedia.org, Mar. 9, 2021, available at <https://www.commonsensemedia.org/articles/parents-ultimate-guide-to-parental-controls> (last visited Mar. 14, 2025).

¹⁵ Barbara Abney & Zenaïda Kotala, *Apps to Keep Children Safe Online May be Counterproductive*, UCF Today, Apr. 2, 2018, available at <https://www.ucf.edu/news/apps-keep-children-safe-online-may-counterproductive/> (last visited Mar. 14, 2025).

¹⁶ 15 U.S.C. ss. 6501-6505.

¹⁷ 16 C.F.R. pt. 312.

¹⁸ Federal Trade Commission, *Complying with COPPA: Frequently Asked Questions*, available at <https://www.ftc.gov/business-guidance/resources/complying-coppa-frequently-asked-questions> (last visited Mar. 14, 2025).

¹⁹ *Id.*

²⁰ 15 U.S.C. §§ 6502(a)-(b).

²¹ *Id.*

- Information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier.²²

Operators covered by the rule must:²³

- Provide notice of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information.
- Obtain verifiable parental consent for the collection, use, or disclosure of personal information from children.²⁴
- Upon request of a parent whose child has provided personal information to a website or online service, upon proper identification of that parent, to such parent, a description of the specific types of personal information collected from the child by that operator.
- Upon request of a parent whose child has provided personal information to a website or online service, upon proper identification of that parent, to such parent, the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.
- Upon request of a parent whose child has provided personal information to a website or online service, upon proper identification of that parent, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child.
- Prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity.
- Require the operator of a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.²⁵

Violations of COPPA are deemed an unfair or deceptive act or practice and are therefore prosecuted by the Federal Trade Commission.²⁶ While there is no criminal prosecution or private right of action under COPPA, the act authorizes state attorneys general to enforce violations that affect residents of their states.²⁷

In 2019, Google and its subsidiary YouTube agreed to pay a \$170 million settlement for lawsuits brought by the commission and the state of New York for violations of COPPA for collecting personal information from children without consent. Specifically, it was alleged that YouTube tracked cookies²⁸ from viewers of child-directed channels, without first notifying parents and

²² *Id.*

²³ *Id.*

²⁴ The FTC's finalized updates to the COPPA include the requirements that operators obtain separate verifiable parental consent for disclosures to third parties, parents will have to provide consent for disclosures to third parties such as ad networks. See Federal Trade Commission, *Children's Online Privacy Protection Rule*, available at https://www.ftc.gov/system/files/ftc_gov/pdf/coppa_sbp_1.16_0.pdf (last visited Mar. 14, 2025).

²⁵ *Id.*

²⁶ See *id.*; see also 15 U.S.C. s. 6502(c); 16 C.F.R. s. 312.9.

²⁷ See Federal Trade Commission, *Complying with COPPA: Frequently Asked Questions*, available at <https://www.ftc.gov/business-guidance/resources/complying-coppa-frequently-asked-questions> (last visited Mar. 14, 2025).

²⁸ Cookies are bits of data that are sent to and from a user's browser to identify the user. When the user opens a website, the user's browser sends a piece of data to the web server hosting that website. This data usually appears as strings of numbers and letters in a text file. Every time the user accesses a website, a cookie is created and placed in a temporary folder on the user's device. From here, cookies try to match the user's preferences for what the user wants to read, see, or purchase.

obtaining their consent. YouTube earned millions of dollars by using the identifiers to deliver targeted ads to viewers of these channels.²⁹

On January 16, 2025, the FTC finalized updates to the COPPA to set new requirements around the collection, use, and disclosure of children's personal information and give parents new tools and protections to help them control what data is provided to third parties about their children.³⁰

Age Verification Mechanisms

Many industries are currently required to use online age verification methods, including:

- Alcohol and tobacco.³¹
- Gambling.
- Adult websites.
- Firearms.³²

Adult websites in the U.S. generally use checkboxes for users to confirm that they are at least 18 years of age. Recently, however, numerous states and the United Kingdom have enacted laws requiring adult websites to use age verification measures to block adult content from being accessed by minors.³³

Additionally, some social media platforms ask for age-identifying information to create new accounts, but such information is not always verified. For example, Facebook requires new users to self-report a birthdate to confirm that they are at least 13 years old. Meta is currently testing new ways to verify age, including through the use of biometrics and online interviews.³⁴

Microsoft, *Everything you need to know about Internet cookies*, Apr. 25, 2023, available at <https://www.microsoft.com/en-us/edge/learning-center/what-are-cookies?form=MA1312> (last visited Mar. 14, 2025).

²⁹ Federal Trade Commission, *Google and YouTube Will Pay Record \$170 Million for Alleged Violations of Children's Privacy Law*, Sep. 4, 2019, available at <https://www.ftc.gov/news-events/news/press-releases/2019/09/google-youtube-will-pay-record-170-million-alleged-violations-childrens-privacy-law> (last visited Mar. 14, 2025).

³⁰ Federal Trade Commission, *FTC Finalizes Changes to Children's Privacy Rule Limiting Companies' Ability to Monetize Kids' Data*, available at <https://www.ftc.gov/news-events/news/press-releases/2025/01/ftc-finalizes-changes-childrens-privacy-rule-limiting-companies-ability-monetize-kids-data#:~:text=The%20Federal%20Trade%20Commission%20finalized,was%20last%20updated%20in%202013> (last visited Mar. 14, 2025).

³¹ The U.S. Food and Drug Administration (FDA) recommends using independent, third-party age- and identity-verification services that compare customer information against third-party data sources for online sellers of tobacco. FDA, *Enforcement Priorities for Electronic Nicotine Delivery Systems (ENDS) and Other Deemed Products on the Market Without Premarket Authorization (Revised)* (April 2020), at 7, available at <https://www.fda.gov/media/133880/download> (last visited Mar. 14, 2025).

³² Jan Stepnov, *What Is an Age Verification System and Why Incorporate It Into Your Business*, Regula, Apr. 21, 2023, available at <https://regulaforensics.com/blog/age-verification-system/> (last visited Mar. 14, 2025).

³³ Masha Borak, *UK introduces Online Safety Bill mandating age verification*, Oct. 27, 2023, available at <https://www.biometricupdate.com/202310/uk-introduces-online-safety-bill-mandating-age-verification> (last visited Mar. 14, 2025); Dmytro Sashchuk, *Age verification regulations in the United States of America*, Veriff, Oct. 30, 2024, available at <https://www.veriff.com/fraud/learn/age-verification-legalization-in-the-united-states-of-america> (last visited Mar. 14, 2025).

³⁴ Meta, *Introducing New Ways to Verify Age on Instagram*, Jun. 23, 2022, available at <https://about.fb.com/news/2022/06/new-ways-to-verify-age-on-instagram/> (last visited Mar. 14, 2025).

There are several ways that Internet companies can verify, or attempt to verify, age. Options include using:³⁵

- Government identity documents, which generally require users to submit government documents to a third-party company for review.
- Phone records, which generally check users' phones for parental controls.
- Credit score databases, which generally require the user to enter identifying information that is subsequently confirmed through a credit check agency.
- Biometric age estimation, which generally requires a facial analysis to estimate age.
- Credit cards, which generally requires users to supply credit card information for validation.
- Open banking, which generally requires users to log into their own online banking system and give approval for date of birth information to be supplied to a bank-approved, third-party age verification provider.
- Algorithmic profiling, which generally assesses the likely ages of users based on their online behavior.
- Self-declaration, which generally requires users to check a box or enter a birthdate.
- Zero knowledge proofs, which generally enables users to upload identity documents to privacy servers and securely share encrypted, anonymous "proofs" of age to a company, through a process called "hashing," without actually transmitting the identity documents to the company.

When verifying age online, people usually share personal information, including:

- Full name and location.
- Email or phone number (when using two-factor authorization).
- Home address.

Identity theft is a potential risk when users reveal this information, and websites can collect information revealed through age verification processes, and combine it with other data for targeted advertisements or data-sharing with third parties.³⁶

Florida's Laws

In 2024, the Legislature enacted laws to require age verification for online access to materials that are harmful to minors.³⁷

Florida law requires a commercial entity that knowingly and intentionally publishes or distributes material harmful to minors on a website or application, if the website or application contains a substantial portion of material harmful to minors to use either anonymous age verification or standard age verification to verify that the age of a person attempting to access the material is 18 years of age or older and prevent access to the material by a person younger than 18 years of age.³⁸

³⁵ The Age Verification Providers Association, *How do you check age online?*, available at <https://avpassociation.com/avmethods/> (last visited Mar. 14, 2025).

³⁶ John Reynolds, *Don't risk identity fraud just to play that video game – do this instead*, Aleo, Dec. 28, 2023, available at <https://aleo.org/post/dont-risk-identity-fraud-to-play-that-video-game/> (last visited Mar. 14, 2025).

³⁷ Ch. 2024-42, Laws of Fla.

³⁸ Section 501.1737, F.S.

“Standard age verification” means any commercially reasonable method of age verification approved by the commercial entity.³⁹

Any violation of the age verification law is deemed an unfair and deceptive trade practice, and the Department of Legal Affairs (department) has enforcement authority. In addition to the remedies under the Florida Deceptive and Unfair Trade Practices Act, the department may collect a civil penalty of up to \$50,000 per violation and reasonable attorney fees and court costs for a violation by a third party.⁴⁰ A commercial entity that violates the age verification requirement is liable to the minor for such access, including court costs and reasonable attorney fees as ordered by the court. Claimants may be awarded up to \$10,000 in damages. A civil action for a claim under this paragraph must be brought within 1 year from the date the complainant knew, or reasonably should have known, of the alleged violation.⁴¹

Florida law defines the term “anonymous age verification” as a commercially reasonable method used by a government agency or a business for the purpose of age verification which is conducted by a nongovernmental, independent third party organized under the laws of a state of the United States which:

- Has its principal place of business in a state of the United States; and
- Is not owned or controlled by a company formed in a foreign country, a government of a foreign country, or any other entity formed in a foreign country.⁴²

A third party conducting anonymous age verification:

- May not retain personal identifying information used to verify age once the age of an account holder or a person seeking an account has been verified;
- May not use personal identifying information used to verify age for any other purpose;
- Must keep anonymous any personal identifying information used to verify age; and
- Must protect personal identifying information used to verify age from unauthorized or illegal access, destruction, use, modification, or disclosure through reasonable security procedures and practices appropriate to the nature of the personal information.⁴³

Other States

At least 17 states require websites with adult content to verify the age of users.⁴⁴ Many of these laws are facing challenges on free speech grounds, and the Supreme Court is considering a case from the United States Court of Appeals for the Fifth Circuit, *Free Speech Coalition, Inc. v. Paxton*, which challenges a Texas law that requires websites with adult content to implement age verification mechanisms.⁴⁵ The court applied rational basis review and held that the age-

³⁹ Section 501.1737, F.S., defines “commercial entity” as a corporation, a limited liability company, a partnership, a limited partnership, a sole proprietorship, and any other legally recognized entity.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Section 501.1738, F.S.

⁴³ *Id.*

⁴⁴ Technology and Privacy, *States with Age Verification Laws* available at <https://www.multistate.us/insider/2025/2/5/supreme-court-ruling-could-impact-state-age-verification-laws> (last visited Mar. 14, 2025).

⁴⁵ *Free Speech Coalition, Inc. v. Paxton* 95 F.4th 263 (5th Cir. 2024). See also “Constitutional Issues” of this bill analysis.

verification requirement did not violate the First Amendment because the state has an interest in protecting the welfare of children and to see that they are safeguarded from abuses.⁴⁶

Social Media Laws for Children

State Requirements for Social Media and Phones in Schools

Florida law requires students in grades 6 through 12 to receive instruction on the social, emotional, and physical effects of social media. The instructional materials must be available online, and district school boards must notify parents of the material's availability.⁴⁷

Florida law also prohibits students from using wireless communication devices at school during instructional time, except when expressly directed by a teacher solely for educational purposes, and requires a teacher to designate an area for wireless communications devices during instructional time.⁴⁸

State Protection of Children in Online Spaces

Florida law provides that any online service, product, game, or feature likely to be predominantly accessed by children under 18 years of age may not, except under certain situations:

- Process the personal information of any child if the platform has actual knowledge or willfully disregards that the processing may result in substantial harm or privacy risk to children.
- Profile a child.
- Collect, sell, share, or retain any personal information that is not necessary to provide an online service, product, or feature with which a child is actively and knowingly engaged.
- Use a child's personal information for any unstated reason.
- Collect, sell, or share any precise geolocation of data of children.
- Use dark patterns to:
 - Lead or encourage children to provide personal information beyond what personal information would otherwise be reasonably expected to be provided for that online service, product, game or feature.
 - Forego privacy protections.
 - Take any action that the online platform has actual knowledge of or willfully disregards that may result in substantial harm or privacy risk to children.
- Use collected information to estimate age or age range for any other purpose or retain that personal information longer than necessary to estimate age.⁴⁹

In 2024, the Legislature enacted a law to prohibit children under the age of 14 from creating a social media account.⁵⁰ A social media platform must do the following:

- Terminate any account held by an account holder younger than 14 years of age, including accounts that the social media platform treats or categorizes as belonging to an account

⁴⁶ *Id.*

⁴⁷ Section 1003.42(2)(o)5., F.S.

⁴⁸ Sections 1006.07(2)(f) and 1003.32(1)(a), F.S.

⁴⁹ Section 501.1735, F.S.

⁵⁰ Ch. 2024-42, Laws of Fla.

holder who is likely younger than 14 years of age for purposes of targeting content or advertising, and provide 90 days for an account holder to dispute such termination.

- Allow an account holder younger than 14 years of age to request to terminate the account.
- Allow the confirmed parent or guardian of an account holder younger than 14 years of age to request that the minor's account be terminated. Termination must be effective within 10 business days after such request.
- Permanently delete all personal information held by the social media platform relating to the terminated account, unless there are legal requirements to maintain such information.⁵¹

A social media platform must prohibit a minor who is 14 or 15 years of age from entering into a contract with a social media platform to become an account holder, unless the minor's parent or guardian provides consent for the minor to become an account holder.⁵²

A social media platform must do the following:

- Terminate any account held by an account holder who is 14 or 15 years of age, including accounts that the social media platform treats or categorizes as belonging to an account holder who is likely 14 or 15 years of age for purposes of targeting content or advertising, if the account holder's parent or guardian has not provided consent for the minor to create or maintain the account. The social media platform must provide 90 days for an account holder to dispute such termination. Termination must be effective upon the expiration of the 90 days if the account holder fails to effectively dispute the termination.
- Allow an account holder who is 14 or 15 years of age to request to terminate the account. Termination must be effective within 5 business days after such request.
- Allow the confirmed parent or guardian of an account holder who is 14 or 15 years of age to request that the minor's account be terminated. Termination must be effective within 10 business days after such request.
- Permanently delete all personal information held by the social media platform relating to the terminated account, unless there are legal requirements to maintain such information.⁵³

Any knowing or reckless violation of s. 501.1736(2) or (3), F.S., is deemed an unfair and deceptive trade practice, and the department has enforcement authority.⁵⁴ In addition to the remedies under the Florida Deceptive and Unfair Trade Practices Act, the department may collect a civil penalty of up to \$50,000 per violation and reasonable attorney fees and court costs for a violation by a third party.⁵⁵ When the social media platform's failure to comply with the requirements is a consistent pattern of knowing or reckless conduct, punitive damages may be assessed against the social media platform.⁵⁶

A social media platform that knowingly or recklessly violates s. 501.1736(2) or (3), F.S., is liable to the minor account holder, including court costs and reasonable attorney fees as ordered by the

⁵¹ Section 501.1736, F.S.

⁵² *Id.*

⁵³ Section 501.1736(4), F.S., provides that if a court enjoins the enforcement of this section, then this section should be severed and s. 501.1736(4), F.S., will take effect, which prohibits a minor who is 14 or 15 years of age from entering into a contract with a social media platform to become an account holder.

⁵⁴ Section 501.1736, F.S.

⁵⁵ *Id.*

⁵⁶ *Id.*

court. Claimants may be awarded up to \$10,000 in damages. A civil action for a claim must be brought within 1 year from the date the complainant knew, or reasonably should have known, of the alleged violation.⁵⁷

In October of 2024, the Computer and Communications Industry Association and NetChoice filed a lawsuit in the U.S. District Court for the Northern District of Florida to challenge Florida's social media law, however, the judge has not yet ruled on the request for a preliminary injunction.⁵⁸

Florida Deceptive and Unfair Trade Practices Act (FDUTPA)

The FDUTPA is a consumer and business protection measure that prohibits unfair methods of competition, and unconscionable, deceptive, or unfair acts or practices in the conduct of trade or commerce.⁵⁹ The FDUTPA was modeled after the Federal Trade Commission Act.⁶⁰

The Department of Legal Affairs or the state attorney's office in the judicial circuit affected or where the violation occurs may bring actions on behalf of consumers or governmental entities when it serves the public interest.⁶¹ The state attorney's office may enforce violations of the FDUTPA if the violations take place within its jurisdiction. The department has enforcement authority when: the violation is multi-jurisdictional; the state attorney defers to the department in writing; or the state attorney fails to act within 90 days after a written complaint is filed.⁶² In certain circumstances, consumers may also file suit through private actions.⁶³

The department and the state attorney's office have powers to investigate the FDUTPA claims, which include:⁶⁴

- Administering oaths and affirmations.
- Subpoenaing witnesses or matter.
- Collecting evidence.

The department and the state attorney's office may seek the following remedies:⁶⁵

- Declaratory judgments.
- Injunctive relief.

⁵⁷ *Id.*

⁵⁸ See Ch. 2024-42, Laws of Fla. See also s. 501.1736, F.S. See also NetChoice, CCIA & NetChoice v. Uthmeier (Florida, 2024), available at <https://netchoice.org/ccia-netchoice-v-moody-2024/> (last visited Mar. 14, 2025).

⁵⁹ Section 501.202, F.S.

⁶⁰ See 15 U.S.C. s. 45; see also D. Matthew Allen, et. al., *The Federal Character of Florida's Deceptive and Unfair Trade Practices Act*, 65 U. MIAMI L. REV. 1083 (Summer 2011).

⁶¹ Sections 501.203(2) and 501.207(1)(c) and (2), F.S.; see also David J. Federbush, *FDUTPA for Civil Antitrust Additional Conduct, Party, and Geographic Coverage; State Actions for Consumer Restitution*, 76 FLA. BAR J. 52 (Dec. 2002), available at <https://www.floridabar.org/the-florida-bar-journal/fdutpa-for-civil-antitrust-additional-conduct-party-and-geographic-coverage-state-actions-for-consumer-restitution/> (analyzing the merits of FDUTPA and the potential for deterrence of anticompetitive conduct in Florida) (last visited Mar. 14, 2025).

⁶² Section 501.203(2), F.S.

⁶³ Section 501.211, F.S.

⁶⁴ Section 501.206(1), F.S.

⁶⁵ Sections 501.207(1), 501.208, and 501.2075, F.S. Civil Penalties are deposited into general revenue. Enforcing authorities may also request attorney fees and costs of investigation or litigation. Section 501.2105, F.S.

- Actual damages on behalf of consumers and businesses.
- Cease and desist orders.
- Civil penalties of up to \$10,000 per willful violation.

The FDUTPA may not be applied to certain entities in certain circumstances, including:⁶⁶

- Any person or activity regulated under laws administered by the Office of Insurance Regulation or the Department of Financial Services.
- Banks, credit unions, and savings and loan associations regulated by the Office of Financial Regulation or federal agencies.

III. Effect of Proposed Changes:

Online Application Stores

Definitions

Section 1 of the bill creates s. 282.803, F.S., which provides the following definitions:

- “Application store” means a publicly available website, software application, or online service that distributes third party platform software applications to a computer, a mobile device, or any other general purpose computing device.
- “Child” means an individual consumer under 18 years of age.
- “Covered application” means a software application, website, or other online service that is likely to be accessed by children and that is intended to be run or directed by a user on a computer, mobile device, or any other general purpose computing device. The term does not include a broadband Internet access service as defined in 47 C.F.R. s. 8.1(b); a telecommunications service as defined in 47 U.S.C. s. 153; or the delivery or use of a physical product unconnected to the Internet.
- “Covered entity” means a covered manufacturer or developer of a covered application.
- “Covered manufacturer” means a manufacturer of a device, an operating system for a device, or an application store.
- “Developer” means any person, entity, or organization that creates, owns, or controls an application and is responsible for the design, development, maintenance, and distribution of the application to users through an application store.
- “Device” means a device or a portion of a device that is designed for and capable of communicating across a computer network with other computers or devices for the purpose of transmitting, receiving, or storing data, including, but not limited to, a desktop, a laptop, a cellular telephone, a tablet, or any other device designed for and capable of communicating with or across a computer network and that is used for such purpose. The term does not include cable, fiber, or wireless modems, and home routers whether standalone or combined with the aforementioned modems; managed set-top boxes; and any physical object that only supports communications within a closed user group or private network available to a limited set of users.
- “Likely to be accessed by children” means it is reasonable to expect that an application would be accessed by children, based on satisfying any of the following criteria:

⁶⁶ Section 501.212(4), F.S.

- The application is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by children; or
- Internal research findings determine that the application is routinely accessed by children.
- “Parent” means a biological, foster, or adoptive parent; a stepparent; or a legal guardian.
- “User” means an individual consumer of covered applications.

Developers of Covered Applications

Beginning January 1, 2026, the bill requires a developer of a covered application to:

- Determine whether an application the developer provides is likely to be accessed by children and, if the application is provided for distribution via an application store, provide notice to such application store that the application is likely to be accessed by children.
- To the extent applicable and technically feasible, provide readily available features for parents to protect a user that is a child as appropriate to the risks that arise from the child’s use of the developer’s covered application. This includes providing features to help manage which accounts are affirmatively linked to the user under the age of 18, to help manage the delivery of age appropriate content, and to limit the amount of time that the user under the age of 18 spends daily on the developer’s covered application.

The bill authorizes developers of covered applications to rely on age signals and parental consent for purposes of complying with the aforementioned requirements.

Covered Manufacturers

The bill requires a covered manufacturer to take commercially reasonable and technically feasible steps to:

- Upon initial activation of a device, determine or estimate the age of the device’s primary user.
- If the covered manufacturer is an application store:
 - Provide a mechanism for a developer to provide notice that an application is likely to be accessed by children;
 - Obtain parental consent before permitting a known child under 16 years of age to download a covered application from the application store;
 - Provide developers of covered applications in the application store a signal regarding whether a parent has provided consent; and
 - Provide the parent with the option to connect the developer of such a covered application with the approving parent for the purpose of facilitating parental supervision tools.
- Provide developers of covered applications with a digital signal via a real time application programming interface regarding whether a user is:
 - Under 13 years of age;
 - At least 13 years of age and under 16 years of age;
 - At least 16 years of age and under 18 years of age; or
 - At least 18 years of age.⁶⁷

⁶⁷ For devices sold before January 1, 2026, the bill requires covered manufacturers to ensure that the requirements are included in its operating system and app store versions and updates by default after January 1, 2027.

Exceptions

Except when a covered manufacturer is an application store, section 1 of the bill does not:

- Require a covered entity to access, collect, retain, reidentify, or link information, that in the ordinary course of business, would not otherwise be accessed, collected, retained, reidentified, or linked;
- Require a covered entity to implement new account controls or safety settings if it is not necessary to comply with this bill; and
- Modify, impair, or supersede the operation of any antitrust law.

Applications Stores

The bill requires an application store to comply with the requirements in section 1 of the bill in a nondiscriminatory manner, including:

- Imposing at least the same restrictions and obligations on its own applications and application distribution as it does on those from third-party applications or application distributors.
- Not using data collected from third parties, or consent mechanisms deployed for third parties, in the course of compliance, for any of the following:
 - To compete against those third parties;
 - To give the application store's services preference relative to those of third parties; and
 - To otherwise use the data or consent mechanism in an anticompetitive manner.

Enforcement

The bill requires the Attorney General to provide the covered entity with at least 45 days written notice before the date on which the Attorney General initiates an enforcement action against a covered entity. The notice must identify each alleged violation and an explanation of the basis for each allegation.

The Attorney General may not initiate an action if the covered entity cures the violation or violations described in the notice within 45 days after the notice is sent and provides the Attorney General with a written statement indicating that the violation is cured and that no further violations will occur. If the violation is not cured, the Attorney General may bring a civil action and seek damages for up to \$2,500 per violation not to exceed \$50,000. The bill does not provide a private right of action; the Attorney General has exclusive authority to enforce these provisions.

The bill provides an affirmative defense if the developer acted in reasonable reliance on the application store's determination or estimate that the user is not a child. Additionally, a covered manufacturer is not subject to liability for failure to comply with section 1 of the bill if that covered manufacturer has taken commercially reasonable and technically feasible steps to determine or estimate the age of the user of the relevant device.

Age Verification for Online Access to Materials Harmful to Minors

Definitions

Section 2 of the bill amends s. 501.1737, F.S., and provides the following definitions as used in ss. 501.1737 and 501.1741, F.S.:

- “Application store” means a publicly available website, software application, or online service that distributes third party platforms’ software applications to a computer, a mobile device, or any other general-purpose computing device.
- “Covered manufacturer” means a manufacturer of a device, an operating system for a device, or an application store.
- “Device” means equipment or a portion of equipment that is designed for and capable of communicating across a computer network with other computers or devices for the purpose of transmitting, receiving, or storing data, including, but not limited to, a desktop, a laptop, a cellular telephone, a tablet, or any other device designed for and capable of communicating with or across a computer network and that is used for such purpose.
- “Digital age verification” means anonymous age verification, standard age verification, or device-based age verification.
- “Operating system provider” means an entity that develops, distributes, or maintains the operating system of, and provides common services for, a device. The term includes the design, programming, and supply of operating systems for various devices such as smartphones, tablets, and other digital equipment.

Guidelines

The bill provides that a commercial entity that knowingly and intentionally publishes or distributes material harmful to minors on a website or application, if the website or application contains a substantial portion of material harmful to minors, must use digital age verification.⁶⁸

The bill requires a commercial entity to ensure that the requirements of s. 501.1738, F.S., which provides the framework for “anonymous age verification,” are met unless the commercial entity is relying on device-based age verification.⁶⁹

Penalties

The bill provides that a “covered manufacturer” must follow the requirements provided in section 3 of the bill, which establishes the framework for “device-based age verification.” If a covered manufacturer violates any of those requirements, it is deemed an unfair and deceptive trade practice under s. 501.1737(5)(a), F.S.

The bill removes the provision in s. 501.1737, F.S., that provides a private cause of action to a minor.

⁶⁸ The bill defines “digital age verification” as either anonymous age verification, standard age verification, or device-based age verification. The bill requires a commercial entity to offer anonymous age verification and standard age verification, and a person attempting to access the material may select which method will be used to verify his or her age unless the commercial entity is relying on device-based age verification.

⁶⁹ The bill creates the framework for “device-based age verification” in s. 501.1741, F.S.

The bill removes the provision in s. 501.1737, F.S., that requires all information held by the Department of Legal Affairs pursuant to a notification of a violation or an investigation of a violation to be confidential and exempt from s. 119.07(1), F.S., and s. 24(a), Art. I of the State Constitution.⁷⁰

Device-based Age Verification

Section 3 of the bill creates s. 501.1741, F.S., which establishes the framework for device-based age verification.

Upon activation of a device, a covered manufacturer must take commercially reasonable and technically feasible steps to do the following:

- Determine or estimate the age of the user of the device.
- Provide websites, applications, application stores, and online services with a digital signal and a real-time application programming interface to verify that a person is:
 - Younger than 13 years of age;
 - At least 13 years of age but younger than 16 years of age;
 - At least 16 years of age but younger than 18 years of age; and
 - Eighteen years of age or older.
- If the covered manufacturer is an application store, obtain parental or guardian consent before permitting a person younger than 16 years of age to download an application from the application store and provide the parent or guardian with the option to connect the developer of the application with the approving parent or guardian for the purpose of facilitating parental supervision tools.
- Beginning July 1, 2026, ensure that the requirements of this section of the bill are included by default in all operating systems and application store versions and updates for devices sold after July 1, 2026.

The bill requires a website, an application, or an online service that makes material harmful to minors available to minors to recognize and allow for the receipt of digital age signals.

The bill requires a website, an application, or an online service that makes available a substantial portion of material harmful to minors to do the following:

- Block access to the website, application, or online service if an age signal is received indicating that the person using such website, application, or online service is under 18 years of age;
- Provide a disclaimer to the user or visitors that the website, application, or online service contains material harmful to minors; and
- Label itself as restricted to adults.

The bill requires a website, an application, or an online service that knowingly makes available less than a substantial portion of material harmful to minors to do the following:

⁷⁰ Section 119.07(1), F.S., and s. 24(a), Art. I of the State Constitution, guarantees every person the right to inspect or copy public records made or received in connection with the official business of any public body, officer, or employee of the state, with certain exceptions.

- Block access to known material harmful to minors if an age signal is received indicating that the person using such website, application, or online service is under 18 years of age; and
- Provide a disclaimer to users or visitors before displaying known material harmful to minors.

The bill requires a website, an application, or an online service with actual knowledge, through receipt of a signal regarding a user's age or otherwise, that a user is under 18 years of age, to the extent commercially reasonable and technically feasible, provide readily available features for parents or guardians to support a minor with respect to the minor's use of the service, including features to help manage which persons or accounts are affirmatively linked to the minor, to help manage the delivery of age appropriate content, and to limit the amount of time that the minor spends daily on the website, application, or online service.

The bill requires a covered manufacturer to comply with the device-based age verification requirements in a nondiscriminatory manner, specifically including, but not limited to, imposing at least the same restrictions and obligations on its own websites, applications, and online services as it does on those from third parties.

A covered manufacturer is prohibited from taking the following actions:

- Using data collected from third parties, or consent mechanisms deployed for third parties, in the course of compliance with the device-based age verification requirements to compete against such third parties;
- Giving the covered manufacturer's services preference relative to those of third parties; or
- Otherwise use data collected from third parties or consent mechanisms deployed by third parties in an anticompetitive manner.

The bill gives the Department of Legal Affairs rule making authority to implement the device-based age verification requirements.

The bill provides that any state law, regulation, or policy or any ordinance, regulation, or policy adopted by a county, a municipality, an administrative agency, or other political subdivision of Florida which is in conflict with this section of the bill is superseded and is deemed null and void to the extent of the conflict.

Effective Date

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

First Amendment Right to Freedom of Speech

The First Amendment to the U.S. Constitution guarantees that “Congress shall make no law ... abridging the freedom of speech.”⁷¹ Generally, “government has no power to restrict expression because of its message, its ideas, its subject matter, or its content.”⁷² The rights guaranteed by the First Amendment apply with equal force to state governments through the due process clause of the Fourteenth Amendment.⁷³

In most circumstances, these protections “are no less applicable when government seeks to control the flow of information to minors”⁷⁴ as states do not possess “a free-floating power to restrict the ideas to which children may be exposed.”⁷⁵

Many of the questions regarding the constitutionality of age verification laws may concern whether such laws are sufficiently narrow to avoid inhibiting more speech than necessary. The degree of tailoring required may vary depending on whether a given law is content-based or content-neutral. In both circumstances, a law’s constitutionality depends on several factors, including the:

- Strength of the government’s interest.
- Amount of protected speech that the law directly or indirectly restricts.
- Availability of less speech-restrictive alternatives.⁷⁶

Content-neutral regulations on free speech are legitimate if they advance important governmental interests that are not related to suppression of free speech, do so in a way that is substantially related to those interests, and do not substantially burden more speech than necessary to further those interests.⁷⁷

The U.S. Supreme Court regards content-based laws, which limit communication because of the message it conveys, as presumptively unconstitutional.⁷⁸ Such a law may be justified only if the government shows that the law is required to promote a compelling

⁷¹ U.S. CONST. amend. I.

⁷² *Police Dept. of City of Chicago v. Mosley*, 408 U.S. 92, 95 (1972).

⁷³ U.S. CONST. amend. XIV; *see also* FLA. CONST., art. I.

⁷⁴ *Erznoznik v. City of Jacksonville*, 422 U.S. 205, 214 (1975).

⁷⁵ *Brown v. Ent. Merchants Ass’n*, 564 U.S. 786, 794 (2011).

⁷⁶ Eric N. Holmes, Congressional Research Service, *Online Age Verification (Part III): Select Constitutional Issues* (CRS Report No. LSB11022, August 17, 2023), available at <https://crsreports.congress.gov/product/pdf/LSB/LSB11022> (last visited Mar. 14, 2025).

⁷⁷ *Turner Broadcasting System, Inc. v. F.C.C.*, 520 U.S. 180, 189 (U.S. 1997).

⁷⁸ *Reed v. Town of Gilbert*, 576 U.S. 155, 163 (2015).

state interest and that the least restrictive means have been chosen to further that articulated interest.⁷⁹

In general, the U.S. Supreme Court has held that requiring adults to prove their age to access certain content is an unconstitutional, content-based limit on free speech, when there are less restrictive means to curb access to minors, such as filters and parental controls.⁸⁰

According to Justice O'Connor's *Reno* dissent, because technology was insufficient for ensuring that minors could be excluded while still providing adults full access to protected content, the age verification provision was viewed as ultimately unconstitutional; however, she contemplated the possibility that future technological advances may allow for a constitutionally sound age verification law.⁸¹

Additionally, in determining whether laws requiring age verification to access social media platforms unconstitutionally restrict free speech, courts have found that even if “the state has the power to enforce parental prohibitions it does not follow that the state has the power to prevent children from hearing or saying anything without their parents’ prior consent.”⁸² Moreover:

[A]ge-verification requirements are more restrictive than policies enabling or encouraging users (or their parents) to control their own access to information, whether through user-installed devices and filters or affirmative requests to third-party companies. “Filters impose selective restrictions on speech at the receiving end, not universal restrictions at the source.” And “[u]nder a filtering regime, adults ... may gain access to speech they have a right to see without having to identify themselves[.]” Similarly, the State could always “act to encourage the use of filters ... by parents” to protect minors.⁸³

State Authority to Regulate to Protect Minors

The U.S. Supreme Court has determined that the state has a “compelling interest in protecting the physical and psychological well-being of minors,” which “extends to shielding minors from the influence of literature that is not obscene by adult standards.”⁸⁴ In doing so, however, the means must be narrowly tailored to achieve that end so as not

⁷⁹ *Sable Commc’s of California, Inc. vs. F.C.C.*, 492 U.S. 115, 126 (1989).

⁸⁰ *Reno v. Am. C. L. Union*, 521 U.S. 844, 874 (1997); *Ashcroft v. American Civil Liberties Union*, 542 U.S. 656, 666 (2004); Ronald Kahn, *Reno v. American Civil Liberties Union* (1997), Free Speech Center at Middle Tennessee State University, Dec. 15, 2023, available at <https://firstamendment.mtsu.edu/article/reno-v-american-civil-liberties-union/> (last visited Mar. 14, 2025).

⁸¹ *Reno*, 521 U.S. at 886-91 (O’Connor concurring in part and dissenting in part). The court also considered overbreadth and vagueness arguments, and determined that the Communications Decency Act of 1996 was too broad and vague. *Id.* at 883-84.

⁸² *NetChoice, LLC v. Yost*, 2024 WL 104336, *8 (S.D. Ohio Jan. 9, 2024) (internal citations and quotations omitted).

⁸³ *NetChoice, LLC v. Griffin*, 2023 WL 5660155, *21 (W.D. Ark. Aug. 31, 2023) (internal citations omitted).

⁸⁴ *Sable Commc’s of California, Inc.*, 492 U.S. at 126.

to unnecessarily deny adults access to material which is constitutionally protected indecent material.⁸⁵

Supremacy Clause

Article VI, Paragraph 2 of the U.S. Constitution, commonly referred to as the Supremacy Clause, establishes that the federal constitution, and federal law generally, take precedence over state laws and constitutions. The Supremacy Clause also prohibits states from interfering with the federal government's exercise of its constitutional powers and from assuming any functions that are exclusively entrusted to the federal government. It does not, however, allow the federal government to review or veto state laws before they take effect.⁸⁶

Section 230 of the federal Communications Decency Act, in part, specifies that “[n]o provider ... of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider”⁸⁷ and specifically prohibits all inconsistent causes of action and liability imposed under any state or local law.⁸⁸

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill requires covered manufacturers and developers of covered applications to take certain steps, provide certain features, and provide certain notices or disclaimers to assist in protecting minors, which will likely increase costs for such entities.

C. Government Sector Impact:

The Department of Legal Affairs will be required to adopt rules to implement the provisions in this bill.

VI. Technical Deficiencies:

None.

⁸⁵ *Ashcroft*, 542 U.S. at 666; *Cashatt v. State*, 873 So. 2d 430, 434 (Fla. 1st DCA 2004); *but see Erznoznik*, 422 U.S. at 213 (determining that the city's regulation was overly broad).

⁸⁶ Cornell Law School, Legal Information Institute, *Supremacy Clause*, available at https://www.law.cornell.edu/wex/supremacy_clause (last visited Mar. 14, 2025).

⁸⁷ 47 U.S.C. s. 230(c)(1).

⁸⁸ 47 U.S.C. s. 230(e)(3).

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 501.1737 of the Florida Statutes.

This bill creates the following sections of the Florida Statutes: 282.803 and 501.1741.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Grall

29-00966A-25

20251438

1 A bill to be entitled
 2 An act relating to online access to materials harmful
 3 to minors; creating s. 282.803, F.S.; defining terms;
 4 requiring a developer to, beginning on a specified
 5 date, make specific determinations about covered
 6 applications, provide notice to application stores
 7 about such applications, and provide certain features
 8 for parents to protect a user that is a child;
 9 requiring a covered manufacturer to, beginning on a
 10 specified date, take certain steps to determine
 11 specified information about the user, provide certain
 12 notices, and provide developers of covered
 13 applications with a specified means to verify the age
 14 of a user; providing requirements for devices sold
 15 before a specified date; providing construction;
 16 requiring an application store to establish
 17 nondiscriminatory practices; providing for enforcement
 18 actions by the Attorney General; providing an
 19 affirmative defense; providing a limitation on
 20 liability for a covered manufacturer under certain
 21 circumstances; amending s. 501.1737, F.S.; revising
 22 definitions and defining terms; revising the age
 23 verification method used by certain commercial
 24 entities to verify the age of a person accessing
 25 certain material; providing an exception; requiring a
 26 covered manufacturer to ensure certain statutory
 27 requirements are met; authorizing the Department of
 28 Legal Affairs to bring an action against covered
 29 manufacturers; authorizing the imposition of civil

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

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30 penalties against covered manufacturers; removing
 31 certain liability and damage provisions for certain
 32 commercial entities; deleting provisions relating to
 33 public records exemptions and the Open Government
 34 Sunset Review Act; removing the definition of the term
 35 "proprietary information"; conforming provisions to
 36 changes made by the act; creating s. 501.1741, F.S.;
 37 requiring covered manufacturers to take certain steps
 38 upon activation of a device; requiring certain
 39 websites, applications, or online services to take
 40 certain actions based on the amount of material
 41 harmful to minors found on such website, application,
 42 or online service; requiring covered manufacturers to
 43 comply with statutory requirements in a
 44 nondiscriminatory manner; prohibiting covered
 45 manufacturers from taking certain actions; authorizing
 46 the Department of Legal Affairs to adopt rules and
 47 regulations; providing preemption; providing an
 48 effective date.

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

52 Section 1. Section 282.803, Florida Statutes, is created to
 53 read:

54 282.803 Online application store.-

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

56 (a) "Application store" means a publicly available website,
 57 software application, or online service that distributes third-
 58 party platform software applications to a computer, a mobile

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

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device, or any other general purpose computing device.

(b) "Child" means an individual consumer under 18 years of age.

(c) "Covered application" means a software application, website, or other online service that is likely to be accessed by children and that is intended to be run or directed by a user on a computer, mobile device, or any other general purpose computing device. The term does not include a broadband Internet access service as defined in 47 C.F.R. s. 8.1(b); a telecommunications service as defined in 47 U.S.C. s. 153; or the delivery or use of a physical product unconnected to the Internet.

(d) "Covered entity" means a covered manufacturer or developer of a covered application.

(e) "Covered manufacturer" means a manufacturer of a device, an operating system for a device, or an application store.

(f) "Developer" means any person, entity, or organization that creates, owns, or controls an application and is responsible for the design, development, maintenance, and distribution of the application to users through an application store.

(g) "Device" means a device or a portion of a device that is designed for and capable of communicating across a computer network with other computers or devices for the purpose of transmitting, receiving, or storing data, including, but not limited to, a desktop, a laptop, a cellular telephone, a tablet, or any other device designed for and capable of communicating with or across a computer network and that is used for such

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purpose. The term does not include cable, fiber, or wireless modems, and home routers whether standalone or combined with the aforementioned modems; managed set-top boxes; and any physical object that only supports communications within a closed user group or private network available to a limited set of users.

(h) "Likely to be accessed by children" means it is reasonable to expect that an application would be accessed by children, based on satisfying any of the following criteria:

1. The application is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by children; or

2. Internal research findings determine that the application is routinely accessed by children.

(i) "Parent" means a biological, foster, or adoptive parent; a stepparent; or a legal guardian.

(j) "User" means an individual consumer of covered applications.

(2) Beginning January 1, 2026:

(a) A developer of a covered application shall:

1. Determine whether an application the developer provides is likely to be accessed by children and, if the application is provided for distribution via an application store, provide notice to such application store that the application is likely to be accessed by children.

2. To the extent applicable and technically feasible, provide readily available features for parents to protect a user that is a child as appropriate to the risks that arise from the child's use of the developer's covered application. This includes providing features to help manage which accounts are

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117 affirmatively linked to the user under the age of 18, to help
 118 manage the delivery of age appropriate content, and to limit the
 119 amount of time that the user under the age of 18 spends daily on
 120 the developer's covered application.

121 (b) A covered manufacturer shall take commercially
 122 reasonable and technically feasible steps to:

123 1. Upon initial activation of a device, determine or
 124 estimate the age of the device's primary user.

125 2. If the covered manufacturer is an application store:

126 a. Provide a mechanism for a developer to provide notice
 127 that an application is likely to be accessed by children.

128 b. Obtain parental consent before permitting a known child
 129 under 16 years of age to download a covered application from the
 130 application store.

131 c. Provide developers of covered applications in the
 132 application store a signal regarding whether a parent has
 133 provided consent when required under this subsection.

134 d. Provide the parent with the option to connect the
 135 developer of such a covered application with the approving
 136 parent for the purpose of facilitating parental supervision
 137 tools.

138 3. Provide developers of covered applications with a
 139 digital signal via a real time application programming interface
 140 regarding whether a user is:

141 a. Under 13 years of age.

142 b. At least 13 years of age and under 16 years of age.

143 c. At least 16 years of age and under 18 years of age.

144 d. At least 18 years of age.

145 4. Developers of covered applications may rely on age

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146 signals and parental consent provided under subparagraph 2. for
 147 purposes of complying with this paragraph.

148 (c) For devices sold before January 1, 2026, covered
 149 manufacturers shall ensure that the requirements under paragraph
 150 (b) are included in its operating system and app store versions
 151 and updates by default after January 1, 2027.

152 (3) (a) Except for the requirements provided in subparagraph
 153 (2) (b) 2., this section does not:

154 (b) Require a covered entity to access, collect, retain,
 155 reidentify, or link information, that in the ordinary course of
 156 business, would not otherwise be accessed, collected, retained,
 157 reidentified, or linked.

158 (c) Require a covered entity to implement new account
 159 controls or safety settings if it is not necessary to comply
 160 with this act.

161 (d) Modify, impair, or supersede the operation of any
 162 antitrust law, including chapter 1331 of the Revised Code and 15
 163 U.S.C. ss. 1 et seq.

164 (4) An application store shall comply with this section in
 165 a nondiscriminatory manner, including:

166 (a) Imposing at least the same restrictions and obligations
 167 on its own applications and application distribution as it does
 168 on those from third-party applications or application
 169 distributors;

170 (b) Not using data collected from third parties, or consent
 171 mechanisms deployed for third parties, in the course of
 172 compliance with this subsection, for any of the following:

173 1. To compete against those third parties.

174 2. To give the application store's services preference

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relative to those of third parties.

3. To otherwise use the data or consent mechanism in an anticompetitive manner.

(5) (a) At least 45 days before the date on which the Attorney General initiates an enforcement action against a covered entity that is subject to the requirements of this section, the Attorney General shall provide the covered entity with a written notice that identifies each alleged violation and an explanation of the basis for each allegation.

(b) The Attorney General may not initiate an action if the covered entity cures the violation or violations described in the notice within 45 days after the notice is sent and provides the Attorney General with a written statement indicating that the violation is cured and that no further violations will occur.

(c) If a covered entity continues to violate this section in breach of an express written notice provided under paragraph (6) (a), the Attorney General may bring a civil action and seek damages for up to \$2,500 per violation of this section not to exceed \$50,000. Damages shall begin accruing after completion of the 45-day cure period in paragraph (6) (b).

(d) This subsection does not provide a private right of action. The Attorney General has the exclusive authority to enforce this section.

(e) Paragraph (a) does not apply if the covered entity fails to timely cure all of the violations described in the notice or commits a subsequent violation of the same type after curing the initial violation under that paragraph.

(6) It is an affirmative defense to a violation of this

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section if the developer acted in reasonable reliance on the application store's determination or estimate that the user is not a child.

(7) A covered manufacturer is not subject to liability for failure to comply with this section if that covered manufacturer has taken commercially reasonable and technically feasible steps to determine or estimate the age of the user of the device as provided in paragraph (2) (b).

Section 2. Section 501.1737, Florida Statutes, is amended to read:

501.1737 Age verification for online access to materials harmful to minors.—

(1) As used in this section and s. 501.1741, the term:

(a) "Anonymous age verification" has the same meaning as in s. 501.1738.

(b) "Application store" means a publicly available website, software application, or online service that distributes third-party platforms' software applications to a computer, a mobile device, or any other general-purpose computing device.

~~(c) (b)~~ "Commercial entity" includes a corporation, a limited liability company, a partnership, a limited partnership, a sole proprietorship, and any other legally recognized entity.

(d) "Covered manufacturer" means a manufacturer of a device, an operating system for a device, or an application store.

~~(e) (e)~~ "Department" means the Department of Legal Affairs.

(f) "Device" means equipment or a portion of equipment that is designed for and capable of communicating across a computer network with other computers or devices for the purpose of

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transmitting, receiving, or storing data, including, but not limited to, a desktop, a laptop, a cellular telephone, a tablet, or any other device designed for and capable of communicating with or across a computer network and that is used for such purpose.

(g) "Digital age verification" means either anonymous age verification, standard age verification, or device-based age verification.

(h)~~(d)~~ "Distribute" means to issue, sell, give, provide, deliver, transfer, transmit, circulate, or disseminate by any means.

(i)~~(e)~~ "Material harmful to minors" means any material that:

1. The average person applying contemporary community standards would find, taken as a whole, appeals to the prurient interest;

2. Depicts or describes, in a patently offensive way, sexual conduct as specifically defined in s. 847.001(19); and

3. When taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.

(j)~~(f)~~ "News-gathering organization" means any of the following:

1. A newspaper, news publication, or news source, printed or published online or on a mobile platform, engaged in reporting current news and matters of public interest, and an employee thereof who can provide documentation of such employment.

2. A radio broadcast station, television broadcast station, cable television operator, or wire service, and an employee

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thereof who can provide documentation of such employment.

(k) "Operating system provider" means an entity that develops, distributes, or maintains the operating system of, and provides common services for, a device. The term includes the design, programming, and supply of operating systems for various devices such as smartphones, tablets, and other digital equipment.

(l)~~(g)~~ "Publish" means to communicate or make information available to another person or entity on a publicly available website or application.

(m)~~(h)~~ "Resident" means a person who lives in this state for more than 6 months of the year.

(n)~~(i)~~ "Standard age verification" means any commercially reasonable method of age verification approved by the commercial entity.

(o)~~(j)~~ "Substantial portion" means more than 33.3 percent of total material on a website or application.

(2) A commercial entity that knowingly and intentionally publishes or distributes material harmful to minors on a website or application, if the website or application contains a substantial portion of material harmful to minors, must use digital either anonymous age verification or standard age verification to verify that the age of a person attempting to access the material is 18 years of age or older and prevent access to the material by a person younger than 18 years of age. The commercial entity must offer anonymous age verification and standard age verification, and a person attempting to access the material may select which method will be used to verify his or her age unless the commercial entity is relying on device-based

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291 age verification pursuant to s. 501.1741.

292 (3) A commercial entity must ensure that the requirements
293 of s. 501.1738 are met unless the commercial entity is relying
294 on device-based age verification pursuant to s. 501.1741. A
295 covered manufacturer must ensure that the requirements of s.
296 501.1741 are met.

297 (4)(a) This section does not apply to any bona fide news or
298 public interest broadcast, website video, report, or event and
299 does not affect the rights of a news-gathering organization.

300 (b) An Internet service provider or its affiliates or
301 subsidiaries, a search engine, or a cloud service provider does
302 not violate this section solely for providing access or
303 connection to or from a website or other information or content
304 on the Internet or a facility, system, or network not under the
305 provider's control, including transmission, downloading,
306 intermediate storage, or access software, to the extent the
307 provider is not responsible for the creation of the content of
308 the communication which constitutes material harmful to minors.

309 (5)(a) Any violation of subsection (2) or subsection (3) is
310 deemed an unfair and deceptive trade practice actionable under
311 part II of this chapter solely by the department on behalf of a
312 resident minor against a commercial entity or a covered
313 manufacturer. If the department has reason to believe that a
314 commercial entity or a covered manufacturer is in violation of
315 subsection (2) or subsection (3), the department, as the
316 enforcing authority, may bring an action against the commercial
317 entity or a covered manufacturer for an unfair or deceptive act
318 or practice. For the purpose of bringing an action pursuant to
319 this section, ss. 501.211 and 501.212 do not apply. In addition

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320 to any other remedy under part II of this chapter, the
321 department may collect a civil penalty of up to \$50,000 per
322 violation and reasonable attorney fees and court costs. When the
323 commercial entity's or a covered manufacturer's failure to
324 comply with subsection (2) or subsection (3) is a consistent
325 pattern of conduct of the commercial entity or covered
326 manufacturer, punitive damages may be assessed against the
327 commercial entity or covered manufacturer.

328 (b) A third party that performs age verification for a
329 commercial entity or covered manufacturer in violation of s.
330 501.1738 is deemed to have committed an unfair and deceptive
331 trade practice actionable under part II of this chapter solely
332 by the department against such third party. If the department
333 has reason to believe that the third party is in violation of s.
334 501.1738, the department, as the enforcing authority, may bring
335 an action against such third party for an unfair or deceptive
336 act or practice. For the purpose of bringing an action pursuant
337 to this section, ss. 501.211 and 501.212 do not apply. In
338 addition to other remedies under part II of this chapter, the
339 department may collect a civil penalty of up to \$50,000 per
340 violation and reasonable attorney fees and court costs.

341 ~~(c) A commercial entity that violates subsection (2) for~~
342 ~~failing to prohibit access or prohibit a minor from future~~
343 ~~access to material harmful to minors after a report of~~
344 ~~unauthorized or unlawful access is liable to the minor for such~~
345 ~~access, including court costs and reasonable attorney fees as~~
346 ~~ordered by the court. Claimants may be awarded up to \$10,000 in~~
347 ~~damages. A civil action for a claim under this paragraph must be~~
348 ~~brought within 1 year from the date the complainant knew, or~~

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~~reasonably should have known, of the alleged violation-~~

~~(c)(4)~~ Any action under this subsection may only be brought on behalf of or by a resident minor.

(6) For purposes of bringing an action under subsection (5), a commercial entity or covered manufacturer that publishes or distributes material harmful to minors on a website or application, if the website or application contains a substantial portion of material harmful to minors and such website or application is available to be accessed in this state, is considered to be both engaged in substantial and not isolated activities within this state and operating, conducting, engaging in, or carrying on a business and doing business in this state, and is therefore subject to the jurisdiction of the courts of this state.

(7) This section does not preclude any other available remedy at law or equity.

(8)(a) If, by its own inquiry or as a result of complaints, the department has reason to believe that an entity or person has engaged in, or is engaging in, an act or practice that violates this section, the department may administer oaths and affirmations, subpoena witnesses or matter, and collect evidence. Within 5 days, excluding weekends and legal holidays, after the service of a subpoena or at any time before the return date specified therein, whichever is longer, the party served may file in the circuit court in the county in which it resides or in which it transacts business and serve upon the enforcing authority a petition for an order modifying or setting aside the subpoena. The petitioner may raise any objection or privilege which would be available upon service of such subpoena in a

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civil action. The subpoena shall inform the party served of its rights under this subsection.

(b) If the matter that the department seeks to obtain by subpoena is located outside the state, the entity or person subpoenaed may make it available to the department or its representative to examine the matter at the place where it is located. The department may designate representatives, including officials of the state in which the matter is located, to inspect the matter on its behalf and may respond to similar requests from officials of other states.

(c) Upon failure of an entity or person without lawful excuse to obey a subpoena and upon reasonable notice to all persons affected, the department may apply to the circuit court for an order compelling compliance.

(d) The department may request that an entity or person that refuses to comply with a subpoena on the ground that testimony or matter may incriminate the entity or person be ordered by the court to provide the testimony or matter. Except in a prosecution for perjury, an entity or individual that complies with a court order to provide testimony or matter after asserting a valid privilege against self-incrimination shall not have the testimony or matter so provided, or evidence derived therefrom, received against the entity or person in any criminal investigation or proceeding.

(e) Any entity or person upon whom a subpoena is served pursuant to this section shall comply with the terms thereof unless otherwise provided by order of the court. Any entity or person that fails to appear with the intent to avoid, evade, or prevent compliance in whole or in part with any investigation

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under this part or that removes from any place, conceals, withholds, mutilates, alters, or destroys, or by any other means falsifies any documentary material in the possession, custody, or control of any entity or person subject to any such subpoena, or knowingly conceals any relevant information with the intent to avoid, evade, or prevent compliance, shall be liable for a civil penalty of not more than \$5,000 per week in violation, reasonable attorney fees, and costs.

~~(9)(a) All information held by the department pursuant to a notification of a violation of this section or an investigation of a violation of this section is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution, until such time as the investigation is completed or ceases to be active. This exemption shall be construed in conformity with s. 119.071(2)(c).~~

~~(b) During an active investigation, information made confidential and exempt pursuant to paragraph (a) may be disclosed by the department.~~

~~1. In the furtherance of its official duties and responsibilities,~~

~~2. For print, publication, or broadcast if the department determines that such release would assist in notifying the public or locating or identifying a person whom the department believes to be a victim of an improper use or disposal of customer records, except that information made confidential and exempt by paragraph (c) may not be released pursuant to this subparagraph; or~~

~~3. To another governmental entity in the furtherance of its official duties and responsibilities.~~

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~~(c) Upon completion of an investigation or once an investigation ceases to be active, the following information held by the department shall remain confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution:~~

~~1. Information that is otherwise confidential or exempt from s. 119.07(1) or s. 24(a), Art. I of the State Constitution.~~

~~2. Personal identifying information.~~

~~3. A computer forensic report.~~

~~4. Information that would otherwise reveal weaknesses in the data security of the commercial entity.~~

~~5. Information that would disclose the proprietary information of the commercial entity.~~

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

~~1. Is owned or controlled by the commercial entity.~~

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

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

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

~~5. Reveals competitive interests, the disclosure of which would impair the competitive advantage of the commercial entity that is the subject of the information.~~

~~(e) This subsection is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand~~

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~~repealed on October 2, 2029, unless reviewed and saved from
repeal through reenactment by the Legislature.~~

~~(9)(10)~~ The department may adopt rules to implement this section.

Section 3. Section 501.1741, Florida Statutes, is created to read:

501.1741 Device-based age verification.—

(1) Upon activation of a device, a covered manufacturer must take commercially reasonable and technically feasible steps to do all of the following:

(a) Determine or estimate the age of the user of the device.

(b) Provide websites, applications, application stores, and online services with a digital signal and a real-time application programming interface to verify that a person is:

1. Younger than 13 years of age.

2. At least 13 years of age but younger than 16 years of age.

3. At least 16 years of age but younger than 18 years of age.

4. Eighteen years of age or older.

(c) If the covered manufacturer is an application store, obtain parental or guardian consent before permitting a person younger than 16 years of age to download an application from the application store and provide the parent or guardian with the option to connect the developer of the application with the approving parent or guardian for the purpose of facilitating parental supervision tools.

(d) Beginning July 1, 2026, ensure that the requirements of

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this section are included by default in all operating systems and application store versions and updates for devices sold after July 1, 2026.

(2) A website, an application, or an online service that makes available material harmful to minors must recognize and allow for the receipt of digital age signals pursuant to this section.

(3) A website, an application, or an online service that makes available a substantial portion of material harmful to minors must do all of the following:

(a) Block access to the website, application, or online service if an age signal is received indicating that the person using such website, application, or online service is under 18 years of age.

(b) Provide a disclaimer to the user or visitors that the website, application, or online service contains material harmful to minors.

(c) Label itself as restricted to adults.

(4) A website, an application, or an online service that knowingly makes available less than a substantial portion of material harmful to minors must do all of the following:

(a) Block access to known material harmful to minors if an age signal is received indicating that the person using such website, application, or online service is under 18 years of age.

(b) Provide a disclaimer to users or visitors before displaying known material harmful to minors.

(5) A website, an application, or an online service with actual knowledge, through receipt of a signal regarding a user's

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age or otherwise, that a user is under 18 years of age must, to the extent commercially reasonable and technically feasible, provide readily available features for parents or guardians to support a minor with respect to the minor's use of the service, including features to help manage which persons or accounts are affirmatively linked to the minor, to help manage the delivery of age appropriate content, and to limit the amount of time that the minor spends daily on the website, application, or online service.

(6) A covered manufacturer must comply with this section in a nondiscriminatory manner, specifically including, but not limited to, imposing at least the same restrictions and obligations on its own websites, applications, and online services as it does on those from third parties.

(7) A covered manufacturer may not:

(a) Use data collected from third parties, or consent mechanisms deployed for third parties, in the course of compliance with this section to compete against such third parties;

(b) Give the covered manufacturer's services preference relative to those of third parties; or

(c) Otherwise use data collected from third parties or consent mechanisms deployed by third parties in an anticompetitive manner.

(8) After requisite notice and public comment, the department may adopt such rules and regulations necessary to establish the processes by which entities are to comply with this section.

(9) This section is intended to provide uniformity of the

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law. Any state law, regulation, or policy or any ordinance, regulation, or policy adopted by a county, a municipality, an administrative agency, or other political subdivision of this state which is in conflict with this section is hereby superseded and is deemed null and void to the extent of the conflict with this section.

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



The Florida Senate

Committee Agenda Request

To: Senator Thomas Leek, Chair
Committee on Commerce and Tourism

Subject: Committee Agenda Request

Date: March 6, 2025

I respectfully request that **Senate Bill #1438**, relating to Online Access to Materials Harmful to Minors, be placed on the:

- ☒ committee agenda at your earliest possible convenience.
- ☐ next committee agenda.

A handwritten signature in blue ink that reads "Erin K. Grall". The signature is written in a cursive style.

Senator Erin Grall
Florida Senate, District 29

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 1666

INTRODUCER: Commerce and Tourism Committee and Senator Grall

SUBJECT: Uniform Commercial Code

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Dike	McKay	CM	Fav/CS
2.			JU	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 1666 substantially amends portions and creates new sections of the UCC to incorporate financial transactions which involve cryptocurrencies and other emerging technologies. These changes clarify Florida law to encompass new technology which does not fit into the current statutory scheme for commercial contracts.

The bill takes effect July 1, 2025.

II. Present Situation:

Uniform Commercial Code

The model Uniform Commercial Code (UCC) was created to govern commercial contracts and related financial transactions, providing a homogenous set of rules across jurisdictions.¹ Some variation of the UCC has been adopted in every state, as well as D.C., Puerto Rico, and the Virgin Islands.² The UCC provides language where contracts are silent, focusing on the sales of goods not services. Florida's UCC, codified in chapters 670-680, F.S., is broken down by subject matter as follows:

¹ See Uniform Law Commission, *Uniform Commercial Code*, available at <https://www.uniformlaws.org/acts/ucc> (last visited Mar. 17, 2025).

² Duke University, *Uniform Commercial Code*, available at <https://law.duke.edu/sites/default/files/lib/ucc.pdf> (last visited Mar. 17, 2025).

- Chapter 670: Fund Transfers
- Chapter 671: General Provisions
- Chapter 672: Sale of Goods
- Chapter 673: Negotiable Instruments
- Chapter 674: Bank Deposits and Collections
- Chapter 675: Letters of Credit
- Chapter 677: Documents of Title
- Chapter 678: Investment Securities
- Chapter 679: Secured Transactions
- Chapter 680: Leases

In 2022, the Uniform Law Commission, the sponsoring organization of the UCC, developed amendments to the UCC to address financial transactions involving emerging technologies, like cryptocurrencies, blockchains, and non-fungible tokens (NFTs).³ The UCC’s Article 12 addresses “controllable electronic records” or intangible digital assets so that cryptocurrency can be used in secured transactions.⁴ As of August 2024, twenty-four states have adopted a version of these amendments.⁵

The Florida Bar Business Law Section’s Blockchain and Digital Assets Committee and UCC/Bankruptcy Committee (Task Force) assessed the new amendments to the UCC and proposed changes to Florida’s UCC accordingly. The Task Force found that Florida law does not have provisions addressing digital assets—it only contemplates money existing in tangible form, such as bills—which can create legal doubt in financial transactions using digital assets.⁶ As there are over 10,000 cryptocurrencies in circulation and the market is worth over \$2 trillion, there is a growing concern among policymakers to clarify and regulate issues arising from its usage.⁷

Emerging Technologies

Cryptocurrencies consist of “both the units of stored value and the networks on which they are exchanged.”⁸ These networks are comprised of unaffiliated participants that download software to perform transactions, rather than through a central bank that manages ledgers and approved

³ There is no one definition for cryptocurrency, but they generally refer to “blockchain-based digital currencies maintained on decentralized networks. Digital assets are intangible and can be anything of value. Paul Tierno, CONG. RSCH. SERV., *Cryptocurrency: Selected Policy Issues*, available at <https://crsreports.congress.gov/product/pdf/R/R47425> (last visited Mar. 17, 2025); see also ARVIND NARAYANAN ET AL., BITCOIN AND CRYPTOCURRENCY TECHNOLOGIES (2016), available at http://d28rh4a8wq0iu5.cloudfront.net/bitcointech/readings/princeton_bitcoin_book.pdf (last visited Mar. 17, 2025).

⁴ Michael D. Contino, CONG. RSCH. SERV., *Crypto Assets and Property of the Bankruptcy Estate: An Analysis*, available at <https://crsreports.congress.gov/product/pdf/LSB/LSB10832> (last visited Mar. 17, 2025).

⁵ *Id.*

⁶ Business Law Section Task Force, *White Paper: Florida’s New UCC Article 12: Controllable Electronic Records (“CERs”) Supporting Secured Transactions for Digital Assets and the Associated UCC Amendments* (Aug. 12, 2024).

⁷ Tierno, *supra* note 3.

⁸ Tierno, *supra* note 3.

transactions.⁹ Cryptocurrencies can consist of digital tokens¹⁰ which are exchanged across public blockchains that do not require a central intermediary, such as a bank.¹¹ All cryptocurrencies use blockchain technology,¹² which is a digital ledger that records all transactions made in cryptocurrency and acts as a public record.¹³ Anytime a transaction is entered into the ledger, a member must validate the transaction before it is entered.¹⁴ Due to the novel nature of these financial transactions, there is no framework for the regulation of cryptocurrencies and digital assets, and federal regulators are only beginning to develop comprehensive rules to regulate the industry.¹⁵

III. Effect of Proposed Changes:

General Provisions

Section 32 amends s. 671.105, F.S., to prescribe that when governing law in the chapter on controllable electronic records, s. 669.107, F.S., is specified, a contrary agreement is only effective to the extent permitted by that governing law.

Section 33 amends s. 671.107, F.S., to replace “an authenticated record” with “a signed record” regarding waiver or renunciation of a claim or right after breach of contract.

Section 34 amends s. 671.201, F.S., to redesignate subsections and alter definitions.

Section 35 amends s. 671.211, F.S., to include ch. 669, F.S., in a list of exceptions with respect to negotiable instruments and bank collections.

⁹ Tierno, *supra* note 3.

¹⁰ “Bitcoin is the token of the Bitcoin network, ether is the token of the Ethereum network, and so on. All cryptocurrencies are digital tokens.” Diego Zuluaga, CATO INST., *Should Cryptocurrencies Be Regulated like Securities?*, available at <https://www.cato.org/sites/cato.org/files/pubs/pdf/cmfa-briefing-paper-1-updated.pdf> (last visited Mar. 17, 2025).

¹¹ *Id.*; see also Tierno, *supra* note 3.

¹² There are some off-chain transactions, wherein an intermediary, such as a payment platform, processes and records the transaction. Customers typically have accounts with these intermediaries, who can “hold cryptocurrencies in custody for users, and transactions occur on private ledgers.” Tierno, *supra* note 3 at 14.

¹³ “In the context of cryptocurrency, transactions are grouped together in blocks and, once approved, added to the chain of previously approved blocks. According to a National Institute of Standards and Technology report, blockchains “enable a community of users to record transactions in a shared ledger within that community, such that under normal operation of the blockchain network no transaction can be changed once published.” Computer scientists define blockchains thus as append-only, which means once published they can be added to but not otherwise amended. This append-only nature of blockchains, also often referred to as immutability, is crucial because system participants, including network nodes and miners, can identify attempted tampering.” Tierno, *supra* note 3 at 4; see also David W. Perkins, CONG. RSCH. SERV., *Cryptocurrency: The Economics of Money and Selected Policy Issues*, available at <https://crsreports.congress.gov/product/pdf/R/R45427> (last visited Mar. 17, 2025).

¹⁴ These members, referred to as miners, obtain cryptocurrency in exchange for their efforts in validating the ledger. *Id.*

¹⁵ “Instead, various state and federal financial industry regulators apply existing regulations to cryptocurrencies and digital asset exchanges using legal categories developed for traditional financial products and services. Those rules have primarily been applied through enforcement on a case-by-case basis rather than through rulemaking, meaning firms may operate in violation of rules for extended periods of time before enforcement actions are undertaken.” Tierno, *supra* note 3 at 20.

Control of Controllable Electronic Records

Rights in Controllable Account or Controllable Electronic Record

Section 6 creates s. 669.104, F.S., providing that a purchaser of a controllable account or a controllable payment intangible is a qualifying purchaser¹⁶ if the purchaser obtains control of the account/payment intangible or control of the controllable electronic record that evidences such account/payment intangible. The bill also establishes:

- Except as otherwise provided, law other than ch. 669, F.S., determines whether a person acquires a right in a controllable electronic record¹⁷ and the right the person acquires.
- A purchaser of a controllable electronic record acquires all rights in the controllable electronic record that the transferor had or had power to transfer, to the extent of the interest purchased.
- A qualifying purchaser acquires its rights in the controllable electronic record free of a claim of a property right in the controllable electronic record.
- Except as otherwise provided, a qualifying purchaser takes a right to payment, performance, or other interest in property evidenced by the controllable electronic record, subject to a claim of a property right in the right to payment, performance, or other interest in property.
- An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in another controllable electronic record—whether the action is in conversion,¹⁸ replevin,¹⁹ constructive trust,²⁰ equitable lien,²¹ or other theory.
- Filing of a finance statement under ch. 679, F.S., is not notice of a claim of a property right in a controllable electronic record.

Control of a Controllable Electronic Record

Section 7 creates s. 669.105, F.S., specifying that a person has control of a controllable electronic record if the electronic record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded:

- Gives the person:
 - Power to avail itself of substantially all the benefits from the electronic record; and

¹⁶ “Qualifying purchaser” means a purchaser of a controllable electronic record or an interest in such, that obtains control of the record for value in good faith, and without notice of a claim of a property right in the record.

¹⁷ “Controllable electronic record” means a record stored in an electronic medium that can be subjected to control under s. 669.105, F.S. The term does not include a controllable account, a controllable payment intangible, a deposit account, an electronic copy of a record evidencing chattel paper, an electronic document of title, electronic money, investment property, or a transferable record.

¹⁸ Conversion is an intentional tort that occurs when a party wrongfully takes another’s property. *See Joe Hand Promotions, Inc. v. Creative Ent., LLC*, 978 F. Supp. 2d 1236, 1241 (M.D. Fla. 2013).

¹⁹ Replevin is a legal action, seeking return of personal property which has been wrongfully taken by the opposing party. *See Brown v. Reynolds*, 872 So. 2d 290 (Fla. 2d DCA 2004).

²⁰ A constructive trust is a trust created by a court as a judicial remedy to restore property to its rightful owner, either when property has been acquired by fraud or it is against principles of equity that someone should retain possession of such property. *Silva v. de la Noval*, 307 So. 3d 131, 134 (Fla. 3d DCA 2020).

²¹ An equitable lien is a type of lien, which is a security interest or legal right acquired in another’s property, granted by a court as a judicial remedy against certain property. *See In re Performance Leasing Corp of Collier Cnty.*, 385 B.R. 317, 325-26 (Bankr. M.D. Fla. 2008).

- Exclusive power to (1) prevent others from availing themselves of substantially all the benefit from the electronic record and (2) transfer control of the electronic record to another person or cause another person to obtain control of another controllable electronic record as a result of the transfer of the electronic record.
- Enables the person readily to identify themselves in any way including by name, identifying number, cryptographic key, office, or account number, as having the aforementioned powers.

If a person has the above-specified powers, the powers are presumed exclusive. The bill establishes that a power is exclusive under subsection (1)(a) even if:

- The controllable electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record; or
- The power is shared with another person.

However, a power of a person is not shared with another person under paragraph (2)(b) and the person's power is not exclusive if:

- The person can exercise the power only if the power also is exercised by the other person; and
- The other person:
 - Can exercise the power without the exercise of the power by the person; and
 - Is the transferor to the person of an interest in the controllable electronic record, controllable account, or controllable payment intangible evidenced by the controllable electronic record.

Further, the bill provides that a person has control of a controllable electronic record if another person, other than the transferor to the person of an interest in the controllable electronic record, controllable account, or controllable payment intangible evidenced by the controllable electronic record:

- Has control of the electronic record and acknowledges it has control on behalf of the person; or
- Obtains control of the electronic record after having acknowledged that it will obtain control of the electronic record on behalf of the person.

The bill specifies that a person that has control is not required to acknowledge that it has control on behalf of another person. If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this part or ch. 679, F.S., otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgement to anyone.

Discharge of Account Debtor on Controllable Account or Controllable Payment Intangible

Section 8 creates s. 669.106, F.S., to provide that an account debtor on a controllable account or controllable payment intangible may discharge its obligation by paying:

- The person having control of the controllable electronic record that evidences the controllable account or controllable payment intangible; or

- Except as provided in subsection (2), a person that formerly had control of the controllable electronic record.

Under the bill, the account debtor may not discharge its obligation by paying a person that formerly had control of the controllable electronic record, unless the account debtor receives a notification with specified information from the person that formerly had control over the controllable electronic record. This notification is ineffective:

- Unless the account debtor and the person who had control of the controllable electronic record agree in a signed record to a commercially reasonable method by which a person may furnish reasonable proof that control has been transferred.
- To the extent an agreement between the account debtor and seller of a payment intangible limits the account debtor's duty to pay a person other than the seller.
- At the option of the account debtor, if the notification notifies the account debtor to divide the payment, provide less than the full amount of an installment, or pay any part of a payment by more than one method or to more than one person.

Further, the bill provides that the person giving notification must also furnish reasonable proof that control of the controllable electronic record has been transferred. A person furnishes reasonable proof if the transferee has the power to avail itself of substantially all the benefit from the controllable electronic record, prevent others from availing themselves of the benefits, and transfer such powers to another person. Additionally, the bill specifies that this section is subject to law other than this chapter, which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

Governing Law

Section 9 creates s. 669.107, F.S., to establish that the local law of a controllable electronic record's jurisdiction governs a matter covered by Part I. Regarding the discharge of an account debtor under s. 699.106, F.S., local law also governs unless an effective agreement determines that the local law of another jurisdiction governs. The bill also specifies circumstances in which the law of another jurisdiction applies instead.

Section 11 creates s. 669.501, F.S., which creates a short title.

Section 12 creates s. 669.502, F.S., providing definitions and principles of construction and interpretation applicable to Part II.

Fund Transfers

Sections 20 and 22-28 amend ss. 670.103, 670.202, 670.203, 670.207, 670.208, 670.21, 670.211, and 67.305, F.S., to revise the definition of "payment order" by replacing "written" with the word "record." Under the bill, agreements related to security procedures and payment orders may be "evidenced by a record" rather than in "writing."

Section 21 amends s. 670.201, F.S., to allow for banks and customers to agree to a security procedure that may impose an obligation on either party to use symbols, sounds, and biometrics when handling payment orders. The bill specifies that requiring a payment order to be sent from a known e-mail address, IP address, or telephone number is not in itself a security procedure.

Sale of Goods

Section 38 amends s. 672.102, F.S., to provide that ch. 672, F.S., does not apply to a transaction that operates only to create a security interest, even if it is in the form of an unconditional contract. The bill also replaces language to establish that ch. 672, F.S., does not impair or repeal a statute regulating sales to consumers, farmers, or other specified classes of buyers. Further, in a hybrid transaction—one for both the sale of goods and services—if the sale-of-goods aspects do not predominate, only the provisions of ch. 672, F.S., that apply primarily to sale-of-goods aspects of the transaction apply. If the sale-of-goods aspects predominate, this chapter applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the transaction which do not relate to the sale of goods.

Section 39 amends s. 672.106, F.S., to include the definition of a hybrid transaction.

Sections 40-44 amend ss. 672.201, 672.202, 672.203, 672.205, and 672.209, F.S., to change references from “written notice” to “notice in a record.”

Negotiable Instruments

Section 47 amends s. 673.1041, F.S., establishing that a negotiable instrument²² may contain statements on governing law or dispute resolution forums concerning the promise or order.

Section 48 amends s. 673.1051, F.S., adding to the definition of the term “issue.” Under the bill, “issue” means either:

- The first delivery of an instrument by the maker or drawer, whether to a holder or nonholder, for the purpose of giving rights on the instrument to any person; or
- If agreed to by the payee, the first transmission by the drawer to the payee of an image of an item and information derived from the item that enables the depository bank to collect the item by transferring or presenting under federal law an electronic check.

Section 49 amends s. 673.4011, removing the subsection for how a signature is made on a negotiable instrument, as the bill adopts a new term “signed” as defined in s. 671.201, F.S.

Section 50 amends s. 673.6041, F.S., specifying that the obligation of a party to pay a check is not discharged solely by the destruction of the check in connection with a specified process that extracts information from the check.

Letters of Credit

Section 53 amends s. 675.104, F.S., conforming the requirements for letters of credit with the new definition of “signed” under this bill.

²² The term “negotiable instrument” means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order. Section 673.1041, F.S.

Section 54 amends s. 675.116, F.S., changing language to conform with the new term “record.” The bill provides that a branch of a bank is considered to be located at the address indicated in the branch’s undertaking or whether the undertaking was issued, for the purposes of choice of law and forum.

Documents of Title

Section 57 amends s. 677.106, F.S., specifying that a person has control of an electronic document of title if an authoritative electronic copy of the document, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

- Enables the person to identify each electronic copy as authoritative or non-authoritative;
- Enables the person to identify itself in any way, including name, identifying number, cryptographic key, office, or account number, as the person to which each authoritative electronic copy was issued or transferred; and
- Gives the person exclusive power to prevent others from adding or changing the person to which each authoritative electronic copy has been issued/transferred and transfer control of each authoritative electronic copy.

The bill also specifies instances in which the power to prevent others from changing the person to which the copy has been issued or transfer control of an authoritative electronic copy is exclusive or not. Additionally, the bill provides for situations in which a person can have control over the electronic document of title when another person obtains control on their behalf.

Investment Securities

Section 60 amends s. 678.1021, F.S., adding references to definitions for “controllable account,” “controllable electronic record,” and “controllable payment intangible” as defined in other sections of the bill.

Section 61 amends s. 678.1031, F.S., providing that a controllable account, controllable electronic record, or controllable payment intangible is not a financial asset, unless otherwise specified.

Section 62 amends s. 678.1061, F.S., specifying that a purchaser has control over a security entitlement if another person, other than the transferor to the purchaser of an interest in the security entitlement:

- Has control of the security entitlement and acknowledges they have control on behalf of the purchaser; or
- Obtains control of the security entitlement after having acknowledged that it will obtain control of the security entitlement on behalf of the purchaser.

Section 63 creates s. 678.1101, F.S., specifying that the local law of the issuer’s jurisdiction governs certain matters or transactions in specific circumstances.

Section 64 amends s. 678.3031, F.S., specifying that protected purchasers acquire interest in a security free of any adverse claim.

Secured Transactions

Article 9 of the UCC governs transactions intended to create a security interest in personal property.²³ Ch. 679, F.S., Florida’s version of article 9, provides for the creation, perfection,²⁴ priority,²⁵ and enforcement of security interests. A security interest occurs when an interest in personal property secures payment or performance of an obligation under a contract.²⁶ The bill conforms ch. 679, F.S., to validate cryptocurrency as personal property that can be used in secured transactions.

Section 67 amends s. 679.1021, F.S., conforming definitions to the new statutory scheme for electronic, intangible forms of payment.

Section 68 amends s. 679.1041, F.S., specifying that a secured party can have control of a deposit account if another person, other than the debtor, has control of the deposit account and acknowledges this control is on behalf of the secured party.

Control of Electronic Chattel Paper

Section 69 amends 679.1051, F.S., specifying the circumstances under which a purchaser has control of electronic chattel paper.²⁷ The bill provides that a system—employed to evidence the assignment of interests in chattel paper—must create, store, and assign the records evidencing the chattel paper in a certain manner for the purchaser to have control. Control is proven when a system has an authoritative electronic copy of the electronic chattel paper, which permits the purchaser to readily identify themselves in any way, including by name, identifying number, cryptographic key, office, or account number, as the assignee of the authoritative electronic copy. The bill also establishes the circumstances in which such control is exclusive or not.

Control of Electronic Money

Section 70 creates s. 679.1052, F.S., specifying that a person has control of electronic money if:

- The electronic money, a record attached/associated with the electronic money, or a system in which the electronic money is recorded gives the person power to avail itself of the benefit from the electronic money and exclusive power over the electronic money; and

²³ Legal Information Institute, *Secured Transactions*, available at https://www.law.cornell.edu/wex/Secured_transactions (last visited Mar. 17, 2025).

²⁴ Perfection is the process by which a secured party gains priority over other parties with claims to the same collateral. *Id.*

²⁵ Priority refers to the order of preference given to different creditors of a security interest. *Id.*

²⁶ *Id.*

²⁷ “Chattel paper” means: 1. A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or 2. A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if: a. The right to payment and lease agreement are evidenced by a record; and b. The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods. The term does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

- The electronic money, a record attached/associated with the electronic money, or a system in which the electronic money is recorded enables the person to readily identify itself in any way, including by name, identifying number, cryptographic key, office, or account number.

Under the bill, a person has exclusive power even if the electronic money, record, or system limits the use of the electronic money or has a protocol programmed to cause a change, or the power is shared with another person. The bill further specifies instances in which a person's power to avail itself of the benefit of the electronic money is or is not exclusive.

Control of Controllable Electronic Record, Controllable Account, or Controllable Payment Intangible

Section 71 creates s. 679.1053, F.S., mandating that a secured party has control of a controllable electronic record as provided in s. 669.105, F.S. Further, a secured party has control of a controllable account or controllable payment intangible if the secured party has control of the controllable electronic record that evidences such control.

Section 72 creates s. 679.1054, F.S., providing that acknowledgment is not required when a person has control on behalf of another person under ss. 679.1051-679.1053, F.S. Further, if a person has control, they have no requirement to confirm the acknowledgment or owe a duty to the other person.

Attachment and Enforceability of Security Interests

Section 73 amends s. 679.2031, F.S., revising language to conform with the new term “signed” and include new types of collateral categories, such as controllable accounts, controllable electronic records, controllable payment intangibles, electronic documents, electronic money, and chattel paper.

Section 74 amends 679.2041, F.S., providing that a security interest may attach²⁸ to consumer goods as proceeds, comingled goods, commercial tort claims, or under an after-acquired property clause under specified statutes.

Section 75 amends s. 679.2071, F.S., adding a reference to the newly-created s. 679.1052, F.S., under this bill.

Additional Duties of a Secured Party Having Control of Collateral

Section 76 amends s. 679.2081, F.S., revising language to conform with new terms “record” and “signed.” Further, the bill specifies that when a secured party receives a signed demand by a debtor, the secured party must transfer control to the debtor of:

- An authoritative electronic copy of a record evidencing chattel paper under s. 679.1051, F.S.;
- An authoritative electronic copy of an electronic document of title under s. 677.106, F.S.;
- Electronic money under s. 679.1052, F.S.; and
- A controllable electronic record under s. 669.105, F.S.

²⁸ “A security interest attaches to collateral when it becomes enforceable against the debtor with respect to the collateral, unless an agreement expressly postpones the time of attachment.” Section 679.2031, F.S.

Duties of a Secured Party if the Account Debtor has been Notified of Assignment

Section 77 amends s. 679.209, F.S., conforming internal cross-references to notice to an account debtor under s. 679.4016(1), F.S., or s. 669.106(2), F.S. The bill also conforms language to new term “signed.”

Law Governing Perfection and Priority of Security Interests

Section 79 amends s. 679.3011, F.S., removing chattel paper from a list of tangible forms of money, as chattel paper is now addressed in s. 679.3062, F.S.

Section 80 amends s. 679.3041, F.S., specifying that the local law of a bank’s jurisdiction governs perfection and priority of security interests in deposit accounts, even if the transaction does not bear any relation to the bank’s jurisdiction.

Section 81 amends s. 679.3051, F.S., adding that paragraphs (1)(b), (c), and (d) apply to priority and perfection of security interests in investment accounts, even if a transaction does not bear any relation to that jurisdiction. These paragraphs specify which local law governs perfection for security interests in uncertified securities,²⁹ a security entitlement³⁰ or securities account,³¹ and a commodity contract³² or commodity account.³³

Section 82 creates s. 679.3062, F.S., providing rules to determine the jurisdiction governing perfection and priority of security interests in chattel paper. Under the bill, except as provided, if chattel paper is evidenced only by an authoritative electronic copy of the chattel paper or is evidenced by an authoritative electronic copy and an authoritative tangible copy, the local law of the chattel paper’s jurisdiction governs perfection and the priority of a security interest in the chattel paper, even if the transaction does not bear any relation to the chattel paper’s jurisdiction. The bill also provides that:

- If the authoritative electronic copy of the record evidencing chattel paper, or record attached to or associated with the electronic copy, expressly provides a particular jurisdiction for the chattel paper, that jurisdiction’s law governs.
- If the above does not apply, the governing law of the chattel paper is determined by the rules of the system in which the authoritative electronic copy is recorded, if those rules specify a particular jurisdiction. This is only for the purposes of s. 679.3061, F.S., this chapter, or the UCC.

²⁹ “Uncertificated security” means a security that is not represented by a certificate. Section 678.1021(1)(r), F.S.

³⁰ “Security entitlement” means the rights and property interest of an entitlement holder with respect to a financial asset specified in part V. Section 678.1021(1)(q), F.S.

³¹ “Securities account” means an account to which a financial asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise the rights that comprise the financial asset. Section 678.5011, F.S.

³² “Commodity contract” means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is: (1) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or (2) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer. Section 679.1021(1)(o), F.S.

³³ “Commodity account” means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer. Section 679.1021(1)(n), F.S.

- If neither of those provisions apply, then the governing law is determined by the jurisdiction specified in the authoritative electronic copy or record attached to or associated with it.
- If none of the aforementioned provisions apply, the governing law of the chattel paper is determined by the rules of the system in which the authoritative electronic copy is recorded, if those rules specify a particular jurisdiction.
- If none of the aforementioned provisions apply, then the governing law of the chattel paper is determined by the jurisdiction in which the debtor is located.

Additionally, the bill provides that if chattel paper is evidenced by an authoritative tangible copy and not an authoritative electronic copy, the local law of the jurisdiction in which the authoritative tangible copy is located governs:

- perfection of a security interest in the chattel paper by possession under s. 679.3152, F.S.; and
- the effect of perfection or nonperfection and the priority of a security interest in the chattel paper.

Last, the local law of the jurisdiction in which the debtor is located governs perfection of a security interest in chattel paper by filing.

Section 83 creates s. 679.3063, F.S., specifying that the local law of the controllable electronic record's jurisdiction specified in s. 669.107(3)-(4), F.S., governs perfection and priority of security interests in controllable electronic records, controllable electronic accounts, and controllable payment intangibles evidenced by the controllable electronic record. Further, the bill provides that the local law of the jurisdiction in which the debtor is located governs:

- perfection of a security interest in controllable accounts, controllable electronic records, or controllable payment intangibles by filing; and
- automatic perfection of a security interest in a controllable payment intangible created by a sale of the controllable payment intangible.

Perfection of Security Interests

Section 84 amends s. 679.3101, F.S., revising language to include controllable accounts, controllable electronic records, and controllable payment intangibles as a collateral category that does not require the filing of a financing statement.³⁴

Section 85 amends s. 679.3121, F.S., including controllable accounts, controllable electronic records, controllable payment intangibles, and negotiable instruments as types of security interests that may be perfected by filing. The bill provides that a security interest in electronic money may be perfected only by control under s. 679.3141, F.S. Additionally, language is revised to conform with the new definition of the word "signed."

³⁴ "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement. Section 679.1021(1)(mm), F.S.; *see also* Legal Information Institute, *UCC Financing Statement*, available at https://www.law.cornell.edu/wex/ucc_financing_statement (last visited Mar. 17, 2025) (A financing statement "is a form that creditors file with states in which they have a security interest in a debtor's personal property. The financial statement serves a similar purpose as recording a deed for real property: registering debt with a state so other creditors and the government can track legitimate security interests in property.").

Section 86 amends s. 679.3131, F.S., adding negotiable tangible documents and tangible money to the list of security interests that can be perfected by taking possession of the collateral. Language is also revised to conform with the new definition of the word “signed.”

Section 87 amends s. 679.3141, F.S., providing that controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, investment property, or letter-of-credit rights may be perfected by control of the collateral under s. 679.1052, F.S., and s. 679.1053, F.S., among other statutes.

Section 88 creates s. 679.3152, F.S., specifying that a secured party may perfect a security interest in chattel paper by taking possession and obtaining control of each authoritative tangible copy of the record evidencing the chattel paper. The bill provides a cross-reference to other provisions in this chapter that would apply to perfection in this situation.

Section 89 amends s. 679.3161, F.S., adding chattel paper, controllable accounts, controllable electronic records, and controllable payment intangibles to the list of security interests which remain perfected, even when there is a change in governing law, for a length of time as specified by statute.

Interests that Take Priority Over or Take Free of Security Interest or Agricultural Lien

Section 90 amends s. 679.3171, F.S., specifying the rights of buyers and licensees and identifying when they take collateral free of security interests. Under the bill:

- A buyer, other than a secured party, of chattel paper takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and:
 - Receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and
 - If each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control under s. 679.1052, obtains control of each authoritative electronic copy.
- A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected to control under s. 677.106, obtains control of each authoritative electronic copy.
- A buyer of a controllable electronic record takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable electronic record.
- A buyer, other than a secured party, of a controllable account or a controllable payment intangible takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable account or controllable payment intangible.

Priority of Security Interests

Section 91 amends s. 679.323, F.S., removing references to a buyer in ordinary course of business as an exception to a buyer or lessee who takes free of a security interest.

Section 93 creates s. 679.3251, F.S., providing that a security interest in a controllable account, controllable electronic record, or controllable payment intangible held by a secured party having control of the account, electronic record, or payment intangible has priority over a conflicting security interest held by a secured party that does not have control.

Section 94 amends s. 679.330, F.S., specifying the requirements for a purchaser of chattel paper or instruments³⁵ to have priority over other security interests based on the purchaser's possession of the authoritative copies of the record evidencing chattel paper.

Section 95 amends s. 679.331, F.S., providing that ch. 679, F.S., does not limit the rights of a qualifying purchaser of a controllable account, controllable electronic record, or controllable payment intangible. Under the bill, this purchaser takes priority over an earlier security interest, even if perfected, to the extent provided in ch. 669, F.S.

Section 96 amends s. 679.332, F.S., providing that:

- A transferee of tangible money takes free of a security interest if the transferee receives possession of the money without acting in collusion with the debtor in violating the rights of the secured party.
- A transferee of funds from a deposit account takes free of a security interest in the deposit account if the transferee receives the funds without acting in collusion with the debtor in violating the rights of the secured party.
- A transferee of electronic money takes the money free of a security interest if the transferee obtains control of the money without acting in collusion with the debtor in violating the rights of the secured party.

Rights of Third Parties

Section 99 amends s. 679.4061, F.S., conforming language to the new term “signed.” The bill also clarifies that the term “promissory note” includes a negotiable instrument that evidences chattel paper for s. 679.4061(4), F.S. The bill also creates a new subsection to clarify that subsections 1-3 and 7 do not apply to a controllable account or controllable payment intangible.

Section 100 amends s. 679.4081, F.S., clarifying that for the purposes of this section, the term “promissory note” includes a negotiable instrument that evidences chattel paper.

Default

Section 103 amends s. 679.601, F.S., conforming language to reference newly created statutes under this bill.

Section 105 amends s. 679.605, F.S., mandating that a secured party owes a duty to a debtor or obligor under certain circumstances when a controllable account, controllable electronic record, or controllable payment intangible is perfected by control.

³⁵ “Instrument” means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. Section 679.1021(1)(uu), F.S.

Sections 108 and 109 amend ss. 679.613 and 679.614, F.S., changing the forms required for notification of disposition of collateral and sale of property, respectively, and providing instructions for use of the forms. Secured parties are required to notify debtors when disposing of collateral or selling property.

Section 117 amends s. 679.628, F.S., providing that certain limitations on liability of secured parties do not apply if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

- The person is a debtor of obligor; and
- The secured party knows that the information listed in (2)(a) is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

Leases

Section 121 amends s. 680.1021, F.S., clarifying the scope of ch. 680, F.S., as it applies to hybrid leases.³⁶ If the lease-of-goods aspects do not predominate:

- Only the provisions of this chapter which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply;
- Section 608.209, F.S., applies if the lease is a finance lease; and
- Section 608.407, F.S., applies to the promises of the lessee in a finance lease to the extent the promises are consideration for the right to possession and use of the leased goods.

Under the bill, if the lease-of-goods aspects predominate, this chapter applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the lease which do not relate to the lease of goods.

Section 122 amends s. 680.1031, F.S., to provide the definition of a hybrid lease and change internal references in the index to conform language to changes in the bill.

Transitional Provisions, Savings Clauses, and Effectiveness of Contracts

Section 10 creates Part II of ch. 669, F.S., entitled “Transitional Provisions for Chapter 669 and 2024 Amendments to Chapter 679.”

Section 29 creates Part VI of ch. 670, F.S., and titles it “Transitional Provisions.”

Section 30 creates s. 670.601, F.S., to specify that, except as otherwise provided, a transaction entered into before July 1, 2025, and the rights, duties, and interests flowing from the transaction

³⁶ A lease means a transfer of the right to possession and use of goods for a term in return for consideration, but a sale, including a sale on approval or a sale or return, or retention or creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the term includes a sublease. Section 680.1031, F.S. “Hybrid lease” means a single transaction involving a lease of goods and either (1) the provision of services, (2) the sale of other goods, or (3) a sale, lease, or license of property other than goods.

remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the UCC, or if applicable, the UCC as though this bill had not taken effect.

Section 36 creates Part IV of ch. 671, F.S., entitled “Transitional Provisions.”

Section 37 creates s. 671.401, F.S., to provide that, except as otherwise provided, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 45 creates Part VIII of ch. 672, F.S., entitled “Transitional Provisions.”

Section 51 creates s. 673.701, F.S., establishing Part VII of ch. 673, F.S., entitled “Transitional Provisions.”

Section 58 creates Part VIII of ch. 677, F.S., entitling it “Transitional Provisions.”

Section 65 creates Part VI of ch. 678, F.S., entitled “Transitional Provisions.”

Section 118 creates Part IX of ch. 679, F.S., consisting of sections 679.901 and 679.902, F.S., and entitling it “Transitional Provisions for 2025 Amendments.”

Section 129 creates Part VI of ch. 680, F.S., entitled “Transitional Provisions.”

Savings Clause for General Transitional Purposes

Sections 13, 37, 46, 52, 55, 59, 66, 119, and 130 create ss. 669.601, 671.401, 672.801, 673.702, 675.119, 677.701, 678.601, 679.901, and 680.601, F.S., providing that, except as specified, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from the transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, the Uniform Commercial Code as though this bill had not taken effect.

Savings Clause for Transitional Provisions for Chapters 669 and 679

Section 14 creates s. 669.701, F.S., providing that:

- Except as specified, ch. 679, F.S., as it existed on July 1, 2025, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before July 1, 2025.
- Except as specified, both of the following apply:
 - A transaction, lien, or interest in property that was validly entered into, created, or transferred before July 1, 2025, and was not governed by the Uniform Commercial Code, but would be subject to ch. 679, F.S., as it existed on July 1, 2025, or Article 12 if it had been entered into, created, or transferred on or after July 1, 2025, including the rights, duties, and interests flowing from the transaction, lien, or interest, remains valid on and after July 1, 2025; and

- The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by this bill, or by the law that would apply if this bill had not taken effect.
- This bill does not affect an action, case, or proceeding commenced before July 1, 2025.

Security Interests Perfected Before the Effective Date

Section 15 creates s. 669.702, F.S., establishing that a security interest³⁷ that is enforceable and perfected immediately before July 1, 2025, is a perfected security interest under this bill if, on July 1, 2025, the requirements for enforceability and perfection³⁸ under this bill are satisfied without further action. Furthermore, if a security interest is enforceable and perfected immediately before July 1, 2025, but the requirements for perfection are not satisfied by that date, the security interest:

- Is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025, or the adjustment date;
- Remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under s. 679.2031, as it existed on July 1, 2025, before the adjustment date; and
- Remains perfected thereafter only if the requirements for perfection under this bill are satisfied immediately before July 1, 2025.

Security Interest Unperfected Before the Effective Date

Section 16 creates s. 669.703, F.S., providing that if a security interest which is enforceable immediately before July 1, 2025, but is unperfected at that time:

- Remains an enforceable security interest until the adjustment date;
- Remains enforceable thereafter if the security interest becomes enforceable under s. 679.2031, F.S., as amended by this bill on July 1, 2025, or before the adjustment date; and
- Becomes perfected:
 - Without further action, on July 1, 2025, if the requirements for perfection under this bill are satisfied before or at that time; or
 - When the requirements for perfection are satisfied if the requirements are satisfied after that time.

Effectiveness of Actions Taken Before Effective Date

Section 17 creates s. 669.704, F.S., providing if action, other than the filing of a financing statement, is taken before July 1, 2025, and the action would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under this bill before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this bill before the adjustment date. Further, the filing of a financing statement before July 1, 2025, is effective to perfect a security interest on July 1,

³⁷ A security interest means an interest in personal property or fixtures which secures payment or performance of an obligation. Section 671.201, F.S.

³⁸ Perfection is the process by which a security interest becomes legally enforceable, typically through filing, possession, or control as set out by statute. See Legal Information Institute, *Perfected*, available at <https://www.law.cornell.edu/wex/perfected> (last visited Mar. 17, 2025).

2025, to the extent the filing would satisfy the requirements for perfection under this bill. Additionally, action taken before July 1, 2025, is sufficient for the enforceability of a security interest on July 1, 2025, if the action would satisfy the requirements for enforceability under this bill.

Priority

Section 18 creates s. 669.705, F.S., determining the priority of conflicting claims to collateral. If the priorities of claims to collateral were established before July 1, 2025, ch. 679, F.S., as in effect before July 1, 2025, determines priority. Moreover, on the adjustment date, to the extent the priorities determined by ch. 679, F.S., as amended by this bill, modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property and electronic money established before July 1, 2025, cease to apply.

Priority of Claims when Priority Rules of Chapter 679 do Not Apply

Section 19 creates s. 669.706, F.S., establishing that Article 12 determines the priority of conflicting claims to Article 12 property when the priority rules of ch. 679, F.S., do not apply. However, when the priority rules of ch. 679, F.S., do not apply, and the priorities of claims to Article 12 property were established prior to July 1, 2025, law other than Article 12 determines priority. When the priority rules of ch. 679, F.S., as amended by this bill do not apply, to the extent the priorities determined by this bill modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025, cease to apply on the adjustment date.

Other Provisions

Section 1 creates ch. 669, F.S., with the title “Uniform Commercial Code: Controllable Electronic Records and Transitional Provisions.”

Section 2 creates Part I of ch. 669, F.S., with the title “Controllable Electronic Records.”

Section 3 specifies a short title for s. 669.101, F.S., “Uniform Commercial Code-Controllable Electronic Records.”

Section 4 creates s. 669.102, F.S., to establish definitions throughout the chapter.

Section 5 creates s. 669.103, F.S., establishing that if there is a conflict between Part I of ch. 669, F.S., and ch. 679, F.S., that ch. 679, F.S., will govern.

Section 31 amends s. 671.101, F.S., to allow the UCC to be cited as the “Code.”

Sections 56, 78, 92, 97, 98, 101, 102, 104, 106, 107, 110-116, and 123-128 amend ss. 677.102, 679.210, 679.324, 679.341, 679.4041, 679.509, 679.513, 679.604, 679.608, 679.611, 679.615, 679.616, 679.619, 679.620, 679.621, 679.624, 679.625, 680.1071, 680.201, 680.202, 680.203, 680.205, and 680.208, F.S., conforming language to the newly defined terms “record” and “signed.”

Section 120 creates s. 679.902, F.S., to provide that, effective July 1, 2025, chapter 679 shall be amended by this act, including the transitional provisions for chapters 669 and 679, as amended by this bill and as provided in part II of chapter 669, F.S.

Sections 131-137 amend ss. 55.205, 319.27, 328.0015, 517.061, 559.9232, 563.022, and 668.50 F.S., updating internal references to statutes amended by this bill.

Sections 138-163 reenact ss. 655.55, 685.101, 90.953, 673.1061, 673.1151, 673.1031, 673.6051, 679.3061, 675.103, 674.2101, 675.1181, 679.1101, 672.103, 674.104, 678.5101, 679.1061, 679.328, 679.327, 679.1091, 679.709, 679.602, 679.329, 679.320, 727.109, 680.307, 679.626, F.S., respectively, for the purpose of incorporating the amendments made under this bill.

Effective Date

Section 164 provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Incorporation into the UCC of these types of instruments may facilitate transactions using them.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 670.103, 670.201, 670.202, 670.203, 670.207, 670.208, 670.21, 670.211, 670.305, 671.101, 671.105, 671.107, 671.201, 671.211, 672.102, 672.106, 672.201, 672.202, 672.203, 672.205, 672.209, 673.1041, 673.1051, 673.4011, 673.6041, 675.104, 675.116, 677.102, 677.106, 678.1021, 678.1031, 678.1061, 678.1101, 678.3031, 679.1021, 679.1041, 679.1051, 679.2031, 679.2041, 679.2071, 679.2081, 679.209, 679.210, 679.3011, 679.3041, 679.3051, 679.3101, 679.3121, 679.3131, 679.3141, 679.3161, 679.3171, 679.323, 679.324, 679.3251, 679.330, 679.331, 679.332, 679.341, 679.4041, 679.4061, 679.4081, 679.509, 679.513, 679.601, 679.604, 679.605, 679.608, 679.611, 679.613, 679.614, 679.615, 679.616, 679.619, 679.620, 679.621, 679.624, 679.625, 679.628, 680.1021, 680.1031, 680.1071, 680.201, 680.202, 680.203, 680.208, 55.205, 319.27, 328.0015, 517.061, 559.9232, 563.022, 668.50, 655.55, 685.101, 90.953, 673.1061, 673.1151, 673.1031, 673.6051, 679.3061, 675.103, 674.2101, 675.1181, 679.1101, 672.103, 674.104, 678.5101, 679.1061, 679.328, 679.327, 679.1091, 679.709, 679.602, 679.329, 679.320, 727.109, 680.307, 679.626.

This bill creates the following sections of the Florida Statutes: 669.101, 669.107, 669.102, 669.103, 669.104, 669.105, 669.106, 669.501, 669.706, 669.502, 669.601, 669.701, 669.702, 669.703, 669.704, 669.705, 670.601, 671.401, 672.801, 673.702, 675.119, 677.701, 678.601, 679.1052, 679.1053, 679.1054, 679.3062, 679.3063, 679.3152, 679.901, 679.902, 680.601.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism Committee on March 17, 2025:

The committee substitute makes technical changes to the bill to correct drafting errors.

B. Amendments:

None.



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LEGISLATIVE ACTION

	Senate	House
Comm: RCS	.	.
03/17/2025	.	.
	.	.
	.	.

The Committee on Commerce and Tourism (Grall) recommended the following:

Senate Amendment

Delete lines 1677 - 2163

and insert:

agreement, regardless of whether the obligation is outstanding;
or

2. To which an account, chattel paper, payment intangible,
or promissory note has been sold.

The term includes a person to which a security interest has been

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transferred by a secured party.

(h) "Assignor" means a person that:

1. Under a security agreement creates or provides for a
security interest that secures an obligation; or

2. Sells an account, chattel paper, payment intangible, or
promissory note.

The term includes a secured party that has transferred a
security interest to another person ~~"Authenticate" means:~~

~~1. To sign; or~~

~~2. With the present intent to adopt or accept a record, to~~
~~attach to or logically associate with the record an electronic~~
~~sound, symbol, or process.~~

~~(1) (x) "Chattel paper" means:~~

~~1. A right to payment of a monetary obligation secured by~~
~~specific goods, if the right to payment and security agreement~~
~~are evidenced by a record; or~~

~~2. A right to payment of a monetary obligation owed by a~~
~~lessee under a lease agreement with respect to specific goods~~
~~and a monetary obligation owed by the lessee in connection with~~
~~the transaction giving rise to the lease, if:~~

~~a. The right to payment and lease agreement are evidenced~~
~~by a record; and~~

~~b. The predominant purpose of the transaction giving rise~~
~~to the lease was to give the lessee the right to possession and~~
~~use of the goods.~~

The term does not include a right to payment arising out of a
charter or other contract involving the use or hire of a vessel

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or a right to payment arising out of the use of a credit or
charge card or information contained on or for use with the card
a record or records that evidence both a monetary obligation and
a security interest in specific goods, a security interest in
specific goods and software used in the goods, a security
interest in specific goods and license of software used in the
goods, a lease of specific goods, or a lease of specific goods
and license of software used in the goods. In this paragraph,
"monetary obligation" means a monetary obligation secured by the
goods or owed under a lease of the goods and includes a monetary
obligation with respect to software used in the goods. The term
does not include charters or other contracts involving the use
or hire of a vessel or records that evidence a right to payment
arising out of the use of a credit or charge card or information
contained on or for use with the card. If a transaction is
evidenced by records that include an instrument or series of
instruments, the group of records taken together constitutes
chattel paper.

(cc) "Controllable account" means an account evidenced by a
controllable electronic record that provides that the account
debtor undertakes to pay the person that has control under s.
669.105 of the controllable electronic record.

(dd) "Controllable payment intangible" means a payment
intangible evidenced by a controllable electronic record that
provides that the account debtor undertakes to pay the person
that has control under s. 669.105 of the controllable electronic
record.

(hh) (ee) "Electronic money" means money in an electronic
form ~~chattel paper" means chattel paper evidenced by a record or~~

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~~records consisting of information stored in an electronic~~
~~medium.~~

~~(ss) (pp) "General intangible" means any personal property,~~
~~including things in action, other than accounts, chattel paper,~~
~~commercial tort claims, deposit accounts, documents, goods,~~
~~instruments, investment property, letter-of-credit rights,~~
~~letters of credit, money, and oil, gas, or other minerals before~~
~~extraction. The term includes~~ controllable electronic records,
~~payment intangibles, and software.~~

~~(xx) (uu) "Instrument" means a negotiable instrument or any~~
~~other writing that evidences a right to the payment of a~~
~~monetary obligation, is not itself a security agreement or~~
~~lease, and is of a type that in the ordinary course of business~~
~~is transferred by delivery with any necessary indorsement or~~
~~assignment. The term does not include investment property,~~
~~letters of credit, or writings that evidence a right to payment~~
~~arising out of the use of a credit or charge card or information~~
~~contained on or for use with the card, or writings that evidence~~
~~chattel paper.~~

~~(eee) "Money" has the same meaning as in s. 671.201, but~~
~~does not include a deposit account or money in an electronic~~
~~form that cannot be subjected to control under s. 679.1052.~~

~~(lll) (ttt) "Payment intangible" means a general intangible~~
~~under which the account debtor's principal obligation is a~~
~~monetary obligation. The term includes a controllable payment~~
~~intangible.~~

~~(ggg) (nnn) "Proposal" means a record~~ signed ~~authenticated~~
~~by a secured party which includes the terms on which the secured~~
~~party is willing to accept collateral in full or partial~~

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98 satisfaction of the obligation it secures pursuant to ss.
99 679.620, 679.621, and 679.622.
100 ~~(vvv) "Send," in connection with a record or notification,~~
101 ~~means:~~
102 1. ~~To deposit in the mail, deliver for transmission, or~~
103 ~~transmit by any other usual means of communication, with postage~~
104 ~~or cost of transmission provided for, addressed to any address~~
105 ~~reasonable under the circumstances; or~~
106 2. ~~To cause the record or notification to be received~~
107 ~~within the time that it would have been received if properly~~
108 ~~sent under subparagraph 1.~~
109 ~~(bbbb) (---) "Tangible money chattel paper" means money in~~
110 ~~tangible form chattel paper evidenced by a record or records~~
111 ~~consisting of information that is inscribed on a tangible~~
112 ~~medium.~~
113 (2) The following definitions in other chapters apply to
114 this chapter:
115 "Applicant," s. 675.103.
116 "Beneficiary," s. 675.103.
117 "Broker," s. 678.1021.
118 "Certificated security," s. 678.1021.
119 "Check," s. 673.1041.
120 "Clearing corporation," s. 678.1021.
121 "Contract for sale," s. 672.106.
122 "Control," s. 677.106.
123 "Controllable electronic record," s. 699.102.
124 "Customer," s. 674.104.
125 "Entitlement holder," s. 678.1021.
126 "Financial asset," s. 678.1021.

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127 "Holder in due course," s. 673.3021.
128 "Issuer" (with respect to a letter of credit
129 or letter-of-credit right), s. 675.103.
130 "Issuer" (with respect to a security), s. 678.2011.
131 "Issuer" (with respect to documents
132 of title), s. 677.102.
133 "Lease," s. 680.1031.
134 "Lease agreement," s. 680.1031.
135 "Lease contract," s. 680.1031.
136 "Leasehold interest," s. 680.1031.
137 "Lessee," s. 680.1031.
138 "Lessee in ordinary course of
139 business," s. 680.1031.
140 "Lessor," s. 680.1031.
141 "Lessor's residual interest," s. 680.1031.
142 "Letter of credit," s. 675.103.
143 "Merchant," s. 672.104.
144 "Negotiable instrument," s. 673.1041.
145 "Nominated person," s. 675.103.
146 "Note," s. 673.1041.
147 "Proceeds of a letter of credit," s. 675.114.
148 "Protected purchaser," s. 678.3031.
149 "Prove," s. 673.1031.
150 "Qualifying purchaser," s. 669.102.
151 "Sale," s. 672.106.
152 "Securities account," s. 678.5011.
153 "Securities intermediary," s. 678.1021.
154 "Security," s. 678.1021.
155 "Security certificate," s. 678.1021.

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156 "Security entitlement," s. 678.1021.
157 "Uncertificated security," s. 678.1021.
158 Section 68. Subsection (1) of section 679.1041, Florida
159 Statutes, is amended to read:
160 679.1041 Control of deposit account.—
161 (1) A secured party has control of a deposit account if any
162 of the following applies:
163 (a) The secured party is the bank with which the deposit
164 account is maintained.;
165 (b) The debtor, secured party, and bank have agreed in a
166 signed an authenticated record that the bank will comply with
167 instructions originated by the secured party directing
168 disposition of the funds in the deposit account without further
169 consent by the debtor, ~~for~~
170 (c) The secured party becomes the bank's customer with
171 respect to the deposit account.;
172 (d) Another person, other than the debtor:
173 1. Has control of the deposit account and acknowledges that
174 it has control on behalf of the secured party; or
175 2. Obtains control of the deposit account after having
176 acknowledged that it will obtain control of the deposit account
177 on behalf of the secured party.
178 Section 69. Section 679.1051, Florida Statutes, is amended
179 to read:
180 679.1051 Control of electronic chattel paper.—
181 (1) A purchaser has control of an authoritative electronic
182 copy of a record evidencing chattel paper if a system employed
183 for evidencing the assignment of interests in the chattel paper
184 reliably establishes the purchaser as the person to which the

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185 authoritative electronic copy was assigned.
186 (2) A system satisfies subsection (1) if the record or
187 records evidencing the chattel paper are created, stored, and
188 assigned in a manner that:
189 (a) A single authoritative copy of the record or records
190 exists which is unique, identifiable, and, except as otherwise
191 provided in paragraphs (d), (e), and (f), unalterable;
192 (b) The authoritative copy identifies the purchaser as the
193 assignee of the record or records;
194 (c) The authoritative copy is communicated to and
195 maintained by the purchaser or its designated custodian;
196 (d) Copies or amendments that add or change an identified
197 assignee of the authoritative copy can be made only with the
198 consent of the purchaser;
199 (e) Each copy of the authoritative copy and any copy of a
200 copy is readily identifiable as a copy that is not the
201 authoritative copy; and
202 (f) Any amendment of the authoritative copy is readily
203 identifiable as authorized or unauthorized.
204 (3) A system satisfies subsection (1), and a purchaser has
205 control of an authoritative electronic copy of a record
206 evidencing chattel paper, if the electronic copy, a record
207 attached to or logically associated with the electronic copy, or
208 a system in which the electronic copy is recorded:
209 (a) Enables the purchaser to readily identify each
210 electronic copy as either an authoritative copy or a
211 nonauthoritative copy;
212 (b) Enables the purchaser to readily identify itself in any
213 way, including by name, identifying number, cryptographic key,

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214 office, or account number, as the assignee of the authoritative
215 electronic copy; and
216 (c) Gives the purchaser exclusive power, subject to
217 subsection (4), to:
218 1. Prevent others from adding or changing an identified
219 assignee of the authoritative electronic copy; and
220 2. Transfer control of the authoritative electronic copy.
221 (4) Subject to subsection (5), a power is exclusive under
222 subparagraphs (3)(c)1. and 2. even if:
223 (a) The authoritative electronic copy, a record attached to
224 or logically associated with the authoritative electronic copy,
225 or a system in which the authoritative electronic copy is
226 recorded limits the use of the authoritative electronic copy or
227 has a protocol programmed to cause a change, including a
228 transfer or loss of control; or
229 (b) The power is shared with another person.
230 (5) A power of a purchaser is not shared with another
231 person as provided in paragraph (4)(b) and the purchaser's power
232 is not exclusive if:
233 (a) The purchaser can exercise the power only if the power
234 also is exercised by the other person; and
235 (b) The other person:
236 1. Can exercise the power without exercise of the power by
237 the purchaser; or
238 2. Is the transferor to the purchaser of an interest in the
239 chattel paper.
240 (6) If a purchaser has the powers specified in
241 subparagraphs (3)(c)1. and 2., the powers are presumed to be
242 exclusive.

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243 (7) A purchaser has control of an authoritative electronic
244 copy of a record evidencing chattel paper if another person,
245 other than the transferor to the purchaser of an interest in the
246 chattel paper:
247 (a) Has control of the authoritative electronic copy and
248 acknowledges that it has control on behalf of the purchaser; or
249 (b) Obtains control of the authoritative electronic copy
250 after having acknowledged that it will obtain control of the
251 electronic copy on behalf of the purchaser. A secured party has
252 control of electronic chattel paper if a system employed for
253 evidencing the transfer of interests in the chattel paper
254 reliably establishes the secured party as the person to which
255 the chattel paper was assigned.
256 (2) A system satisfies subsection (1), and a secured party
257 has control of electronic chattel paper, if the record or
258 records comprising the chattel paper are created, stored, and
259 assigned in such a manner that:
260 (a) A single authoritative copy of the record or records
261 exists which is unique, identifiable and, except as otherwise
262 provided in paragraphs (d), (c), and (f), unalterable;
263 (b) The authoritative copy identifies the secured party as
264 the assignee of the record or records;
265 (c) The authoritative copy is communicated to and
266 maintained by the secured party or its designated custodian;
267 (d) Copies or amendments that add or change an identified
268 assignee of the authoritative copy can be made only with the
269 consent of the secured party;
270 (e) Each copy of the authoritative copy and any copy of a
271 copy is readily identifiable as a copy that is not the

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272 authoritative copy; and
273 (f) Any amendment of the authoritative copy is readily
274 identifiable as authorized or unauthorized.
275 Section 70. Section 679.1052, Florida Statutes, is created
276 to read:
277 679.1052 Control of electronic money.—
278 (1) A person has control of electronic money if both of the
279 following apply:
280 (a) The electronic money, a record attached to or logically
281 associated with the electronic money, or a system in which the
282 electronic money is recorded gives the person:
283 1. Power to avail itself of substantially all the benefit
284 from the electronic money; and
285 2. Exclusive power, subject to subsection (2), to:
286 a. Prevent others from availing themselves of substantially
287 all the benefit from the electronic money; and
288 b. Transfer control of the electronic money to another
289 person or cause another person to obtain control of other
290 electronic money as a result of the transfer of the electronic
291 money.
292 (b) The electronic money, a record attached to or logically
293 associated with the electronic money, or a system in which the
294 electronic money is recorded enables the person readily to
295 identify itself in any way, including by name, identifying
296 number, cryptographic key, office, or account number, as having
297 the powers under paragraph (a).
298 (2) Subject to subsection (3), a power is exclusive under
299 subparagraphs (1)(a)2.a. and b. even if:
300 (a) The electronic money, a record attached to or logically

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301 associated with the electronic money, or a system in which the
302 electronic money is recorded limits the use of the electronic
303 money or has a protocol programmed to cause a change, including
304 a transfer or loss of control; or
305 (b) The power is shared with another person.
306 (3) A power of a person is not shared with another person
307 under paragraph (2)(b) and the person's power is not exclusive
308 if:
309 (a) The person can exercise the power only if the power
310 also is exercised by the other person; and
311 (b) The other person:
312 1. Can exercise the power without exercise of the power by
313 the person; or
314 2. Is the transferor to the person of an interest in the
315 electronic money.
316 (4) If a person has the powers specified in sub-
317 paragraphs (1)(a)2.a. and b., the powers are presumed to be
318 exclusive.
319 (5) A person has control of electronic money if another
320 person, other than the transferor to the person of an interest
321 in the electronic money:
322 (a) Has control of the electronic money and acknowledges
323 that it has control on behalf of the person; or
324 (b) Obtains control of the electronic money after having
325 acknowledged that it will obtain control of the electronic money
326 on behalf of the person.
327 Section 71. Section 679.1053, Florida Statutes, is created
328 to read:
329 679.1053 Control of controllable electronic record,

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330 | controllable account, or controllable payment intangible.-
331 | (1) A secured party has control of a controllable
332 | electronic record as provided in s. 669.105.
333 | (2) A secured party has control of a controllable account
334 | or controllable payment intangible if the secured party has
335 | control of the controllable electronic record that evidences the
336 | controllable account or controllable payment intangible.
337 | Section 72. Section 679.1054, Florida Statutes, is created
338 | to read:
339 | 679.1054 No requirement to acknowledge or confirm; no
340 | duties.-
341 | (1) A person that has control under s. 679.1051, s.
342 | 679.1052, or s. 679.1053 is not required to acknowledge that it
343 | has control on behalf of another person.
344 | (2) If a person acknowledges that it has or will obtain
345 | control on behalf of another person, unless the person otherwise
346 | agrees, or law other than this chapter otherwise provides, the
347 | person does not owe any duty to the other person and is not
348 | required to confirm the acknowledgment to any other person.
349 | Section 73. Subsections (2) and (10) of section 679.2031,
350 | Florida Statutes, are amended to read:
351 | 679.2031 Attachment and enforceability of security
352 | interest; proceeds; supporting obligations; formal requisites.-
353 | (2) Except as otherwise provided in subsections (3) through
354 | (10), a security interest is enforceable against the debtor and
355 | third parties with respect to the collateral only if:
356 | (a) Value has been given;
357 | (b) The debtor has rights in the collateral or the power to
358 | transfer rights in the collateral to a secured party; and

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359 | (c) One of the following conditions is met:
360 | 1. The debtor has signed ~~authenticated~~ a security agreement
361 | that provides a description of the collateral and, if the
362 | security interest covers timber to be cut, a description of the
363 | land concerned;
364 | 2. The collateral is not a certificated security and is in
365 | the possession of the secured party under s. 679.3131 pursuant
366 | to the debtor's security agreement;
367 | 3. The collateral is a certificated security in registered
368 | form and the security certificate has been delivered to the
369 | secured party under s. 678.3011 pursuant to the debtor's
370 | security agreement; ~~or~~
371 | 4. The collateral is controllable accounts, controllable
372 | electronic records, controllable payment intangibles, deposit
373 | accounts, electronic documents, electronic money ~~chattel paper,~~
374 | investment property, or letter-of-credit rights, or electronic
375 | documents, and the secured party has control under s. 669.105,
376 | s. 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s.
377 | 679.1071 pursuant to the debtor's security agreement; or
378 | 5. The collateral is chattel paper and the secured party
379 | has possession and control under s. 679.3152 pursuant to the
380 | debtor's security agreement.
381 | (10) A security interest in an account consisting of a
382 | right to payment of a monetary obligation for the sale of real
383 | property that is the debtor's homestead under the laws of this
384 | state is not enforceable unless:
385 | (a) The description of the account in the security
386 | agreement conspicuously states that the collateral includes the
387 | debtor's right to payment of a monetary obligation for the sale

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388 | of real property;
389 | (b) The description of the account in the security
390 | agreement includes a legal description of the real property;
391 | (c) The description of the account in the security
392 | agreement conspicuously states that the real property is the
393 | debtor's homestead; and
394 | (d) The security agreement is also signed ~~authenticated~~ by
395 | the debtor's spouse, if the debtor is married; if the debtor's
396 | spouse is incompetent, then the method of signature
397 | ~~authentication~~ by the debtor's spouse is the same as provided by
398 | the laws of this state, other than this chapter, which apply to
399 | the alienation or encumbrance of homestead property by an
400 | incompetent person.
401 | Section 74. Present subsection (3) of section 679.2041,
402 | Florida Statutes, is redesignated as subsection (4), a new
403 | subsection (3) is added to that section, and subsection (2) of
404 | that section is amended, to read:
405 | 679.2041 After-acquired property; future advances.-
406 | (2) Subject to subsection (3), a security interest does not
407 | attach under a term constituting an after-acquired property
408 | clause to:
409 | (a) Consumer goods, other than an accession when given as
410 | additional security, unless the debtor acquires rights in them
411 | within 10 days after the secured party gives value; or
412 | (b) A commercial tort claim.
413 | (3) Subsection (2) does not prevent a security interest
414 | from attaching;
415 | (a) To a consumer good as proceeds under s. 679.3151(1) or
416 | commingled goods under s. 679.336(3);

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417 | (b) To a commercial tort claim as proceeds under s.
418 | 679.3151(1); or
419 | (c) Under an after-acquired property clause to property
420 | that is proceeds of consumer goods or a commercial tort claim.
421 | Section 75. Subsection (3) of section 679.2071, Florida
422 | Statutes, is amended to read:
423 | 679.2071 Rights and duties of secured party having
424 | possession or control of collateral.-
425 | (3) Except as otherwise provided in subsection (4), a
426 | secured party having possession of collateral or control of
427 | collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
428 | 679.1052, s. 679.1061, or s. 679.1071:
429 | (a) May hold as additional security any proceeds, except
430 | money or funds, received from the collateral;
431 | (b) Shall apply money or funds received from the collateral
432 | to reduce the secured obligation, unless remitted to the debtor;
433 | and
434 | (c) May create a security interest in the collateral.
435 | Section 76. Subsection (2) of section 679.2081, Florida
436 | Statutes, is amended to read:
437 | 679.2081 Additional duties of secured party having control
438 | of collateral.-
439 | (2) Within 10 days after receiving a signed ~~an~~
440 | ~~authenticated~~ demand by the debtor:
441 | (a) A secured party having control of a deposit account
442 | under s. 679.1041(1)(b) shall send to the bank with which the
443 | deposit account is maintained a signed record ~~an authenticated~~
444 | ~~statement~~ that releases the bank from any further obligation to
445 | comply with instructions originated by the secured party;

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446 (b) A secured party having control of a deposit account
447 under s. 679.1041(1)(c) shall:
448 1. Pay the debtor the balance on deposit in the deposit
449 account; or
450 2. Transfer the balance on deposit into a deposit account
451 in the debtor's name;
452 (c) A secured party, other than a buyer, having control
453 under s. 679.1051 of an authoritative electronic copy of a
454 record evidencing chattel paper shall transfer control of the
455 electronic copy to the debtor or a person designated by the
456 debtor; a secured party, other than a buyer, having control of
457 electronic chattel paper under s. 679.1051 shall:
458 1. ~~Communicate the authoritative copy of the electronic~~
459 ~~chattel paper to the debtor or its designated custodian;~~
460 2. ~~If the debtor designates a custodian that is the~~
461 ~~designated custodian with which the authoritative copy of the~~
462 ~~electronic chattel paper is maintained for the secured party,~~
463 ~~communicate to the custodian an authenticated record releasing~~
464 ~~the designated custodian from any further obligation to comply~~
465 ~~with instructions originated by the secured party and~~
466 ~~instructing the custodian to comply with instructions originated~~
467 ~~by the debtor; and~~
468 3. ~~Take appropriate action to enable the debtor or the~~
469 ~~debtor's designated custodian to make copies of or revisions to~~
470 ~~the authoritative copy which add or change an identified~~
471 ~~assignee of the authoritative copy without the consent of the~~
472 ~~secured party;~~
473 (d) A secured party having control of investment property
474 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the



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475 securities intermediary or commodity intermediary with which the
476 security entitlement or commodity contract is maintained a
477 signed an authenticated record that releases the securities
478 intermediary or commodity intermediary from any further
479 obligation to comply with entitlement orders or directions
480 originated by the secured party;
481 (e) A secured party having control of a letter-of-credit
482 right under s. 679.1071 shall send to each person having an
483 unfulfilled obligation to pay or deliver proceeds of the letter
484 of credit to the secured party a signed an authenticated release
485 from any further obligation to pay or deliver proceeds of the
486 letter of credit to the secured party; ~~and~~
487 (f) A secured party having control under s. 677.106 of an
488 authoritative electronic copy of an electronic document of title
489 shall transfer control of the electronic copy to the debtor or a
490 person designated by the debtor;
491 (g) A secured party having control under s. 679.1052 of

By Senator Grall

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1 A bill to be entitled
 2 An act relating to the Uniform Commercial Code;
 3 providing a directive to the Division of Law Revision;
 4 creating part I of ch. 669, F.S., relating to
 5 controllable electronic records; creating s. 669.101,
 6 F.S.; providing a short title; creating s. 669.102,
 7 F.S.; defining terms; providing construction; creating
 8 s. 669.103, F.S.; providing construction; creating s.
 9 669.104, F.S.; providing applicability; specifying
 10 when a purchaser of a controllable account or
 11 controllable payment intangible is a qualifying
 12 purchaser; specifying rights acquired relating to
 13 controllable electronic records; prohibiting actions
 14 from being asserted against qualifying purchasers
 15 under certain circumstances; specifying that filing a
 16 certain financial statement is not notice of a claim
 17 of a property right in a controllable electronic
 18 record; creating s. 669.105, F.S.; specifying when a
 19 person has control of a controllable electronic
 20 record; providing when a person's power relating to
 21 controllable electronic records is or is not
 22 exclusive; providing that a person who has control of
 23 a controllable electronic record is not required to
 24 acknowledge such control; specifying that a person
 25 that acknowledges control of a controllable electronic
 26 record does not owe any duty to the other person and
 27 is not required to confirm the acknowledgment to any
 28 other person; creating s. 669.106, F.S.; authorizing
 29 account debtors on a controllable account or

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30 controllable payment intangible to discharge
 31 obligations under certain circumstances; providing
 32 requirements for such discharge; prohibiting account
 33 debtors from waiving or varying certain rights and
 34 options; providing construction; creating s. 669.107,
 35 F.S.; specifying the governing laws and jurisdictions
 36 relating to controllable electronic records; creating
 37 part II of ch. 669, F.S., relating to transitional
 38 provisions; creating s. 669.501, F.S.; providing a
 39 short title; creating s. 669.502, F.S.; defining
 40 terms; creating ss. 669.601 and 669.701, F.S.;
 41 providing saving clauses for certain transactions;
 42 providing applicability; providing construction;
 43 creating s. 669.702, F.S.; specifying requirements for
 44 perfecting security interests that are enforceable and
 45 perfected before a specified date; creating s.
 46 669.703, F.S.; specifying requirements for security
 47 interests that were unperfected before a specified
 48 date; creating s. 669.704, F.S.; specifying the
 49 effectiveness of certain actions relating to security
 50 interests taken before a specified date; creating ss.
 51 669.705 and 669.706, F.S.; providing priority for
 52 conflicting claims to collateral; amending s. 670.103,
 53 F.S.; revising the definition of the term "payment
 54 order"; amending s. 670.201, F.S.; revising
 55 authorizations and requirements relating to security
 56 procedures; amending s. 670.202, F.S.; revising the
 57 circumstances under which payment orders received by
 58 banks are effective as the order of a customer; making

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59 technical changes; amending s. 670.203, F.S.; revising
 60 rules that apply to payment orders that are not
 61 authorized orders of certain customers; amending ss.
 62 670.207, 670.208, 670.21, and 670.211, F.S.; making
 63 technical changes; amending s. 670.305, F.S.; revising
 64 liability requirements relating to payment orders;
 65 creating part VI of ch. 670, F.S., relating to
 66 transitional provisions; creating s. 670.601, F.S.;
 67 providing applicability; amending s. 671.101, F.S.;
 68 making technical changes; amending s. 671.105, F.S.;
 69 revising applicability; amending s. 671.107, F.S.;
 70 making a technical change; amending s. 671.201, F.S.;
 71 revising definitions; defining terms; amending s.
 72 671.211, F.S.; conforming a cross-reference; creating
 73 part IV of ch. 671, F.S., relating to transitional
 74 provisions; creating s. 671.401, F.S.; providing
 75 applicability; amending s. 672.102, F.S.; revising
 76 applicability; amending s. 672.106, F.S.; defining the
 77 term "hybrid transaction"; making technical changes;
 78 amending ss. 672.201, 672.202, 672.203, and 672.205,
 79 F.S.; making technical changes; amending s. 672.209,
 80 F.S.; revising a prohibition on modifying or
 81 rescinding a signed agreement that excludes
 82 modification or rescission; creating part VIII of ch.
 83 672, F.S., relating to transitional provisions;
 84 creating s. 672.801, F.S.; providing applicability;
 85 amending s. 673.1041, F.S.; revising the definition of
 86 the term "negotiable instrument"; amending s.
 87 673.1051, F.S.; revising the definition of the term

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88 "issue"; amending s. 673.4011, F.S.; conforming
 89 provisions to changes made by the act; amending s.
 90 673.6041, F.S.; specifying that the obligation of a
 91 party to pay a check is not discharged solely by
 92 destruction of the check in connection with a
 93 specified process; creating part VII of ch. 673, F.S.,
 94 relating to transitional provisions; creating s.
 95 673.702, F.S.; providing applicability; amending s.
 96 675.104, F.S.; conforming provisions to changes made
 97 by the act; amending s. 675.116, F.S.; providing that
 98 a branch of a bank is considered to be located at the
 99 address indicated in the branch's undertaking or, if
 100 more than one address is indicated, the address from
 101 which the undertaking was issued; making technical
 102 changes; creating s. 675.119, F.S.; providing
 103 applicability; amending s. 677.102, F.S.; deleting
 104 definitions of the terms "record" and "sign"; amending
 105 s. 677.106, F.S.; specifying when a system satisfies
 106 certain requirements and a person has control of an
 107 electronic document of title; specifying when certain
 108 powers are or are not exclusive; providing that a
 109 person that has control of an electronic document or
 110 title does not need to acknowledge that it has control
 111 on behalf of another person; specifying that a person
 112 does not owe any duty to another person under certain
 113 circumstances; creating part VII of ch. 677, F.S.,
 114 related to transitional provisions; creating s.
 115 677.701, F.S.; providing applicability; amending s.
 116 678.1021, F.S.; revising definitions; revising the

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117 applicability of definitions; amending s. 678.1031,
 118 F.S.; specifying that a controllable account,
 119 controllable electronic record, or controllable
 120 payment intangible is not a financial asset under
 121 certain circumstances; conforming a cross-reference;
 122 amending s. 678.1061, F.S.; revising the circumstances
 123 under which purchasers have control of security
 124 entitlements; specifying that a person that has such
 125 control is not required to acknowledge such control on
 126 behalf of a purchaser; specifying that certain persons
 127 do not owe any duty to purchasers and are not required
 128 to confirm certain acknowledgment under certain
 129 circumstances; amending s. 678.1101, F.S.; providing
 130 applicability; amending s. 678.3031, F.S.; specifying
 131 that protected purchasers acquire interest in a
 132 security free of any adverse claim; creating part VI
 133 of ch. 678, F.S., relating to transitional provisions;
 134 creating s. 678.601, F.S.; providing applicability;
 135 amending s. 679.1021, F.S.; defining terms; revising
 136 and deleting definitions; revising the applicability
 137 of definitions; amending s. 679.1041, F.S.; revising
 138 the circumstances under which a secured party has
 139 control of a deposit account; making a technical
 140 change; amending s. 679.1051, F.S.; revising when a
 141 person has control of electronic chattel paper;
 142 specifying when power of such control is or is not
 143 exclusive; creating s. 679.1052, F.S.; specifying when
 144 a person has control of electronic money; specifying
 145 when power of such control is or is not exclusive;

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146 creating s. 679.1053, F.S.; specifying when a person
 147 has control of controllable electronic records,
 148 controllable accounts, or controllable payment
 149 intangibles; creating s. 679.1054, F.S.; providing
 150 that specified persons with certain control are not
 151 required to acknowledge such control; specifying that
 152 such persons do not owe any duty to certain persons
 153 and are not required to confirm acknowledgment to any
 154 other person; amending s. 679.2031, F.S.; revising the
 155 circumstances under which a security interest is
 156 enforceable against a debtor and third parties;
 157 conforming a cross-reference and provisions to changes
 158 made by the act; amending s. 679.2041, F.S.; revising
 159 the circumstances under which a security interest does
 160 not attach under a term constituting an after-acquired
 161 property clause; amending s. 679.2071, F.S.;
 162 conforming a provision to changes made by the act;
 163 amending s. 679.2081, F.S.; revising duties relating
 164 to secured parties having control of collateral;
 165 amending s. 679.209, F.S.; revising duties relating to
 166 secured parties if an account debtor has been notified
 167 of an assignment; revising cross-references; amending
 168 s. 679.210, F.S.; conforming provisions to changes
 169 made by the act; amending s. 679.3011, F.S.; revising
 170 requirements relating to laws governing perfection and
 171 priority of security interests; revising a cross-
 172 reference; amending s. 679.3041, F.S.; specifying that
 173 the local law of a bank's jurisdiction governs even if
 174 a transaction does not bear any relation to the bank's

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175 jurisdiction; amending s. 679.3051, F.S.; revising
 176 applicability; creating s. 679.3062, F.S.; specifying
 177 which laws govern the perfection and priority of
 178 security interests in chattel paper; creating s.
 179 679.3063, F.S.; specifying which laws govern the
 180 perfection and priority of security interests in
 181 controllable accounts, controllable electronic
 182 records, and controllable payment intangibles;
 183 amending s. 679.3101, F.S.; revising the circumstances
 184 under which the filing of a financing statement is not
 185 necessary to perfect a security interest; amending s.
 186 679.3121, F.S.; providing requirements for perfecting
 187 a security interest in controllable accounts,
 188 controllable electronic records, and controllable
 189 payment intangibles; amending s. 679.3131, F.S.;
 190 conforming provisions to changes made by the act;
 191 amending s. 679.3141, F.S.; revising requirements for
 192 perfection by control; creating s. 679.3152, F.S.;
 193 providing requirements for perfecting a security
 194 interest in chattel paper by possession and control;
 195 amending s. 679.3161, F.S.; revising requirements
 196 relating to maintaining perfection of security
 197 interests following a change in governing law;
 198 revising cross-references; amending s. 679.3171, F.S.;
 199 revising the circumstances under which persons take
 200 free of a security interest or agricultural lien;
 201 amending s. 679.323, F.S.; revising the circumstances
 202 under which a buyer or lessee of goods takes free of a
 203 security interest or leasehold; amending s. 679.324,

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204 F.S.; conforming provisions to changes made by the
 205 act; creating s. 679.3251, F.S.; specifying that
 206 certain security interests in controllable accounts,
 207 controllable electronic records, or controllable
 208 payment intangibles have priority over conflicting
 209 security interests; amending s. 679.330, F.S.;
 210 revising the circumstances under which purchasers of
 211 chattel paper have priority over certain security
 212 interests in the chattel paper; revising
 213 applicability; making a technical change; amending s.
 214 679.331, F.S.; revising construction; amending s.
 215 679.332, F.S.; revising the circumstances under which
 216 a transferee takes money or funds free of a security
 217 interest; amending ss. 679.341 and 679.4041, F.S.;
 218 conforming provisions to changes made by the act;
 219 amending s. 679.4061, F.S.; defining the term
 220 "promissory note"; conforming provisions to changes
 221 made by the act; revising applicability; amending s.
 222 679.4081, F.S.; defining the term "promissory note";
 223 amending ss. 679.509, 679.513, 679.601, and 679.604,
 224 F.S.; conforming provisions to changes made by the
 225 act; amending s. 679.605, F.S.; specifying when a
 226 secured party owes a duty to a person based on the
 227 party's status as a secured party; amending ss.
 228 679.608 and 679.611, F.S.; conforming provisions to
 229 changes made by the act; making technical changes;
 230 amending s. 679.613, F.S.; revising the form for
 231 notification of the disposition of collateral;
 232 providing requirements relating to such form; amending

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233 s. 679.614, F.S.; revising form requirements for
 234 notice of a plan to sell property; providing
 235 requirements relating to such form; amending ss.
 236 679.615, 679.616, 679.619, 679.620, 679.621, 679.624,
 237 and 679.625, F.S.; conforming provisions to changes
 238 made by the act; amending s. 679.628, F.S.; providing
 239 applicability; creating part IX of ch. 670, F.S.,
 240 relating to transitional provisions; creating ss.
 241 679.901 and 679.902, F.S.; providing construction;
 242 amending s. 680.1021, F.S.; revising applicability;
 243 amending s. 680.1031, F.S.; defining the term "hybrid
 244 lease"; conforming cross-references; amending ss.
 245 680.1071, 680.201, 680.202, 680.203, 680.205, 680.208,
 246 F.S.; conforming provisions to changes made by the
 247 act; creating part VI of ch. 680, F.S., relating to
 248 transitional provisions; creating s. 680.601, F.S.;
 249 providing applicability; amending ss. 55.205, 319.27,
 250 328.0015, 517.061, 559.9232, 563.022, 668.50, F.S.;
 251 conforming cross-references; reenacting ss. 655.55(1)
 252 and (2) and 685.101(2), F.S., relating to law
 253 applicable to deposits in and contracts relating to
 254 extensions of credit by a deposit or lending
 255 institution located in this state and choice of law,
 256 respectively, to incorporate the amendment made to s.
 257 671.105, F.S., in references thereto; reenacting ss.
 258 90.953(1), 673.1061(1), (3), and (4), and 673.1151(2),
 259 F.S., relating to admissibility of duplicates,
 260 unconditional promise or order, and incomplete
 261 instruments, respectively, to incorporate the

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262 amendment made to s. 673.1041, F.S., in references
 263 thereto; reenacting s. 673.1031(2), F.S., relating to
 264 definitions, to incorporate the amendments made to ss.
 265 673.1041 and 673.1051, F.S., in references thereto;
 266 reenacting s. 673.6051(2), F.S., relating to discharge
 267 of indorsers and accommodation parties, to incorporate
 268 the amendment made to s. 673.6041, F.S., in a
 269 reference thereto; reenacting s. 679.3061(2), F.S.,
 270 relating to law governing perfection and priority of
 271 security interests in letter-of-credit rights, to
 272 incorporate the amendment made to s. 675.116, F.S., in
 273 a reference thereto; reenacting s. 675.103(1)(j),
 274 F.S., relating to definitions, to incorporate the
 275 amendment made to s. 675.104, F.S., in a reference
 276 thereto; reenacting ss. 674.2101(3), 675.1181(2), and
 277 679.1101, F.S., relating to security interest of
 278 collecting bank in items, accompanying documents, and
 279 proceeds; security interest of issuer or nominated
 280 person; and security interests arising under chapter
 281 672 or chapter 680, respectively, to incorporate the
 282 amendment made to s. 679.2031, F.S., in references
 283 thereto; reenacting ss. 672.103(3) and 674.104(3),
 284 F.S., relating to definitions and index of
 285 definitions, to incorporate the amendment made to s.
 286 677.106, F.S., in references thereto; reenacting ss.
 287 678.5101(3) and 679.1061(1), F.S., relating to rights
 288 of purchaser of security entitlement from entitlement
 289 holder and control of investment property,
 290 respectively, to incorporate the amendment made to s.

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291 678.1061, F.S., in references thereto; reenacting s.
 292 679.328(2), (5), and (7), F.S., relating to priority
 293 of security interests in investment property, to
 294 incorporate the amendments made to ss. 678.1061,
 295 679.3131, 679.3141, and 679.323, F.S., in references
 296 thereto; reenacting s. 679.327(1) and (2), F.S.,
 297 relating to priority of security interests in deposit
 298 account, to incorporate the amendment made to ss.
 299 679.1041 and 679.3141, F.S., in references thereto;
 300 reenacting s. 679.1091(4), F.S., relating to scope, to
 301 incorporate the amendment made to ss. 679.2031 and
 302 679.4041, F.S., in references thereto; reenacting s.
 303 679.709(2), F.S., relating to priority, to incorporate
 304 the amendment made to s. 679.2031, F.S., in a
 305 reference thereto; reenacting s. 679.602(2), F.S.,
 306 relating to waiver and variance of rights and duties,
 307 to incorporate the amendment made to s. 679.210, F.S.,
 308 in a reference thereto; reenacting s. 679.329, F.S.,
 309 relating to priority of security interests in deposit
 310 account and priority of security interests in letter-
 311 of-credit right, respectively, to incorporate the
 312 amendment made to s. 679.3141, F.S., in references
 313 thereto; reenacting s. 679.320(3), F.S., buyer of
 314 goods, to incorporate the amendment made to s.
 315 679.3161, F.S., in references thereto; reenacting s.
 316 727.109(8)(b), F.S., relating to power of the court,
 317 to incorporate the amendment made to s. 679.3171,
 318 F.S., in a reference thereto reenacting s. 680.307(3),
 319 F.S., relating to priority of liens arising by

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320 attachment or levy on, security interests in, and
 321 other claims to goods, to incorporate the amendment
 322 made to ss. 679.3171 and 679.323, F.S., in references
 323 thereto; reenacting s. 679.626(3), F.S., relating to
 324 action in which deficiency or surplus is in issue, to
 325 incorporate the amendment made to s. 679.628, F.S., in
 326 a reference thereto; providing an effective date.

327
 328 Be It Enacted by the Legislature of the State of Florida:

329
 330 Section 1. The Division of Law Revision is directed to
 331 create chapter 669, Florida Statutes, to be entitled "Uniform
 332 Commercial Code: Controllable Electronic Records and
 333 Transitional Provisions."

334 Section 2. Part I of chapter 669, Florida Statutes,
 335 consisting of ss. 669.101-669.107, Florida Statutes, is created
 336 and entitled "Controllable Electronic Records."

337 Section 3. Section 669.101, Florida Statutes, is created to
 338 read:

339 669.101 Short title.—This part may be cited as "Uniform
 340 Commercial Code—Controllable Electronic Records."

341 Section 4. Section 669.102, Florida Statutes, is created to
 342 read:

343 669.102 Definitions.—

344 (1) As used in this part, the term:

345 (a) "Controllable electronic record" means a record in an
 346 electronic medium, subject to control under s. 669.105. The term
 347 does not include a controllable account, a controllable payment
 348 intangible, a deposit account, an electronic chattel paper, an

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electronic document of title, electronic money, investment property, or a transferable record.

(b) "Qualifying purchaser" means a purchaser of a controllable electronic record or an interest in a controllable electronic record which obtains control of the controllable electronic record for value, in good faith, and without notice of a claim of a property right in the controllable electronic record.

(c) "Transferable record" has the same meaning as provided in:

1. Section 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. s. 7021(a)(1); or

2. Section 668.50(16)(a).

(d) "Value" has the meaning provided in s. 673.3031(1), as if references in that subsection to an "instrument" were references to a controllable account, controllable electronic record, or controllable payment intangible. A controllable electronic record is subject to control as specified in s. 669.105.

(2) The definitions in s. 679.1021 for the terms "account debtor," "chattel paper," "controllable account," "controllable payment intangible," "deposit account," "electronic money," and "investment property" apply to this part.

(3) Chapter 671 contains general definitions and principles of construction and interpretation applicable throughout this part.

Section 5. Section 669.103, Florida Statutes, is created to read:

669.103 Relation to chapter 679 and consumer laws.—

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(1) If there is conflict between this part and chapter 679, chapter 679 governs.

(2) A transaction subject to this part is subject to any applicable rule of law that establishes a different rule for consumers; any other law or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit; and chapter 501.

Section 6. Section 669.104, Florida Statutes, is created to read:

669.104 Rights in controllable account, controllable electronic record, and controllable payment intangible.—

(1) This section applies to the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights and benefits under subsections (3), (4), (5), (7), and (8) of a purchaser and qualifying purchaser, in the same manner in which this section applies to a controllable electronic record.

(2) In determining whether a purchaser of a controllable account or a controllable payment intangible is a qualifying purchaser, the purchaser obtains control of the account or payment intangible if it obtains control of the controllable electronic record that evidences the account or payment intangible.

(3) Except as provided in this section, law other than this part determines whether a person acquires a right in a controllable electronic record and the right that the person acquires.

(4) A purchaser of a controllable electronic record acquires all rights in the controllable electronic record which

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the transferor had, or had power to transfer, except that a purchaser of a limited interest in a controllable electronic record acquires rights only to the extent of the interest purchased.

(5) A qualifying purchaser acquires its rights in the controllable electronic record free of a claim of a property right in the controllable electronic record.

(6) Except as provided in subsections (1) and (5) for a controllable account and a controllable payment intangible or in law other than this part, a qualifying purchaser takes a right to payment, right to performance, or other interest in property evidenced by the controllable electronic record subject to a claim of a property right in the right to payment, right to performance, or other interest in property.

(7) An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a controllable electronic record and a claim of a property right in another controllable electronic record, regardless of whether the action is framed in conversion, replevin, constructive trust, equitable lien, or other theory.

(8) Filing of a financing statement under chapter 679 is not notice of a claim of a property right in a controllable electronic record.

Section 7. Section 669.105, Florida Statutes, is created to read:

669.105 Control of controllable electronic record.—

(1) A person has control of a controllable electronic record if the electronic record, a record attached to or logically associated with the electronic record, or a system in

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which the electronic record is recorded:

(a) Gives the person:

1. Power to avail itself of substantially all of the benefit from the electronic record; and

2. Exclusive power, subject to paragraph (b), to:

a. Prevent others from availing themselves of substantially all of the benefit from the electronic record; and

b. Transfer control of the electronic record to another person or cause another person to obtain control of another controllable electronic record as a result of the transfer of the electronic record; and

(b) Enables the person to identify itself readily in any way, including by name, identifying number, cryptographic key, office, or account number, as having the powers specified in paragraph (a).

(2) Except as provided in subsection (3), a power is exclusive under sub-subparagraphs (1)(a)2.a. and b. even if:

(a) The controllable electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record; or

(b) The power is shared with another person.

(3) A power of a person is not shared with another person under paragraph (2)(b) and the person's power is not exclusive if:

(a) The person can exercise the power only if the power also is exercised by the other person; and

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465 (b) The other person:
 466 1. Can exercise the power without exercise of the power by
 467 the person; or
 468 2. Is the transferor to the person of an interest in the
 469 controllable electronic record or a controllable account or
 470 controllable payment intangible evidenced by the controllable
 471 electronic record.
 472 (4) If a person has the powers specified in sub-
 473 paragraphs (1)(a)2.a. and b., the powers are presumed to be
 474 exclusive.
 475 (5) A person has control of a controllable electronic
 476 record if another person, other than the transferor to the
 477 person of an interest in the controllable electronic record or a
 478 controllable account or controllable payment intangible
 479 evidenced by the controllable electronic record:
 480 (a) Has control of the electronic record and acknowledges
 481 that it has control on behalf of the person; or
 482 (b) Obtains control of the electronic record after having
 483 acknowledged that it will obtain control of the electronic
 484 record on behalf of the person.
 485 (6) A person that has control under this section is not
 486 required to acknowledge that it has control on behalf of another
 487 person unless the person otherwise agrees or law other than this
 488 part or chapter 679 provides otherwise.
 489 (7) If a person acknowledges that it has or will obtain
 490 control on behalf of another person, the person does not owe any
 491 duty to the other person and is not required to confirm the
 492 acknowledgment to any other person.
 493 Section 8. Section 669.106, Florida Statutes, is created to

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494 read:
 495 669.106 Discharge of account debtor on controllable account
 496 or controllable payment intangible.—
 497 (1) An account debtor on a controllable account or
 498 controllable payment intangible may discharge its obligation by
 499 paying:
 500 (a) The person having control of the controllable
 501 electronic record that evidences the controllable account or
 502 controllable payment intangible; or
 503 (b) Except as provided in subsection (2), a person that
 504 formerly had control of the controllable electronic record.
 505 (2) Subject to subsection (4), the account debtor may not
 506 discharge its obligation by paying a person that formerly had
 507 control of the controllable electronic record if the account
 508 debtor receives a notification that:
 509 (a) Is signed by a person that formerly had control or the
 510 person to which control was transferred;
 511 (b) Reasonably identifies the controllable account or
 512 controllable payment intangible;
 513 (c) Notifies the account debtor that control of the
 514 controllable electronic record that evidences the controllable
 515 account or controllable payment intangible was transferred;
 516 (d) Identifies the transferee, in any reasonable way,
 517 including by name, identifying number, cryptographic key,
 518 office, or account number; and
 519 (e) Provides a commercially reasonable method by which the
 520 account debtor is to pay the transferee.
 521 (3) After receipt of a notification that complies with
 522 subsection (2), the account debtor may discharge its obligation

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523 by paying in accordance with the notification and may not
 524 discharge the obligation by paying a person that formerly had
 525 control.
 526 (4) Subject to subsection (8), notification is ineffective
 527 under subsection (2):
 528 (a) Unless, before the notification is sent, the account
 529 debtor and the person that, at that time, had control of the
 530 controllable electronic record that evidences the controllable
 531 account or controllable payment intangible agree in a signed
 532 record to a commercially reasonable method by which a person may
 533 furnish reasonable proof that control has been transferred;
 534 (b) To the extent an agreement between the account debtor
 535 and seller of a payment intangible limits the account debtor's
 536 duty to pay a person other than the seller and the limitation is
 537 effective under law other than this part; or
 538 (c) At the option of the account debtor, if the
 539 notification notifies the account debtor to:
 540 1. Divide a payment;
 541 2. Make less than the full amount of an installment or
 542 other periodic payment; or
 543 3. Pay any part of a payment by more than one method or to
 544 more than one person.
 545 (5) Subject to subsection (8), if requested by the account
 546 debtor, the person giving the notification under subsection (2)
 547 must seasonably furnish reasonable proof that, using the method
 548 in the agreement referred to in paragraph (4) (a), control of the
 549 controllable electronic record has been transferred. Unless the
 550 person complies with the request, the account debtor may
 551 discharge its obligation by paying a person that formerly had

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552 control, even if the account debtor has received a notification
 553 under subsection (2).
 554 (6) A person furnishes reasonable proof under subsection
 555 (5) that control has been transferred if the person demonstrates
 556 that, using the method in an agreement made under paragraph
 557 (4) (a), the transferee has the power to:
 558 (a) Avail itself of substantially all the benefit from the
 559 controllable electronic record;
 560 (b) Prevent others from availing themselves of
 561 substantially all the benefit from the controllable electronic
 562 record; and
 563 (c) Transfer the powers specified in paragraphs (a) and (b)
 564 to another person.
 565 (7) Subject to subsection (8), an account debtor may not
 566 waive or vary its rights under paragraph (4) (a) and subsection
 567 (5) or its option under paragraph (4) (c).
 568 (8) This section is subject to law other than this part
 569 which establishes a different rule for an account debtor who is
 570 an individual and who incurred the obligation primarily for
 571 personal, family, or household purposes.
 572 Section 9. Section 669.107, Florida Statutes, is created to
 573 read:
 574 669.107 Governing law.—
 575 (1) Except as provided in subsection (2), the local law of
 576 a controllable electronic record's jurisdiction governs a matter
 577 covered by this part.
 578 (2) For a controllable electronic record that evidences a
 579 controllable account or controllable payment intangible, the
 580 local law of the controllable electronic record's jurisdiction

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581 governs a matter covered by s. 669.106 unless an effective
 582 agreement determines that the local law of another jurisdiction
 583 governs.

584 (3) The following rules determine a controllable electronic
 585 record's jurisdiction under this section:

586 (a) If the controllable electronic record, or a record
 587 attached to or logically associated with the controllable
 588 electronic record and readily available for review, expressly
 589 provides that a particular jurisdiction is the controllable
 590 electronic record's jurisdiction for purposes of this part or
 591 the Uniform Commercial Code, that jurisdiction is the
 592 controllable electronic record's jurisdiction.

593 (b) If paragraph (a) does not apply and the rules of the
 594 system in which the controllable electronic record is recorded
 595 are readily available for review and expressly provide that a
 596 particular jurisdiction is the controllable electronic record's
 597 jurisdiction for purposes of this part or the Uniform Commercial
 598 Code, that jurisdiction is the controllable electronic record's
 599 jurisdiction.

600 (c) If paragraphs (a) and (b) do not apply and the
 601 controllable electronic record, or a record attached to or
 602 logically associated with the controllable electronic record and
 603 readily available for review, expressly provides that the
 604 controllable electronic record is governed by the law of a
 605 particular jurisdiction, that jurisdiction is the controllable
 606 electronic record's jurisdiction.

607 (d) If paragraphs (a), (b), and (c) do not apply and the
 608 rules of the system in which the controllable electronic record
 609 is recorded are readily available for review and expressly

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610 provide that the controllable electronic record or the system is
 611 governed by the law of a particular jurisdiction, that
 612 jurisdiction is the controllable electronic record's
 613 jurisdiction.

614 (e) If paragraphs (a)-(d) do not apply, the controllable
 615 electronic record's jurisdiction is the District of Columbia.

616 (4) If paragraph (3)(e) applies, and Article 12 is not in
 617 effect without material modification in the District of
 618 Columbia, the governing law for a matter subject to this part is
 619 the law of the District of Columbia as though Article 12 were in
 620 effect without material modification in the District of
 621 Columbia. For the purposes of this subsection, the term "Article
 622 12" means Article 12 of the Uniform Commercial Code Amendments
 623 (2022).

624 (5) To the extent subsections (1) and (2) provide that the
 625 local law of the controllable electronic record's jurisdiction
 626 governs a matter covered by this part, that law governs even if
 627 the matter or a transaction to which the matter relates does not
 628 bear any relation to the controllable electronic record's
 629 jurisdiction.

630 (6) The rights acquired under s. 669.104 by a purchaser or
 631 qualifying purchaser are governed by the law applicable under
 632 this section at the time of purchase.

633 Section 10. Part II of chapter 669, Florida Statutes,
 634 consisting of ss. 669.501-669.706, Florida Statutes, is created
 635 and entitled "Transitional Provisions."

636 Section 11. Section 669.501, Florida Statutes, is created
 637 to read:

638 669.501 Short title.—This part may be cited as "Uniform

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Commercial Code-Controllable Electronic Records."

Section 12. Section 669.502, Florida Statutes, is created to read:

669.502 Definitions.—As used in this part:

(1) (a) "Adjustment date" means July 1, 2026.

(b) "Article 12" means Article 12 of the Uniform Commercial Code.

(c) "Article 12 property" means a controllable account, controllable electronic record, or controllable payment intangible.

(2) Other definitions applying to this chapter and the sections in which they appear are:

"Controllable account," s. 679.1021.

"Controllable electronic record," s. 669.102.

"Controllable payment intangible," s. 679.1021.

"Electronic money," s. 679.1021.

"Financing statement," s. 679.1021.

(3) The general definitions and principles of construction and interpretation contained in chapter 671 apply to this part.

Section 13. Section 669.601, Florida Statutes, is created to read:

669.601 Saving clause.—Except as otherwise provided in this part, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

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Section 14. Section 669.701, Florida Statutes, is created to read:

669.701 Saving clause.—

(1) Except as provided in this part, chapter 679 as it existed on July 1, 2025, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before July 1, 2025.

(2) Except as provided in subsection (3) and ss. 669.702-669.706, both of the following apply:

(a) A transaction, lien, or interest in property that was validly entered into, created, or transferred before July 1, 2025, and that was not governed by the Uniform Commercial Code but would be subject to chapter 679 as it existed on July 1, 2025, or to Article 12 if the transaction had been entered into, created, or transferred on or after July 1, 2025, including the rights, duties, and interests flowing from the transaction, lien, or interest, remains valid on and after July 1, 2025.

(b) The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by this part or by the law that would apply if this part had not taken effect.

(3) This section does not affect an action, a case, or a proceeding commenced before July 1, 2025.

Section 15. Section 669.702, Florida Statutes, is created to read:

669.702 Security interest perfected before effective date.—

(1) A security interest that is enforceable and perfected immediately before July 1, 2025, is a perfected security

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interest under this act if, on July 1, 2025, the requirements for enforceability and perfection under this section are fully satisfied without further action.

(2) If a security interest is enforceable and perfected immediately before July 1, 2025, but the requirements for enforceability or perfection under this act are not satisfied by July 1, 2025, all of the following apply to the security interest:

(a) It is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025, or the adjustment date.

(b) It remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under s. 679.2031, as it existed on July 1, 2025, before the adjustment date.

(c) It remains perfected thereafter only if the requirements for perfection under this section are satisfied immediately before July 1, 2025.

Section 16. Section 669.703, Florida Statutes, is created to read:

669.703 Security interest unperfected before effective date.—A security interest that is enforceable immediately before July 1, 2025, but is unperfected by that date:

(1) Remains an enforceable security interest until the adjustment date;

(2) Remains enforceable thereafter if the security interest becomes enforceable under s. 679.2031, as it existed on July 1, 2025, or before the adjustment date; and

(3) Becomes perfected;

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(a) Without further action, by July 1, 2025, if the requirements for perfection under this act are satisfied on or before that date; or

(b) When the requirements for perfection are satisfied, if satisfaction occurs after July 1, 2025.

Section 17. Section 669.704, Florida Statutes, is created to read:

669.704 Effectiveness of actions taken before effective date.—

(1) If action, other than the filing of a financing statement, is taken before July 1, 2025, and the action would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under this part before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this part before the adjustment date.

(2) The filing of a financing statement before July 1, 2025, is effective to perfect a security interest on July 1, 2025, to the extent the filing would satisfy the requirements for perfection under this part.

(3) Action taken before July 1, 2025, is sufficient for the enforceability of a security interest as of July 1, 2025, if the action satisfies the requirements for enforceability under this part.

Section 18. Section 669.705, Florida Statutes, is created to read:

669.705 Priority.—

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(1) Subject to subsections (2) and (3), this section determines the priority of conflicting claims to collateral.

(2) Subject to subsection (3), if the priority of claims to collateral was established before July 1, 2025, chapter 679 as in effect before July 1, 2025, determines priority.

(3) On the adjustment date, to the extent the priorities determined by chapter 679 as amended by this part modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property and electronic money established before July 1, 2025, cease to apply.

Section 19. Section 669.706, Florida Statutes, is created to read:

669.706 Priority of claims when priority rules of chapter 679 do not apply.—

(1) Subject to subsections (2) and (3), Article 12 determines the priority of conflicting claims to Article 12 property when the priority rules of chapter 679 as amended by this act do not apply.

(2) Subject to subsection (3), when the priority rules of chapter 679 as amended by this act do not apply and the priorities of claims to Article 12 property were established before July 1, 2025, law other than Article 12 determines priority.

(3) When the priority rules of chapter 679 as amended by this part do not apply, to the extent the priorities determined by this act modify the priorities established as of July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025, cease to apply on the adjustment date.

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Section 20. Paragraph (c) of subsection (1) of section 670.103, Florida Statutes, is amended to read:

670.103 Payment order: definitions.—

(1) In this chapter, the term:

(c) "Payment order" means an instruction of a sender to a receiving bank, transmitted orally or in a record, ~~electronically, or in writing~~, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if:

1. The instruction does not state a condition to payment to the beneficiary other than time of payment;

2. The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender; and

3. The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

Section 21. Section 670.201, Florida Statutes, is amended to read:

670.201 Security procedure.—For purposes of this section, the term "security procedure" means a procedure established by agreement of a customer and a receiving bank for the purpose of:

(1) Verifying that a payment order or communication amending or canceling a payment order is that of the customer; or

(2) Detecting error in the transmission or the content of the payment order or communication.

A security procedure may impose an obligation on the receiving bank or the customer and may require the use of algorithms or

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other codes, identifying words, ~~or~~ numbers, symbols, sounds, biometrics, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer or requiring a payment order to be sent from a known e-mail address, Internet protocol address, or telephone number is not by itself a security procedure.

Section 22. Subsections (2) and (3) of section 670.202, Florida Statutes, are amended, and subsection (6) of that section is republished, to read:

670.202 Authorized and verified payment orders.—

(2) If a bank and its customer have agreed that the authenticity of payment orders issued to the bank in the name of the customer as sender will be verified pursuant to a security procedure, a payment order received by the receiving bank is effective as the order of the customer, whether or not authorized, if the security procedure is a commercially reasonable method of providing security against unauthorized payment orders and the bank proves that it accepted the payment order in good faith and in compliance with the bank's obligations under the security procedure and any ~~written~~ agreement or instruction of the customer, evidenced by a record, restricting acceptance of payment orders issued in the name of the customer. The bank is not required to follow an instruction that violates an a-written agreement with the customer, evidenced by a record, or notice of which is not received at a time and in a manner affording the bank a reasonable opportunity to act on it before the payment order is accepted.

(3) The commercial reasonableness of a security procedure

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is a question of law to be determined by considering the wishes of the customer expressed to the bank; the circumstances of the customer known to the bank, including the size, type, and frequency of payment orders normally issued by the customer to the bank; alternative security procedures offered to the customer; and security procedures in general use by customers and receiving banks similarly situated. A security procedure is deemed to be commercially reasonable if:

(a) The security procedure was chosen by the customer after the bank offered, and the customer refused, a security procedure that was commercially reasonable for that customer; and

(b) The customer expressly agreed in a record ~~writing~~ to be bound by any payment order, whether or not authorized, issued in its name and accepted by the bank in compliance with the bank's obligations under the security procedure chosen by the customer.

(6) Except as provided in this section and in s. 670.203(1)(a), rights and obligations arising under this section or s. 670.203 may not be varied by agreement.

Section 23. Paragraph (a) of subsection (1) of section 670.203, Florida Statutes, is amended to read:

670.203 Unenforceability of certain verified payment orders.—

(1) If an accepted payment order is not, under s. 670.202(1), an authorized order of a customer identified as sender, but is effective as an order of the customer pursuant to s. 670.202(2), the following rules apply:

(a) By express ~~written~~ agreement evidenced by a record, the receiving bank may limit the extent to which it is entitled to enforce or retain payment of the payment order.

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871 Section 24. Paragraph (b) of subsection (3) of section
872 670.207, Florida Statutes, is amended to read:

873 670.207 Misdescription of beneficiary.—

874 (3) If a payment order described in subsection (2) is
875 accepted, the originator's payment order described the
876 beneficiary inconsistently by name and number, and the
877 beneficiary's bank pays the person identified by number as
878 permitted by paragraph (2)(a), the following rules apply:

879 (b) If the originator is not a bank and proves that the
880 person identified by number was not entitled to receive payment
881 from the originator, the originator is not obliged to pay its
882 order unless the originator's bank proves that the originator,
883 before acceptance of the originator's order, had notice that
884 payment of a payment order issued by the originator might be
885 made by the beneficiary's bank on the basis of an identifying or
886 bank account number even if it identifies a person different
887 from the named beneficiary. Proof of notice may be made by any
888 admissible evidence. The originator's bank satisfies the burden
889 of proof if it proves that the originator, before the payment
890 order was accepted, signed a record writing stating the
891 information to which the notice relates.

892 Section 25. Paragraph (b) of subsection (2) of section
893 670.208, Florida Statutes, is amended to read:

894 670.208 Misdescription of intermediary bank or
895 beneficiary's bank.—

896 (2) This subsection applies to a payment order identifying
897 an intermediary bank or the beneficiary's bank both by name and
898 an identifying number if the name and number identify different
899 persons.

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900 (b) If the sender is not a bank and the receiving bank
901 proves that the sender, before the payment order was accepted,
902 had notice that the receiving bank might rely on the number as
903 the proper identification of the intermediary or beneficiary's
904 bank even if it identifies a person different from the bank
905 identified by name, the rights and obligations of the sender and
906 the receiving bank are governed by paragraph (a), as though the
907 sender were a bank. Proof of notice may be made by any
908 admissible evidence. The receiving bank satisfies the burden of
909 proof if it proves that the sender, before the payment order was
910 accepted, signed a record writing stating the information to
911 which the notice relates.

912 Section 26. Subsection (1) of section 670.21, Florida
913 Statutes, is amended to read:

914 670.21 Rejection of payment order.—

915 (1) A payment order is rejected by the receiving bank by a
916 notice of rejection transmitted to the sender orally,
917 ~~electronically~~, or in a record writing. A notice of rejection
918 need not use any particular words and is sufficient if it
919 indicates that the receiving bank is rejecting the order or will
920 not execute or pay the order. Rejection is effective when the
921 notice is given if transmission is by a means that is reasonable
922 in the circumstances. If notice of rejection is given by a means
923 that is not reasonable, rejection is effective when the notice
924 is received. If an agreement of the sender and receiving bank
925 establishes the means to be used to reject a payment order:

926 (a) Any means complying with the agreement is reasonable;

927 and

928 (b) Any means not complying is not reasonable unless no

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significant delay in receipt of the notice resulted from the use of the noncomplying means.

Section 27. Subsection (1) of section 670.211, Florida Statutes, is amended to read:

670.211 Cancellation and amendment of payment order.—

(1) A communication of the sender of a payment order canceling or amending the order may be transmitted to the receiving bank orally, ~~electronically~~, or in a record writing. If a security procedure is in effect between the sender and the receiving bank, the communication is not effective to cancel or amend the order unless the communication is verified pursuant to the security procedure or the bank agrees to the cancellation or amendment.

Section 28. Subsections (3) and (4) of section 670.305, Florida Statutes, are amended to read:

670.305 Liability for late or improper execution or failure to execute payment order.—

(3) In addition to the amounts payable under subsections (1) and (2), damages, including consequential damages, are recoverable to the extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record.

(4) If a receiving bank fails to execute a payment order it was obliged by express agreement to execute, the receiving bank is liable to the sender for its expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the extent provided in an express ~~written~~ agreement of the receiving bank, evidenced by a record, but are not otherwise recoverable.

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Section 29. Part VI of chapter 670, Florida Statutes, consisting of s. 670.601, Florida Statutes, is created and entitled "Transitional Provisions."

Section 30. Section 670.601, Florida Statutes, is created to read:

670.601 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, the Uniform Commercial Code as though this act had not taken effect.

Section 31. Subsection (1) of section 671.101, Florida Statutes, is amended to read:

671.101 Short title; scope of chapter.—

(1) Chapters 669-680 ~~670-680~~ may be cited as the "Uniform Commercial Code" or "code."

Section 32. Paragraphs (a) through (f) of subsection 671.105, Florida Statutes, are redesignated as paragraphs (b) through (h), respectively, a new paragraph (a) is added to that subsection, and present paragraphs (d) and (e) of that subsection are republished, to read:

671.105 Territorial application of the code; parties' power to choose applicable law.—

(2) When one of the following provisions of this code specifies the applicable law, that provision governs; and a contrary agreement is effective only to the extent permitted by the law (including the conflict-of-laws rules) so specified:

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987 (a) Governing law in the chapter on controllable electronic
 988 records. (s. 669.107).

989 ~~(e)(d)~~ Applicability of the chapter on letters of credit.
 990 (s. 675.116)

991 ~~(f)(e)~~ Applicability of the chapter on investment
 992 securities. (s. 678.1101)

993 Section 33. Section 671.107, Florida Statutes, is amended
 994 to read:

995 671.107 Waiver or renunciation of claim or right after
 996 breach.—A claim or right arising out of an alleged breach can be
 997 discharged in whole or in part without consideration by
 998 agreement of the aggrieved party in a signed ~~an authenticated~~
 999 record.

1000 Section 34. Present subsections (18) through (47) of
 1001 section 671.201, Florida Statutes, are redesignated as
 1002 subsections (19) through (48), respectively, a new subsection
 1003 (18) is added to that section, and present subsections (11),
 1004 (16), (22), (26), (27), (31), (40), and (41) of that section are
 1005 amended, to read:

1006 671.201 General definitions.—Unless the context otherwise
 1007 requires, words or phrases defined in this section, or in the
 1008 additional definitions contained in other chapters of this code
 1009 which apply to particular chapters or parts thereof, have the
 1010 meanings stated. Subject to definitions contained in other
 1011 chapters of this code which apply to particular chapters or
 1012 parts thereof, the term:

1013 (11) "Conspicuous," with reference to a term, means so
 1014 written, displayed, or presented that, based on the totality of
 1015 the circumstances, a reasonable person against which it is to

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1016 operate ought to have noticed it. Whether a term is
 1017 "conspicuous" is a decision for the court. ~~Conspicuous terms~~
 1018 ~~include the following:~~

1019 ~~(a) A heading in capitals equal to or greater in size than~~
 1020 ~~the surrounding text, or in contrasting type, font, or color to~~
 1021 ~~the surrounding text of the same or lesser size; and~~

1022 ~~(b) Language in the body of a record or display in larger~~
 1023 ~~type than the surrounding text or set off from surrounding text~~
 1024 ~~of the same size by symbols or other marks that call attention~~
 1025 ~~to the language.~~

1026 (16) "Delivery," with respect to an electronic document of
 1027 title, means voluntary transfer of control and, ~~"delivery,"~~ with
 1028 respect to instruments, tangible document of title, or an
 1029 authoritative tangible copy of a record evidencing chattel
 1030 paper, ~~or certificated securities~~, means voluntary transfer of
 1031 possession.

1032 (18) "Electronic" means relating to technology having
 1033 electrical, digital, magnetic, wireless, optical,
 1034 electromagnetic, or similar capabilities.

1035 ~~(23)(22)~~ "Holder" means:

1036 (a) The person in possession of a negotiable instrument
 1037 that is payable either to bearer or to an identified person that
 1038 is the person in possession;

1039 (b) The person in possession of a negotiable tangible
 1040 document of title if the goods are deliverable either to bearer
 1041 or to the order of the person in possession; or

1042 (c) The person in control, other than pursuant to s.
 1043 677.106(7), of a negotiable electronic document of title.

1044 ~~(27)(26)~~ Subject to subsection ~~(29)~~ ~~(28)~~, a person has

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"notice" of a fact if the person:

(a) Has actual knowledge of it;

(b) Has received a notice or notification of it; or

(c) From all the facts and circumstances known to the person at the time in question, has reason to know that it exists. A person "knows" or has "knowledge" of a fact when the person has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this section.

(28)~~(27)~~ A person "notifies" or "gives" a notice or notification to another person by taking such steps as may be reasonably required to inform the other person in ordinary course, whether or not the other person actually comes to know of it. Subject to subsection (29) ~~(28)~~, a person "receives" a notice or notification when:

(a) It comes to that person's attention; or

(b) It is duly delivered in a form reasonable under the circumstances at the place of business through which the contract was made or at another location held out by that person as the place for receipt of such communications.

(32)~~(31)~~ "Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; ~~public corporation~~; or any other legal or commercial entity. The term includes a protected series, however denominated, of an entity if the protected series is established under law other than the Uniform

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Commercial Code which limits, or conditionally limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

(41)~~(40)~~ "Send," in connection with a ~~writing~~, record, or ~~notification~~ ~~notice~~, means:

(a) To deposit in the mail, ~~or~~ deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, ~~and properly~~ addressed and, in the case of an instrument, to an address specified thereon or otherwise agreed or, if there be none, to any address reasonable under the circumstances; or

(b) To cause the record or notification to be received within the time it would have been received if properly sent under paragraph (a) ~~In any other way to cause to be received any record or notice within the time it would have arrived if properly sent.~~

(42)~~(41)~~ "Sign," "signing," "signed," or "signature" means, with present intent to authenticate or adopt a record, to:

(a) Execute or adopt a tangible symbol; or

(b) Attach to or logically associate with the record an electronic symbol, sound, or process ~~means bearing any symbol executed or adopted by a party with present intention to adopt or accept a writing.~~

Section 35. Section 671.211, Florida Statutes, is amended to read:

671.211 Value.—Except as otherwise provided with respect to negotiable instruments and bank collections as provided in chapter 669 and ss. 673.3031, 674.2101, and 674.2111, a person

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gives value for rights if the person acquires them:

(1) In return for a binding commitment to extend credit or for the extension of immediately available credit whether or not drawn upon and whether or not a charge-back is provided for in the event of difficulties in collection;

(2) As security for, or in total or partial satisfaction of, a preexisting claim;

(3) By accepting delivery under a preexisting contract for purchase; or

(4) In return for any consideration sufficient to support a simple contract.

Section 36. Part IV of chapter 671, Florida Statutes, consisting of s. 671.401, Florida Statutes, is created and entitled "Transitional Provisions."

Section 37. Section 671.401, Florida Statutes, is created to read:

671.401 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 38. Section 672.102, Florida Statutes, is amended to read:

672.102 Scope; certain security and other transactions excluded from this chapter.—

(1) Unless the context otherwise requires, and except as

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provided in subsection (2), this chapter applies to transactions in goods and, in the case of a hybrid transaction:

(a) If the sale-of-goods aspects do not predominate, only those provisions of this chapter which relate primarily to the sale-of-goods aspects of the transaction apply, and those provisions that relate primarily to the transaction as a whole do not apply.

(b) If the sale-of-goods aspects predominate, this chapter applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the transaction which do not relate to the sale of goods.

(2) This chapter does not do the following:

(a) Apply to a transaction that, even though in the form of an unconditional contract to sell or present sale, operates only to create a security interest.

(b) Impair or repeal a statute regulating sales to consumers, farmers, or other specified classes of buyers; it does not apply to any transaction which although in the form of an unconditional contract to sell or present sale is intended to operate only as a security transaction nor does this chapter impair or repeal any statute regulating sales to consumers, farmers or other specified classes of buyers.

Section 39. Section 672.106, Florida Statutes, is amended to read:

672.106 Definitions: "contract"; "agreement"; "contract for sale"; "sale"; "present sale"; "conforming" to contract; "termination"; "cancellation-"; "hybrid transaction."—

(1) In this chapter, unless the context clearly requires otherwise, the meaning of the terms ~~requires~~ "contract" and

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"agreement" ~~is are~~ limited to those contracts and agreements relating to the present or future sale of goods. The term "contract for sale" includes both a present sale of goods and a contract to sell goods at a future time. A "sale" consists in the passing of title from the seller to the buyer for a price (s. 672.401). A "present sale" means a sale which is accomplished by the making of the contract.

(2) Goods or conduct including any part of a performance are "conforming" or conform to the contract when they are in accordance with the obligations under the contract.

(3) "Termination" occurs when either party pursuant to a power created by agreement or law puts an end to the contract otherwise than for its breach. Upon ~~On~~ termination, all obligations that ~~which~~ are still executory on both sides are discharged but any right based on prior breach or performance survives.

(4) "Cancellation" occurs when either party puts an end to the contract for breach by the other and its effect is the same as that of "termination" except that the canceling party also retains any remedy for breach of the whole contract or any unperformed balance.

(5) The term "hybrid transaction" means a single transaction involving a sale of goods and any of the following:

(a) The provision of services.

(b) A lease of other goods.

(c) A sale, lease, or license of property other than goods.

Section 40. Subsections (1) and (2) of section 672.201, Florida Statutes, are amended to read:

672.201 Formal requirements; statute of frauds.—

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(1) Except as otherwise provided in this section a contract for the sale of goods for the price of \$500 or more is not enforceable by way of action or defense unless there is a record ~~some writing~~ sufficient to indicate that a contract for sale has been made between the parties and signed by the party against whom enforcement is sought or by the party's ~~his or her~~ authorized agent or broker. A record ~~writing~~ is not insufficient because it omits or incorrectly states a term agreed upon but the contract is not enforceable under this subsection ~~paragraph~~ beyond the quantity of goods shown in the record ~~such writing~~.

(2) Between merchants if within a reasonable time a record ~~writing~~ in confirmation of the contract and sufficient against the sender is received and the party receiving it has reason to know its contents, it satisfies the requirements of subsection (1) against the ~~such~~ party unless ~~written~~ notice in a record of objection to its contents is given within 10 days after it is received.

Section 41. Section 672.202, Florida Statutes, is amended to read:

672.202 Final ~~written~~ expression; parol or extrinsic evidence.—Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a record ~~writing~~ intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(1) By course of dealing or usage of trade (s. 671.205) or by course of performance (s. 672.208); and

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(2) By evidence of consistent additional terms unless the court finds the record writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Section 42. Section 672.203, Florida Statutes, is amended to read:

672.203 Seals inoperative.—The affixing of a seal to a record writing evidencing a contract for sale or an offer to buy or sell goods does not constitute a record the writing a sealed instrument and the law with respect to sealed instruments does not apply to such a contract or offer.

Section 43. Section 672.205, Florida Statutes, is amended to read:

672.205 Firm offers.—An offer by a merchant to buy or sell goods in a signed record writing which by its terms gives assurance that it will be held open is not revocable, for lack of consideration, during the time stated or if no time is stated for a reasonable time, but in no event may such period of irrevocability exceed 3 months; but any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Section 44. Subsection (2) of section 672.209, Florida Statutes, is amended to read:

672.209 Modification, rescission, and waiver.—

(2) A signed agreement which excludes modification or rescission except by a signed writing or other signed record cannot be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant must be separately signed by the other party.

Section 45. Part VIII of chapter 672, Florida Statutes,

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consisting of s. 672.801, Florida Statutes, is created and entitled "Transitional Provisions."

Section 46. Section 672.801, Florida Statutes, is created to read:

672.801 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 47. Subsection (1) of section 673.1041, Florida Statutes, is amended to read:

673.1041 Negotiable instrument.—

(1) Except as provided in subsections (3), (4), and (11), the term "negotiable instrument" means an unconditional promise or order to pay a fixed amount of money, with or without interest or other charges described in the promise or order, if it:

(a) Is payable to bearer or to order at the time it is issued or first comes into possession of a holder;

(b) Is payable on demand or at a definite time; and

(c) Does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain:

1. An undertaking or power to give, maintain, or protect collateral to secure payment;

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1277 2. An authorization or power to the holder to confess
 1278 judgment or realize on or dispose of collateral; ~~or~~
 1279 3. A waiver of the benefit of any law intended for the
 1280 advantage or protection of an obligor;
 1281 4. A term that specifies the law that governs the promise
 1282 or order; or
 1283 5. An undertaking to resolve, in a specified forum, a
 1284 dispute concerning the promise or order.
 1285 Section 48. Subsection (1) of section 673.1051, Florida
 1286 Statutes, is amended to read:
 1287 673.1051 Issue of instrument.—
 1288 (1) The term "issue" means:
 1289 (a) The first delivery of an instrument by the maker or
 1290 drawer, whether to a holder or nonholder, for the purpose of
 1291 giving rights on the instrument to any person; or
 1292 (b) If agreed to by the payee, the first transmission by
 1293 the drawer to the payee of an image of an item and information
 1294 derived from the item which enables the depository bank to
 1295 collect the item under federal law by transferring or presenting
 1296 an electronic check.
 1297 Section 49. Section 673.4011, Florida Statutes, is amended
 1298 to read:
 1299 673.4011 Signature.—
 1300 ~~(1)~~ A person is not liable on an instrument unless:
 1301 ~~(a)~~ the person signed the instrument; or
 1302 ~~(b)~~ the person is represented by an agent or representative
 1303 who signed the instrument, and the signature is binding on the
 1304 represented person under s. 673.4021.
 1305 ~~(2) A signature may be made:~~

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1306 ~~(a) Manually or by means of a device or machine; and~~
 1307 ~~(b) By the use of any name, including a trade or assumed~~
 1308 ~~name, or by a word, mark, or symbol executed or adopted by a~~
 1309 ~~person with present intention to authenticate a writing.~~
 1310 Section 50. Subsection (1) of section 673.6041, Florida
 1311 Statutes, is amended to read:
 1312 673.6041 Discharge by cancellation or renunciation.—
 1313 (1) A person entitled to enforce an instrument, with or
 1314 without consideration, may discharge the obligation of a party
 1315 to pay the instrument:
 1316 (a) By an intentional voluntary act, such as:
 1317 1. Surrender of the instrument to the party;
 1318 2. Destruction, mutilation, or cancellation of the
 1319 instrument;
 1320 3. Cancellation or striking out of the party's signature;
 1321 or
 1322 4. Addition of words to the instrument indicating
 1323 discharge; or
 1324 (b) By agreeing not to sue or otherwise renouncing rights
 1325 against the party by a signed writing.
 1326
 1327 The obligation of a party to pay a check is not discharged
 1328 solely by destruction of the check in connection with a process
 1329 that involves the extraction of information from the check and
 1330 an image of the check is made and, subsequently, the information
 1331 and image are transmitted for payment.
 1332 Section 51. Part VII of chapter 673, Florida Statutes,
 1333 consisting of s. 673.702, Florida Statutes, is created and
 1334 entitled "Transitional Provisions."

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Section 52. Section 673.702, Florida Statutes, is created to read:

673.702 Savings clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 53. Section 675.104, Florida Statutes, is amended to read:

675.104 Formal requirements.—A letter of credit, confirmation, advice, transfer, amendment, or cancellation may be issued in any form that is a signed record and is authenticated by a signature or in accordance with the agreement of the parties or the standard practice referred to in s. 675.108(5).

Section 54. Section 675.116, Florida Statutes, is amended to read:

675.116 Choice of law and forum.—

(1) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the manner provided in s. 675.104~~ or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

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(2) Unless subsection (1) applies, the liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one address is indicated, the person is considered to be located at the address from which the person's undertaking was issued.

(a) For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under paragraph (b) this subsection.

(b) A bank branch is considered to be located at the address indicated in the branch's undertaking. If more than one address is indicated, the branch is considered to be located at the address from which the undertaking was issued.

(c) ~~(3)~~ Except as otherwise provided in this paragraph subsection, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If this chapter governs the liability of an issuer, nominated person, or adviser under subsection (1) or this subsection (2), the relevant undertaking incorporates rules of custom or practice, and there is conflict between this chapter and such rules as applied to that undertaking, such rules govern except to the extent of any conflict with the nonvariable provisions specified in s. 675.102(3).

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1393 ~~(3)(4)~~ This chapter governs to the extent of any conflict
 1394 between this chapter and chapter 670, chapter 673, chapter 674,
 1395 or chapter 679.

1396 ~~(4)(5)~~ The forum for settling disputes arising out of an
 1397 undertaking within this chapter may be chosen in the manner and
 1398 with the binding effect that governing law may be chosen in
 1399 accordance with subsection (1).

1400 Section 55. Section 675.119, Florida Statutes, is created
 1401 to read:

1402 675.119 Saving clause.—Except as provided in ss. 669.501–
 1403 669.706, a transaction validly entered into before July 1, 2025,
 1404 and the rights, duties, and interests flowing from such
 1405 transaction remain valid thereafter and may be terminated,
 1406 completed, consummated, or enforced as required or permitted by
 1407 law other than the Uniform Commercial Code or, if applicable, by
 1408 the Uniform Commercial Code as though this act had not taken
 1409 effect.

1410 Section 56. Paragraphs (j) and (l) of subsection (1) of
 1411 section 677.102, Florida Statutes, are amended to read:

1412 677.102 Definitions and index of definitions.—

1413 (1) In this chapter, unless the context otherwise requires:

1414 ~~(j) "Record" means information that is inscribed on a~~
 1415 ~~tangible medium or that is stored in an electronic or other~~
 1416 ~~medium and is retrievable in perceivable form.~~

1417 ~~(l) "Sign" means, with present intent to authenticate or~~
 1418 ~~adopt a record:~~

1419 ~~1. To execute or adopt a tangible symbol; or~~

1420 ~~2. To attach to or logically associate with the record an~~
 1421 ~~electronic sound, symbol, or process.~~

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1422 Section 57. Subsection (2) of section 677.106, Florida
 1423 Statutes, is amended, and subsections (3) through (9) are added
 1424 to that section, to read:

1425 677.106 Control of electronic document of title.—

1426 (2) A system satisfies subsection (1), and a person has ~~is~~
 1427 ~~deemed to have~~ control of an electronic document of title, if
 1428 the document is created, stored, and transferred ~~assigned~~ in a
 1429 manner that:

1430 (a) A single authoritative copy of the document exists
 1431 which is unique, identifiable, and, except as otherwise provided
 1432 in paragraphs (d), (e), and (f), unalterable;

1433 (b) The authoritative copy identifies the person asserting
 1434 control as:

1435 1. The person to which the document was issued; or

1436 2. If the authoritative copy indicates that the document
 1437 has been transferred, the person to which the document was most
 1438 recently transferred;

1439 (c) The authoritative copy is communicated to and
 1440 maintained by the person asserting control or its designated
 1441 custodian;

1442 (d) Copies or amendments that add or change an identified
 1443 transferee ~~assignee~~ of the authoritative copy can be made only
 1444 with the consent of the person asserting control;

1445 (e) Each copy of the authoritative copy and any copy of a
 1446 copy is readily identifiable as a copy that is not the
 1447 authoritative copy; and

1448 (f) Any amendment of the authoritative copy is readily
 1449 identifiable as authorized or unauthorized.

1450 (3) A system satisfies subsection (1), and a person has

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control of an electronic document of title, if an authoritative electronic copy of the document, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

(a) Enables the person to readily identify each electronic copy as either an authoritative copy or a nonauthoritative copy;

(b) Enables the person to readily identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as the person to which each authoritative electronic copy was issued or transferred; and

(c) Gives the person exclusive power, subject to subsection (4), to:

1. Prevent others from adding or changing the person to which each authoritative electronic copy has been issued or transferred; and

2. Transfer control of each authoritative electronic copy.

(4) Subject to subsection (5), a power is exclusive under subparagraphs (3)(c)1. and 2. even if:

(a) The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the document of title or has a protocol that is programmed to cause a change, including a transfer or loss of control; or

(b) The power is shared with another person.

(5) A power of a person is not shared with another person under paragraph (4)(b) and the person's power is not exclusive if:

(a) The person can exercise the power only if the power

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also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the person; or

2. Is the transferor to the person of an interest in the document of title.

(6) If a person has the powers specified in subparagraphs (3)(c)1. and 2., the powers are presumed to be exclusive.

(7) A person has control of an electronic document of title if another person, other than the transferor to the person of an interest in the document:

(a) Has control of the document and acknowledges that it has control on behalf of the person; or

(b) Obtains control of the document after having acknowledged that it will obtain control of the document on behalf of the person.

(8) A person that has control as provided under this section is not required to acknowledge that it has control on behalf of another person.

(9) If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this chapter or chapter 679 otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

Section 58. Part VII of chapter 677, Florida Statutes, consisting of s. 677.701, Florida Statutes, is created and entitled "Transitional Provisions."

Section 59. Section 677.701, Florida Statutes, is created

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to read:

677.701 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not have taken effect.

Section 60. Paragraph (f) of subsection (1) and subsection (2) of section 678.1021, Florida Statutes, are amended, and paragraph (i) of subsection (1) of that section is republished, to read:

678.1021 Definitions.—

(1) In this chapter:

(f) "Communicate" means to:

1. Send a signed record ~~writing~~; or
2. Transmit information by any mechanism agreed upon by the persons transmitting and receiving the information.

(i) "Financial asset," except as otherwise provided in s. 678.1031, means:

1. A security;
2. An obligation of a person or a share, participation, or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment; or
3. Any property that is held by a securities intermediary for another person in a securities account if the securities

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intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this chapter. As context requires, the term means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.

(2) The following other definitions in applying to this chapter and other chapters apply to this section ~~the sections in which they appear are:~~

"Appropriate person," s. 678.1071.

"Control," s. 678.1061.

"Controllable account," s. 679.1021.

"Controllable electronic record," s. 669.102.

"Controllable payment intangible," s. 679.1021.

"Delivery," s. 678.3011.

"Investment company security," s. 678.1031(2).

"Issuer," s. 678.2011.

"Overissue," s. 678.2101.

"Protected purchaser," s. 678.3031.

"Securities account," s. 678.5011.

Section 61. Subsection (6) of section 678.1031, Florida Statutes, is amended, and subsection (8) is added to that section, to read:

678.1031 Rules for determining whether certain obligations and interests are securities or financial assets.—

(6) A commodity contract, as defined in s. 679.1021(1) ~~s. 679.1021(1)(a)~~, is not a security or a financial asset.

(8) A controllable account, controllable electronic record, or controllable payment intangible is not a financial asset

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1567 unless s. 678.1021(1)(i) applies.

1568 Section 62. Subsection (4) of section 678.1061, Florida
1569 Statutes, is amended, and subsections (8) and (9) are added to
1570 that section, to read:

1571 678.1061 Control.—

1572 (4) A purchaser has “control” of a security entitlement if:

1573 (a) The purchaser becomes the entitlement holder;

1574 (b) The securities intermediary has agreed that it will
1575 comply with entitlement orders originated by the purchaser
1576 without further consent by the entitlement holder; or

1577 (c) Another person, other than the transferor to the
1578 purchaser of an interest in the security entitlement:

1579 1. Has control of the security entitlement and acknowledges
1580 that it has control on behalf of the purchaser; or

1581 2. Obtains control of the security entitlement after having
1582 acknowledged that it will obtain control of the security
1583 entitlement on behalf of the purchaser ~~has control of the~~
1584 ~~security entitlement on behalf of the purchaser or, having~~
1585 ~~previously acquired control of the security entitlement,~~
1586 ~~acknowledges that the person has control on behalf of the~~
1587 ~~purchaser.~~

1588 (8) A person that has control under this section is not
1589 required to acknowledge that it has control on behalf of a
1590 purchaser.

1591 (9) If a person acknowledges that it has or will obtain
1592 control on behalf of a purchaser unless the person otherwise
1593 agrees, or law other than this section or chapter 679 otherwise
1594 provides, the person does not owe any duty to the purchaser and
1595 is not required to confirm the acknowledgment to any other

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1596 person.

1597 Section 63. Subsection (7) is added to section 678.1101,
1598 Florida Statutes, to read:

1599 678.1101 Applicability; choice of law.—

1600 (7) The local law of the issuer’s jurisdiction or the
1601 securities intermediary’s jurisdiction governs a matter or
1602 transaction specified in subsection (1) or subsection (2) even
1603 if the matter or transaction does not bear any relation to the
1604 jurisdiction.

1605 Section 64. Subsection (2) of section 678.3031, Florida
1606 Statutes, is amended to read:

1607 678.3031 Protected purchaser.—

1608 (2) ~~In addition to acquiring the rights of a purchaser, A~~
1609 ~~protected purchaser also~~ acquires its interest in the security
1610 free of any adverse claim.

1611 Section 65. Part VI of chapter 678, Florida Statutes,
1612 consisting of s. 678.601, Florida Statutes, is created and
1613 entitled “Transitional Provisions.”

1614 Section 66. Section 678.601, Florida Statutes, is created
1615 to read:

1616 678.601 Saving clause.—Except as provided in ss. 669.501–
1617 669.706, a transaction validly entered into before July 1, 2025,
1618 and the rights, duties, and interests flowing from such
1619 transaction remain valid thereafter and may be terminated,
1620 completed, consummated, or enforced as required or permitted by
1621 law other than the Uniform Commercial Code, or if applicable, by
1622 the Uniform Commercial Code as though this act had not taken
1623 effect.

1624 Section 67. Present paragraphs (h) through (aa), (bb)

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1625 through (bbb), and (ccc) through (bbbb) of subsection (1) of
 1626 section 679.1021, Florida Statutes, are redesignated as
 1627 paragraphs (i) through (bb), (ee) through (ddd), and (fff)
 1628 through (dddd), respectively, new paragraphs (h), (cc), (dd),
 1629 and (eee) are added to that subsection, and paragraphs (b), (c),
 1630 (d), and (g) and present paragraphs (k), (ee), (pp), (uu),
 1631 (iii), (nnn), (vvv), and (zzz) of subsection (1) and subsection
 1632 (2) of that section are amended, to read:

1633 679.1021 Definitions and index of definitions.—

1634 (1) In this chapter, the term:

1635 (b) "Account," except as used in "account for," "account
 1636 statement," "account to," "commodity account" as used in
 1637 paragraph (o), "customer account," "deposit account" as used in
 1638 paragraph (ff), "on account of," and "statement of account,"
 1639 means a right to payment of a monetary obligation, regardless of
 1640 whether or not earned by performance, for property that has been
 1641 or is to be sold, leased, licensed, assigned, or otherwise
 1642 disposed of; for services rendered or to be rendered; for a
 1643 policy of insurance issued or to be issued; for a secondary
 1644 obligation incurred or to be incurred; for energy provided or to
 1645 be provided; for the use or hire of a vessel under a charter or
 1646 other contract; arising out of the use of a credit or charge
 1647 card or information contained on or for use with the card; or as
 1648 winnings in a lottery or other game of chance operated or
 1649 sponsored by a state, governmental unit of a state, or person
 1650 licensed or authorized to operate the game by a state or
 1651 governmental unit of a state. The term includes controllable
 1652 accounts and health-care-insurance receivables. The term does
 1653 not include ~~rights to payment evidenced by chattel paper or an~~

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1654 ~~instrument;~~ commercial tort claims; deposit accounts; investment
 1655 property; letter-of-credit rights or letters of credit; ~~or~~
 1656 rights to payment for money or funds advanced or sold, other
 1657 than rights arising out of the use of a credit or charge card or
 1658 information contained on or for use with the card; or rights to
 1659 payment evidenced by an instrument.

1660 (c) "Account debtor" means a person obligated on an
 1661 account, chattel paper, or general intangible. The term does not
 1662 include persons obligated to pay a negotiable instrument, even
 1663 if the negotiable instrument evidences ~~constitutes part of~~
 1664 chattel paper.

1665 (d) "Accounting," except as used in the term "accounting
 1666 for," means a record:

- 1667 1. ~~Signed~~ Authenticated by a secured party;
- 1668 2. Indicating the aggregate unpaid secured obligations as
 1669 of a date not more than 35 days earlier or 35 days later than
 1670 the date of the record; and
- 1671 3. Identifying the components of the obligations in
 1672 reasonable detail.

1673 (g) "Assignee," except as used in "assignee for benefit of
 1674 creditors," means a person:

- 1675 1. In whose favor a security interest that secures an
 1676 obligation is created or provided for under a security
 1677 agreement, regardless of whether the obligation is outstanding,
 1678 and includes; or
- 1679 2. To which an account, chattel paper, payment intangible,
 1680 or promissory note has been sold.

1681 The term includes a person to which a security interest has been
 1682

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transferred by a secured party.

(h) "Assignor" means a person that:

1. Under a security agreement creates or provides for a security interest that secures an obligation; or

2. Sells an account, chattel paper, payment intangible, or promissory note.

The term includes a secured party that has transferred a security interest to another person "Authenticate" means:

1. To sign; or

2. With the present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process.

(l)(k) "Chattel paper" means:

1. A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or

2. A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if:

a. The right to payment and lease agreement are evidenced by a record; and

b. The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods.

The term does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel

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or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel or records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

(cc) "Controllable account" means an account evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under s. 669.105 of the controllable electronic record.

(dd) "Controllable payment intangible" means a payment intangible evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under s. 669.105 of the controllable electronic record.

(hh)(ee) "Electronic money" means money in an electronic form ~~chattel paper~~ means ~~chattel paper~~ evidenced by a record or

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~~records consisting of information stored in an electronic medium.~~

~~(ss)(pp)~~ "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes controllable electronic records, payment intangibles, and software.

~~(xx)(uu)~~ "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in the ordinary course of business is transferred by delivery with any necessary indorsement or assignment. The term does not include investment property, letters of credit, ~~or~~ writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card, or writings that evidence chattel paper.

~~(eee)~~ "Money" has the same meaning as in s. 671.201, but does not include a deposit account or money in an electronic form that cannot be subjected to control under s. 679.1052.

~~(lll)(iii)~~ "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation. The term includes a controllable payment intangible.

~~(ggg)(nnn)~~ "Proposal" means a record signed ~~authenticated~~ by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial

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satisfaction of the obligation it secures pursuant to ss.

679.620, 679.621, and 679.622.

~~(vvv)~~ "Send," in connection with a record or notification, ~~means:~~

~~1. To deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or~~

~~2. To cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph 1.~~

~~(bbbb)(zzz)~~ "Tangible money chattel paper" means money in tangible form ~~chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.~~

(2) The following definitions in other chapters apply to this chapter:

"Applicant," s. 675.103.

"Beneficiary," s. 675.103.

"Broker," s. 678.1021.

"Certificated security," s. 678.1021.

"Check," s. 673.1041.

"Clearing corporation," s. 678.1021.

"Contract for sale," s. 672.106.

"Control," s. 677.106.

"Controllable electronic record," s. 699.102.

"Customer," s. 674.104.

"Entitlement holder," s. 678.1021.

"Financial asset," s. 678.1021.

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1799 "Holder in due course," s. 673.3021.
 1800 "Issuer" (with respect to a letter of credit
 1801 or letter-of-credit right), s. 675.103.
 1802 "Issuer" (with respect to a security), s. 678.2011.
 1803 "Issuer" (with respect to documents
 1804 of title), s. 677.102.
 1805 "Lease," s. 680.1031.
 1806 "Lease agreement," s. 680.1031.
 1807 "Lease contract," s. 680.1031.
 1808 "Leasehold interest," s. 680.1031.
 1809 "Lessee," s. 680.1031.
 1810 "Lessee in ordinary course of
 1811 business," s. 680.1031.
 1812 "Lessor," s. 680.1031.
 1813 "Lessor's residual interest," s. 680.1031.
 1814 "Letter of credit," s. 675.103.
 1815 "Merchant," s. 672.104.
 1816 "Negotiable instrument," s. 673.1041.
 1817 "Nominated person," s. 675.103.
 1818 "Note," s. 673.1041.
 1819 "Proceeds of a letter of credit," s. 675.114.
 1820 "Protected purchaser," s. 678.3031.
 1821 "Prove," s. 673.1031.
 1822 "Qualifying purchaser," s. 669.102.
 1823 "Sale," s. 672.106.
 1824 "Securities account," s. 678.5011.
 1825 "Securities intermediary," s. 678.1021.
 1826 "Security," s. 678.1021.
 1827 "Security certificate," s. 678.1021.

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1828 "Security entitlement," s. 678.1021.
 1829 "Uncertificated security," s. 678.1021.
 1830 Section 68. Subsection (1) of section 679.1041, Florida
 1831 Statutes, is amended to read:
 1832 679.1041 Control of deposit account.—
 1833 (1) A secured party has control of a deposit account if any
 1834 of the following applies:
 1835 (a) The secured party is the bank with which the deposit
 1836 account is maintained;
 1837 (b) The debtor, secured party, and bank have agreed in a
 1838 signed ~~an authenticated~~ record that the bank will comply with
 1839 instructions originated by the secured party directing
 1840 disposition of the funds in the deposit account without further
 1841 consent by the debtor, ~~or~~
 1842 (c) The secured party becomes the bank's customer with
 1843 respect to the deposit account.
 1844 (d) Another person, other than the debtor:
 1845 1. Has control of the deposit account and acknowledges that
 1846 it has control on behalf of the secured party; or
 1847 2. Obtains control of the deposit account after having
 1848 acknowledged that it will obtain control of the deposit account
 1849 on behalf of the secured party.
 1850 Section 69. Section 679.1051, Florida Statutes, is amended
 1851 to read:
 1852 679.1051 Control of electronic chattel paper.—
 1853 (1) A purchaser has control of an authoritative electronic
 1854 copy of a record evidencing chattel paper if a system employed
 1855 for evidencing the assignment of interests in the chattel paper
 1856 reliably establishes the purchaser as the person to which the

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authoritative electronic copy was assigned.

(2) A system satisfies subsection (1) if the record or records evidencing the chattel paper are created, stored, and assigned in a manner that:

(a) A single authoritative copy of the record or records exists which is unique, identifiable, and, except as otherwise provided in paragraphs (d), (e), and (f), unalterable;

(b) The authoritative copy identifies the purchaser as the assignee of the record or records;

(c) The authoritative copy is communicated to and maintained by the purchaser or its designated custodian;

(d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the purchaser;

(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

(3) A system satisfies subsection (1), and a purchaser has control of an authoritative electronic copy of a record evidencing chattel paper, if the electronic copy, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

(a) Enables the purchaser to readily identify each electronic copy as either an authoritative copy or a nonauthoritative copy;

(b) Enables the purchaser to readily identify itself in any way, including by name, identifying number, cryptographic key,

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office, or account number, as the assignee of the authoritative electronic copy; and

(c) Gives the purchaser exclusive power, subject to subsection (4), to:

1. Prevent others from adding or changing an identified assignee of the authoritative electronic copy; and

2. Transfer control of the authoritative electronic copy.

(4) Subject to subsection (5), a power is exclusive under subparagraphs (3)(c)1. and 2. even if:

(a) The authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the authoritative electronic copy or has a protocol programmed to cause a change, including a transfer or loss of control; or

(b) The power is shared with another person.

(5) A power of a purchaser is not shared with another person as provided in paragraph (4)(b) and the purchaser's power is not exclusive if:

(a) The purchaser can exercise the power only if the power also is exercised by the other person; and

(b) The other person:

1. Can exercise the power without exercise of the power by the purchaser; or

2. Is the transferor to the purchaser of an interest in the chattel paper.

(6) If a purchaser has the powers specified in subparagraphs (3)(c)1. and 2., the powers are presumed to be exclusive.

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(7) A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if another person, other than the transferor to the purchaser of an interest in the chattel paper;

(a) Has control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or

(b) Obtains control of the authoritative electronic copy after having acknowledged that it will obtain control of the electronic copy on behalf of the purchaser A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.

~~(2) A system satisfies subsection (1), and a secured party has control of electronic chattel paper, if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:~~

~~(a) A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs (d), (e), and (f), unalterable;~~

~~(b) The authoritative copy identifies the secured party as the assignee of the record or records;~~

~~(c) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;~~

~~(d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the secured party;~~

~~(e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the~~

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~~authoritative copy; and~~

~~(f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.~~

Section 70. Section 679.1052, Florida Statutes, is created to read:

679.1052 Control of electronic money.—

(1) A person has control of electronic money if both of the following apply:

(a) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded gives the person:

1. Power to avail itself of substantially all the benefit from the electronic money; and

2. Exclusive power, subject to subsection (2), to:

a. Prevent others from availing themselves of substantially all the benefit from the electronic money; and

b. Transfer control of the electronic money to another person or cause another person to obtain control of other electronic money as a result of the transfer of the electronic money.

(b) The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded enables the person readily to identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as having the powers under paragraph (a).

(2) Subject to subsection (3), a power is exclusive under sub-subparagraphs (1)(a)2.a. and b. even if:

(a) The electronic money, a record attached to or logically

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1973 associated with the electronic money, or a system in which the

1974 electronic money is recorded limits the use of the electronic

1975 money or has a protocol programmed to cause a change, including

1976 a transfer or loss of control; or

1977 (b) The power is shared with another person.

1978 (3) A power of a person is not shared with another person

1979 under paragraph (2)(b) and the person's power is not exclusive

1980 if:

1981 (a) The person can exercise the power only if the power

1982 also is exercised by the other person; and

1983 (b) The other person:

1984 1. Can exercise the power without exercise of the power by

1985 the person; or

1986 2. Is the transferor to the person of an interest in the

1987 electronic money.

1988 (4) If a person has the powers specified in sub-

1989 subparagraphs (1)(a)2.a. and b., the powers are presumed to be

1990 exclusive.

1991 (5) A person has control of electronic money if another

1992 person, other than the transferor to the person of an interest

1993 in the electronic money:

1994 (a) Has control of the electronic money and acknowledges

1995 that it has control on behalf of the person; or

1996 (b) Obtains control of the electronic money after having

1997 acknowledged that it will obtain control of the electronic money

1998 on behalf of the person.

1999 Section 71. Section 679.1053, Florida Statutes, is created

2000 to read:

2001 679.1053 Control of controllable electronic record,

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2002 controllable account, or controllable payment intangible.-

2003 (1) A secured party has control of a controllable

2004 electronic record as provided in s. 669.105.

2005 (2) A secured party has control of a controllable account

2006 or controllable payment intangible if the secured party has

2007 control of the controllable electronic record that evidences the

2008 controllable account or controllable payment intangible.

2009 Section 72. Section 679.1054, Florida Statutes, is created

2010 to read:

2011 679.1054 No requirement to acknowledge or confirm; no

2012 duties.-

2013 (1) A person that has control under s. 679.1051, s.

2014 679.1052, or s. 679.1053 is not required to acknowledge that it

2015 has control on behalf of another person.

2016 (2) If a person acknowledges that it has or will obtain

2017 control on behalf of another person, unless the person otherwise

2018 agrees, or law other than this chapter otherwise provides, the

2019 person does not owe any duty to the other person and is not

2020 required to confirm the acknowledgment to any other person.

2021 Section 73. Subsections (2) and (10) of section 679.2031,

2022 Florida Statutes, are amended to read:

2023 679.2031 Attachment and enforceability of security

2024 interest; proceeds; supporting obligations; formal requisites.-

2025 (2) Except as otherwise provided in subsections (3) through

2026 (10), a security interest is enforceable against the debtor and

2027 third parties with respect to the collateral only if:

2028 (a) Value has been given;

2029 (b) The debtor has rights in the collateral or the power to

2030 transfer rights in the collateral to a secured party; and

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2031 (c) One of the following conditions is met:

2032 1. The debtor has ~~signed~~ authenticated a security agreement

2033 that provides a description of the collateral and, if the

2034 security interest covers timber to be cut, a description of the

2035 land concerned;

2036 2. The collateral is not a certificated security and is in

2037 the possession of the secured party under s. 679.3131 pursuant

2038 to the debtor's security agreement;

2039 3. The collateral is a certificated security in registered

2040 form and the security certificate has been delivered to the

2041 secured party under s. 678.3011 pursuant to the debtor's

2042 security agreement; ~~or~~

2043 4. The collateral is controllable accounts, controllable

2044 electronic records, controllable payment intangibles, deposit

2045 accounts, electronic documents, electronic money ~~chattel paper,~~

2046 investment property, or letter-of-credit rights, ~~or electronic~~

2047 ~~documents,~~ and the secured party has control under s. 669.105,

2048 s. 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s.

2049 679.1071 pursuant to the debtor's security agreement; or

2050 5. The collateral is chattel paper and the secured party

2051 has possession and control under s. 679.3152 pursuant to the

2052 debtor's security agreement.

2053 (10) A security interest in an account consisting of a

2054 right to payment of a monetary obligation for the sale of real

2055 property that is the debtor's homestead under the laws of this

2056 state is not enforceable unless:

2057 (a) The description of the account in the security

2058 agreement conspicuously states that the collateral includes the

2059 debtor's right to payment of a monetary obligation for the sale

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2060 of real property;

2061 (b) The description of the account in the security

2062 agreement includes a legal description of the real property;

2063 (c) The description of the account in the security

2064 agreement conspicuously states that the real property is the

2065 debtor's homestead; and

2066 (d) The security agreement is also signed ~~authenticated~~ by

2067 the debtor's spouse, if the debtor is married; if the debtor's

2068 spouse is incompetent, then the method of signature

2069 ~~authentication~~ by the debtor's spouse is the same as provided by

2070 the laws of this state, other than this chapter, which apply to

2071 the alienation or encumbrance of homestead property by an

2072 incompetent person.

2073 Section 74. Present subsection (3) of section 679.2041,

2074 Florida Statutes, is redesignated as subsection (4), a new

2075 subsection (3) is added to that section, and subsection (2) of

2076 that section is amended, to read:

2077 679.2041 After-acquired property; future advances.—

2078 (2) Subject to subsection (3), a security interest does not

2079 attach under a term constituting an after-acquired property

2080 clause to:

2081 (a) Consumer goods, other than an accession when given as

2082 additional security, unless the debtor acquires rights in them

2083 within 10 days after the secured party gives value; or

2084 (b) A commercial tort claim.

2085 (3) Subsection (2) does not prevent a security interest

2086 from attaching:

2087 (a) To a consumer good as proceeds under s. 679.3151(1) or

2088 commingled goods under s. 679.336(3);

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2089 (b) To a commercial tort claim as proceeds under s.
 2090 679.3151(1); or
 2091 (c) Under an after-acquired property clause to property
 2092 that is proceeds of consumer goods or a commercial tort claim.
 2093 Section 75. Subsection (3) of section 679.2071, Florida
 2094 Statutes, is amended to read:
 2095 679.2071 Rights and duties of secured party having
 2096 possession or control of collateral.—
 2097 (3) Except as otherwise provided in subsection (4), a
 2098 secured party having possession of collateral or control of
 2099 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
 2100 679.1052, s. 679.1061, or s. 679.1071:
 2101 (a) May hold as additional security any proceeds, except
 2102 money or funds, received from the collateral;
 2103 (b) Shall apply money or funds received from the collateral
 2104 to reduce the secured obligation, unless remitted to the debtor;
 2105 and
 2106 (c) May create a security interest in the collateral.
 2107 Section 76. Subsection (2) of section 679.2081, Florida
 2108 Statutes, is amended to read:
 2109 679.2081 Additional duties of secured party having control
 2110 of collateral.—
 2111 (2) Within 10 days after receiving a signed an
 2112 authenticated demand by the debtor:
 2113 (a) A secured party having control of a deposit account
 2114 under s. 679.1041(1)(b) shall send to the bank with which the
 2115 deposit account is maintained a signed record an authenticated
 2116 ~~statement~~ that releases the bank from any further obligation to
 2117 comply with instructions originated by the secured party;

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2118 (b) A secured party having control of a deposit account
 2119 under s. 679.1041(1)(c) shall:
 2120 1. Pay the debtor the balance on deposit in the deposit
 2121 account; or
 2122 2. Transfer the balance on deposit into a deposit account
 2123 in the debtor's name;
 2124 (c) A secured party, other than a buyer, having control
 2125 under s. 679.1051 of an authoritative electronic copy of a
 2126 record evidencing chattel paper shall transfer control of the
 2127 electronic copy to the debtor or a person designated by the
 2128 debtor; a secured party, other than a buyer, having control of
 2129 electronic chattel paper under s. 679.1051 shall:
 2130 1. ~~Communicate the authoritative copy of the electronic~~
 2131 ~~chattel paper to the debtor or its designated custodian;~~
 2132 2. ~~If the debtor designates a custodian that is the~~
 2133 ~~designated custodian with which the authoritative copy of the~~
 2134 ~~electronic chattel paper is maintained for the secured party,~~
 2135 ~~communicate to the custodian an authenticated record releasing~~
 2136 ~~the designated custodian from any further obligation to comply~~
 2137 ~~with instructions originated by the secured party and~~
 2138 ~~instructing the custodian to comply with instructions originated~~
 2139 ~~by the debtor; and~~
 2140 3. ~~Take appropriate action to enable the debtor or the~~
 2141 ~~debtor's designated custodian to make copies of or revisions to~~
 2142 ~~the authoritative copy which add or change an identified~~
 2143 ~~assignee of the authoritative copy without the consent of the~~
 2144 ~~secured party;~~
 2145 (d) A secured party having control of investment property
 2146 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the

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securities intermediary or commodity intermediary with which the security entitlement or commodity contract is maintained a signed ~~an authenticated~~ record that releases the securities intermediary or commodity intermediary from any further obligation to comply with entitlement orders or directions originated by the secured party;

(e) A secured party having control of a letter-of-credit right under s. 679.1071 shall send to each person having an unfulfilled obligation to pay or deliver proceeds of the letter of credit to the secured party a signed ~~an authenticated~~ release from any further obligation to pay or deliver proceeds of the letter of credit to the secured party; ~~and~~

(f) A secured party having control under s. 677.106 of an authoritative electronic copy of an electronic document of title shall transfer control of the electronic copy to the debtor or a person designated by the debtor;

(g) A secured party having control under Section 9-105A of electronic money shall transfer control of the electronic money to the debtor or a person designated by the debtor; and

(h) A secured party having control under s. 669.105 of a controllable electronic record, other than a buyer of a controllable account or controllable payment intangible evidenced by the controllable electronic record, shall transfer control of the controllable electronic record to the debtor or a person designated by the debtor ~~of an electronic document shall:~~

~~1. Give control of the electronic document to the debtor or its designated custodian;~~

~~2. If the debtor designates a custodian that is the designated custodian with which the authoritative copy of the~~

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~~electronic document is maintained for the secured party, communicate to the custodian an authenticated record releasing the designated custodian from any further obligation to comply with instructions originated by the secured party and instructing the custodian to comply with instructions originated by the debtor; and~~

~~3. Take appropriate action to enable the debtor or its designated custodian to make copies of or revisions to the authenticated copy which add or change an identified assignee of the authoritative copy without the consent of the secured party.~~

Section 77. Subsection (2) of section 679.209, Florida Statutes, is amended to read:

679.209 Duties of secured party if account debtor has been notified of assignment.—

(2) Within 10 days after receiving a signed ~~an authenticated~~ demand by the debtor, a secured party shall send to an account debtor that has received notification under s. 669.106(2) or s. 679.4016(1) of an assignment to the secured party as assignee a signed ~~under s. 679.4061(1) an authenticated~~ record that releases the account debtor from any further obligation to the secured party.

Section 78. Section 679.210, Florida Statutes, is amended to read:

679.210 Request for accounting; request regarding list of collateral or statement of account.—

(1) In this section, the term:

(a) "Request" means a record of a type described in paragraph (b), paragraph (c), or paragraph (d).

(b) "Request for an accounting" means a record signed

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authenticated by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

(c) "Request regarding a list of collateral" means a record signed ~~authenticated~~ by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

(d) "Request regarding a statement of account" means a record signed ~~authenticated~~ by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

(e) "Reasonably identifying the transaction or relationship" means that the request provides information sufficient for the person to identify the transaction or relationship and respond to the request. Pursuant to s. 679.603(1), a secured party and debtor may determine by agreement the standards for measuring fulfillment of this duty.

(f) "Person" means a person or entity that is or was a secured party or otherwise claims or has claimed an interest in the collateral.

(2) Subject to subsections (3)-(6) ~~(3), (4), (5), and (6)~~, a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14 days after receipt:

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(a) In the case of a request for an accounting, by signing ~~authenticating~~ and sending to the debtor an accounting; and

(b) In the case of a request regarding a list of collateral or a request regarding a statement of account, by signing ~~authenticating~~ and sending to the debtor an approval or correction.

(3) A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor a signed ~~an authenticated~~ record including a statement to that effect within 14 days after receipt.

(4) A person who receives a request regarding a list of collateral, claims no interest in the collateral when the request is received, and claimed an interest in the collateral at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor a signed ~~an authenticated~~ record:

(a) Disclaiming any interest in the collateral; and

(b) If known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the collateral.

(5) A person who receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when the request is received, and claimed an interest in the obligations at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor a signed ~~an authenticated~~ record:

(a) Disclaiming any interest in the obligations; and

(b) If known to the recipient, providing the name and

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mailing address of any assignee of or successor to the recipient's interest in the obligations.

(6) A debtor is entitled under this section without charge to one response to a request for an accounting or a request regarding a statement of account for each secured obligation during any 6-month period. A debtor in a consumer transaction is entitled to a single response to a request regarding a list of collateral without charge during any 6-month period. The secured party may require payment of a charge not exceeding \$25 for each additional response to a request for an accounting, a request regarding a statement of account, or a request regarding a list of collateral for a consumer transaction. To the extent provided in a signed ~~an authenticated~~ record, the secured party may require the payment of reasonable expenses, including attorney's fees, reasonably incurred in providing a response to a request regarding a list of collateral for a transaction other than a consumer transaction under this section; otherwise, the secured party may not charge more than \$25 for each request regarding a list of collateral. Excluding a request related to a proposed satisfaction of the secured obligation, a secured party is not required to respond to more than 12 of each of the permitted requests in any 12-month period.

Section 79. Section 679.3011, Florida Statutes, is amended to read:

679.3011 Law governing perfection and priority of security interests.—Except as otherwise provided in ss. 679.1091, 679.3031, 679.3041, 679.3051, ~~and~~ 679.3061, and 679.3062, the following rules determine the law governing perfection, the effect of perfection or nonperfection, and the priority of a

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security interest in collateral:

(1) Except as otherwise provided in this section, while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral.

(2) While collateral is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a possessory security interest in that collateral.

(3) Except as otherwise provided in subsections (4) and (5), while tangible negotiable documents, goods, instruments, or tangible money, ~~or tangible chattel paper~~ is located in a jurisdiction, the local law of that jurisdiction governs:

(a) Perfection of a security interest in the goods by filing a fixture filing;

(b) Perfection of a security interest in timber to be cut; and

(c) The effect of perfection or nonperfection and the priority of a nonpossessory security interest in the collateral.

(4) The local law of the jurisdiction in which the wellhead or minehead is located governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

(5) The law of this state governs:

(a) The perfection of a security interest in goods that are or are to become fixtures in this state by the filing of a fixture filing.

(b) The effect of perfection or nonperfection and the

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2321 priority of a security interest in goods that are or are to
 2322 become fixtures in this state.

2323 Section 80. Subsection (1) of section 679.3041, Florida
 2324 Statutes, is amended to read:

2325 679.3041 Law governing perfection and priority of security
 2326 interests in deposit accounts.—

2327 (1) The local law of a bank's jurisdiction governs
 2328 perfection, the effect of perfection or nonperfection, and the
 2329 priority of a security interest in a deposit account maintained
 2330 with that bank even if the transaction does not bear any
 2331 relation to the bank's jurisdiction.

2332 Section 81. Paragraph (e) is added to subsection (1) of
 2333 section 679.3051, Florida Statutes, to read:

2334 679.3051 Law governing perfection and priority of security
 2335 interests in investment property.—

2336 (1) Except as otherwise provided in subsection (3), the
 2337 following rules apply:

2338 (e) Paragraphs (b), (c), and (d) apply even if the
 2339 transaction does not bear any relation to the jurisdiction.

2340 Section 82. Section 679.3062, Florida Statutes, is created
 2341 to read:

2342 679.3062 Law governing perfection and priority of security
 2343 interests in chattel paper.—

2344 (1) Except as provided in subsection (4), if chattel paper
 2345 is evidenced only by an authoritative electronic copy of the
 2346 chattel paper or is evidenced by an authoritative electronic
 2347 copy and an authoritative tangible copy, the local law of the
 2348 chattel paper's jurisdiction governs perfection, the effect of
 2349 perfection or nonperfection, and the priority of a security

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2350 interest in the chattel paper, even if the transaction does not
 2351 bear any relation to the chattel paper's jurisdiction.

2352 (2) The following rules determine the chattel paper's
 2353 jurisdiction under this section:

2354 (a) If the authoritative electronic copy of the record
 2355 evidencing chattel paper, or a record attached to or logically
 2356 associated with the electronic copy and readily available for
 2357 review, expressly provides that a particular jurisdiction is the
 2358 chattel paper's jurisdiction for purposes of s. 679.3061, this
 2359 chapter, or the Uniform Commercial Code, that jurisdiction is
 2360 the chattel paper's jurisdiction.

2361 (b) If paragraph (a) does not apply and the rules of the
 2362 system in which the authoritative electronic copy is recorded
 2363 are readily available for review and expressly provide that a
 2364 particular jurisdiction is the chattel paper's jurisdiction for
 2365 purposes of s. 679.3061, this chapter, or the Uniform Commercial
 2366 Code, that jurisdiction is the chattel paper's jurisdiction.

2367 (c) If paragraphs (a) and (b) do not apply and the
 2368 authoritative electronic copy, or a record attached to or
 2369 logically associated with the electronic copy and readily
 2370 available for review, expressly provides that the chattel paper
 2371 is governed by the law of a particular jurisdiction, that
 2372 jurisdiction is the chattel paper's jurisdiction.

2373 (d) If paragraphs (a), (b), and (c) do not apply and the
 2374 rules of the system in which the authoritative electronic copy
 2375 is recorded are readily available for review and expressly
 2376 provide that the chattel paper or the system is governed by the
 2377 law of a particular jurisdiction, that jurisdiction is the
 2378 chattel paper's jurisdiction.

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2379 (e) If paragraphs (a)-(d) do not apply, the chattel paper's
 2380 jurisdiction is the jurisdiction in which the debtor is located.

2381 (3) If an authoritative tangible copy of a record evidences
 2382 chattel paper and the chattel paper is not evidenced by an
 2383 authoritative electronic copy, while the authoritative tangible
 2384 copy of the record evidencing chattel paper is located in a
 2385 jurisdiction, the local law of that jurisdiction governs:

2386 (a) Perfection of a security interest in the chattel paper
 2387 by possession under s. 679.3152; and

2388 (b) The effect of perfection or nonperfection and the
 2389 priority of a security interest in the chattel paper.

2390 (4) The local law of the jurisdiction in which the debtor
 2391 is located governs perfection of a security interest in chattel
 2392 paper by filing.

2393 Section 83. Section 679.3063, Florida Statutes, is created
 2394 to read:

2395 679.3063 Law governing perfection and priority of security
 2396 interests in controllable accounts, controllable electronic
 2397 records, and controllable payment intangibles.-

2398 (1) Except as provided in subsection (2), the local law of
 2399 the controllable electronic record's jurisdiction specified in
 2400 s. 669.107(3) and (4) governs perfection, the effect of
 2401 perfection or nonperfection, and the priority of a security
 2402 interest in a controllable electronic record and a security
 2403 interest in a controllable account or controllable payment
 2404 intangible evidenced by the controllable electronic record.

2405 (2) The local law of the jurisdiction in which the debtor
 2406 is located governs:

2407 (a) Perfection of a security interest in a controllable

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2408 account, controllable electronic record, or controllable payment
 2409 intangible by filing; and

2410 (b) Automatic perfection of a security interest in a
 2411 controllable payment intangible created by a sale of the
 2412 controllable payment intangible.

2413 Section 84. Subsection (2) of section 679.3101, Florida
 2414 Statutes, is amended, and subsection (1) of that section is
 2415 republished, to read:

2416 679.3101 When filing required to perfect security interest
 2417 or agricultural lien; security interests and agricultural liens
 2418 to which filing provisions do not apply.-

2419 (1) Except as otherwise provided in subsection (2) and s.
 2420 679.3121(2), a financing statement must be filed to perfect all
 2421 security interests and agricultural liens.

2422 (2) The filing of a financing statement is not necessary to
 2423 perfect a security interest:

2424 (a) That is perfected under s. 679.3081(4), (5), (6), or
 2425 (7);

2426 (b) That is perfected under s. 679.3091 when it attaches;

2427 (c) In property subject to a statute, regulation, or treaty
 2428 described in s. 679.3111(1);

2429 (d) In goods in possession of a bailee which is perfected
 2430 under s. 679.3121(4)(a) or (b);

2431 (e) In certificated securities, documents, goods, or
 2432 instruments which is perfected without filing, control, or
 2433 possession under s. 679.3121(5), (6), or (7);

2434 (f) In collateral in the secured party's possession under
 2435 s. 679.3131;

2436 (g) In a certificated security which is perfected by

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2437 delivery of the security certificate to the secured party under
 2438 s. 679.3131;

2439 (h) In controllable accounts, controllable electronic
 2440 records, controllable payment intangibles, deposit accounts,
 2441 ~~electronic chattel paper~~, electronic documents, investment
 2442 property, or letter-of-credit rights which is perfected by
 2443 control under s. 679.3141(1) ~~s. 679.3141~~;

2444 (i) In proceeds which is perfected under s. 679.3151; or
 2445 (j) That is perfected under s. 679.3161.

2446 Section 85. Section 679.3121, Florida Statutes, is amended
 2447 to read:

2448 679.3121 Perfection of security interests in chattel paper,
 2449 controllable accounts, controllable electronic records,
 2450 controllable payment intangibles, deposit accounts, documents,
 2451 goods covered by documents, instruments, investment property,
 2452 letter-of-credit rights, and money; perfection by permissive
 2453 filing; temporary perfection without filing or transfer of
 2454 possession.—

2455 (1) A security interest in chattel paper, controllable
 2456 accounts, controllable electronic records, controllable payment
 2457 intangibles ~~negotiable documents~~, instruments, ~~or~~ investment
 2458 property, or negotiable documents may be perfected by filing.

2459 (2) Except as otherwise provided in s. 679.3151(3) and (4)
 2460 for proceeds:

2461 (a) A security interest in a deposit account may be
 2462 perfected only by control under s. 679.3141.

2463 (b) And except as otherwise provided in s. 679.3081(4), a
 2464 security interest in a letter-of-credit right may be perfected
 2465 only by control under s. 679.3141.

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2466 (c) A security interest in tangible money may be perfected
 2467 only by the secured party's taking possession under s. 679.3131.

2468 (d) A security interest in electronic money may be
 2469 perfected only by control under s. 679.3141.

2470 (3) While goods are in the possession of a bailee that has
 2471 issued a negotiable document covering the goods:

2472 (a) A security interest in the goods may be perfected by
 2473 perfecting a security interest in the document; and

2474 (b) A security interest perfected in the document has
 2475 priority over any security interest that becomes perfected in
 2476 the goods by another method during that time.

2477 (4) While goods are in the possession of a bailee that has
 2478 issued a nonnegotiable document covering the goods, a security
 2479 interest in the goods may be perfected by:

2480 (a) Issuance of a document in the name of the secured
 2481 party;

2482 (b) The bailee's receipt of notification of the secured
 2483 party's interest; or

2484 (c) Filing as to the goods.

2485 (5) A security interest in certificated securities,
 2486 negotiable documents, or instruments is perfected without filing
 2487 or the taking of possession or control for a period of 20 days
 2488 from the time it attaches to the extent that it arises for new
 2489 value given under a signed ~~an authenticated~~ security agreement.

2490 (6) A perfected security interest in a negotiable document
 2491 or goods in possession of a bailee, other than one that has
 2492 issued a negotiable document for the goods, remains perfected
 2493 for 20 days without filing if the secured party makes available
 2494 to the debtor the goods or documents representing the goods for

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the purpose of:

- (a) Ultimate sale or exchange; or
- (b) Loading, unloading, storing, shipping, transshipping, manufacturing, processing, or otherwise dealing with them in a manner preliminary to their sale or exchange.
- (7) A perfected security interest in a certificated security or instrument remains perfected for 20 days without filing if the secured party delivers the security certificate or instrument to the debtor for the purpose of:
 - (a) Ultimate sale or exchange; or
 - (b) Presentation, collection, enforcement, renewal, or registration of transfer.
- (8) After the 20-day period specified in subsection (5), subsection (6), or subsection (7) expires, perfection depends upon compliance with this chapter.

Section 86. Subsections (1), (3), and (4) of section 679.3131, Florida Statutes, are amended to read:

679.3131 When possession by or delivery to secured party perfects security interest without filing.—

(1) Except as otherwise provided in subsection (2), a secured party may perfect a security interest in ~~tangible negotiable documents~~, goods, instruments, negotiable tangible documents, or tangible money, or tangible chattel paper by taking possession of the collateral. A secured party may perfect a security interest in certificated securities by taking delivery of the certificated securities under s. 678.3011.

(3) With respect to collateral other than certificated securities and goods covered by a document, a secured party takes possession of collateral in the possession of a person

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other than the debtor, the secured party, or a lessee of the collateral from the debtor in the ordinary course of the debtor's business, when:

(a) The person in possession signs ~~authenticates~~ a record acknowledging that it holds possession of the collateral for the secured party's benefit; or

(b) The person takes possession of the collateral after having signed ~~authenticated~~ a record acknowledging that the person will hold possession of the collateral for the secured party's benefit.

(4) If perfection of a security interest depends upon possession of the collateral by a secured party, perfection occurs not ~~no~~ earlier than the time the secured party takes possession and continues only while the secured party retains possession.

Section 87. Section 679.3141, Florida Statutes, is amended to read:

679.3141 Perfection by control.—

(1) A security interest in controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, investment property, or letter-of-credit rights ~~investment property, deposit accounts, letter-of-credit rights, electronic chattel paper, or electronic documents~~ may be perfected by control of the collateral under s. 677.106, s. 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, s. 679.1061, or s. 679.1071.

(2) A security interest in controllable accounts, controllable electronic records, controllable payment

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2553 intangibles, deposit accounts, electronic documents, electronic
 2554 money, or letter-of-credit rights deposit accounts, electronic
 2555 chattel paper, letter-of-credit rights, or electronic documents
 2556 is perfected by control under s. 677.106, s. 679.1041, s.
 2557 679.1052, s. 679.1053 ~~s. 679.1051~~, or s. 679.1071 not earlier
 2558 than the time when the secured party obtains control and remains
 2559 perfected by control only while the secured party retains
 2560 control.

2561 (3) A security interest in investment property is perfected
 2562 by control under s. 679.1061 not earlier than ~~from~~ the time the
 2563 secured party obtains control and remains perfected by control
 2564 until:

2565 (a) The secured party does not have control; and

2566 (b) One of the following occurs:

2567 1. If the collateral is a certificated security, the debtor
 2568 has or acquires possession of the security certificate;

2569 2. If the collateral is an uncertificated security, the
 2570 issuer has registered or registers the debtor as the registered
 2571 owner; or

2572 3. If the collateral is a security entitlement, the debtor
 2573 is or becomes the entitlement holder.

2574 Section 88. Section 679.3152, Florida Statutes, is created
 2575 to read:

2576 679.3152 Perfection by possession and control of chattel
 2577 paper.-

2578 (1) A secured party may perfect a security interest in
 2579 chattel paper by taking possession of each authoritative
 2580 tangible copy of the record evidencing the chattel paper and
 2581 obtaining control of each authoritative electronic copy of the

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2582 electronic record evidencing the chattel paper.

2583 (2) A security interest is perfected under subsection (1)
 2584 not earlier than the time the secured party takes possession and
 2585 obtains control and remains perfected under subsection (1) only
 2586 while the secured party retains possession and control.

2587 (3) Section 679.3131(3) and (5)-(8) applies to perfection
 2588 by possession of an authoritative tangible copy of a record
 2589 evidencing chattel paper.

2590 Section 89. Subsections (1) and (6) of section 679.3161,
 2591 Florida Statutes, are amended to read:

2592 679.3161 Continued perfection of security interest
 2593 following change in governing law.-

2594 (1) A security interest perfected pursuant to the law of
 2595 the jurisdiction designated in s. 679.3011(1), ~~or~~ s.
 2596 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected
 2597 until the earliest of:

2598 (a) The time perfection would have ceased under the law of
 2599 that jurisdiction;

2600 (b) The expiration of 4 months after a change of the
 2601 debtor's location to another jurisdiction; or

2602 (c) The expiration of 1 year after a transfer of collateral
 2603 to a person who thereby becomes a debtor and is located in
 2604 another jurisdiction.

2605 (6) A security interest in chattel paper, controllable
 2606 accounts, controllable electronic records, controllable payment
 2607 intangibles, deposit accounts, letter-of-credit rights, or
 2608 investment property which is perfected under the law of the
 2609 chattel paper's jurisdiction, the controllable electronic
 2610 record's jurisdiction, the bank's jurisdiction, the issuer's

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jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(a) The time the security interest would have become unperfected under the law of that jurisdiction; or

(b) The expiration of 4 months after a change of the applicable jurisdiction to another jurisdiction.

Section 90. Subsections (2) and (4) of section 679.3171, Florida Statutes, are amended, subsections (8) through (11) are added to that section, and subsection (1) of that section is republished, to read:

679.3171 Interests that take priority over or take free of security interest or agricultural lien.—

(1) A security interest or agricultural lien is subordinate to the rights of:

(a) A person entitled to priority under s. 679.322; and

(b) Except as otherwise provided in subsection (5), a person who becomes a lien creditor before the earlier of the time:

1. The security interest or agricultural lien is perfected; or

2. One of the conditions specified in s. 679.2031(2)(c) is met and a financing statement covering the collateral is filed.

(2) Except as otherwise provided in subsection (5), a buyer, other than a secured party, of ~~tangible chattel paper, tangible documents,~~ goods, instruments, tangible documents, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery

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of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(4) Subject to subsections (6), (7), and (8), a licensee of a general intangible or a buyer, other than a secured party, of collateral other than ~~electronic money tangible chattel paper,~~ tangible documents, goods, instruments, tangible documents, or a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

(8) A buyer, other than a secured party, of chattel paper takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and:

(a) Receives delivery of each authoritative tangible copy of the record evidencing the chattel paper; and

(b) If each authoritative electronic copy of the record evidencing the chattel paper can be subjected to control under s. 679.1052, obtains control of each authoritative electronic copy.

(9) A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected to control under s. 677.106, obtains control of each authoritative electronic copy.

(10) A buyer of a controllable electronic record takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and obtains control of the controllable electronic record.

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2669 (11) A buyer, other than a secured party, of a controllable
 2670 account or a controllable payment intangible takes free of a
 2671 security interest if, without knowledge of the security interest
 2672 and before it is perfected, the buyer gives value and obtains
 2673 control of the controllable account or controllable payment
 2674 intangible.

2675 Section 91. Subsections (4) and (6) of section 679.323,
 2676 Florida Statutes, are amended, and subsection (1) of that
 2677 section is republished, to read:

2678 679.323 Future advances.—

2679 (1) Except as otherwise provided in subsection (3), for
 2680 purposes of determining the priority of a perfected security
 2681 interest under s. 679.322(1)(a), perfection of the security
 2682 interest dates from the time an advance is made to the extent
 2683 that the security interest secures an advance that:

2684 (a) Is made while the security interest is perfected only:

2685 1. Under s. 679.3091 when it attaches; or

2686 2. Temporarily under s. 679.3121(5), (6), or (7); and

2687 (b) Is not made pursuant to a commitment entered into
 2688 before or while the security interest is perfected by a method
 2689 other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

2690 (4) Except as otherwise provided in subsection (5), a buyer
 2691 of goods ~~other than a buyer in ordinary course of business~~ takes
 2692 free of a security interest to the extent that it secures
 2693 advances made after the earlier of:

2694 (a) The time the secured party acquires knowledge of the
 2695 buyer's purchase; or

2696 (b) Forty-five days after the purchase.

2697 (6) Except as otherwise provided in subsection (7), a

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2698 lessee of goods, ~~other than a lessee in ordinary course of~~
 2699 ~~business~~, takes the leasehold interest free of a security
 2700 interest to the extent that it secures advances made after the
 2701 earlier of:

2702 (a) The time the secured party acquires knowledge of the
 2703 lease; or

2704 (b) Forty-five days after the lease contract becomes
 2705 enforceable.

2706 Section 92. Subsections (2) and (4) of section 679.324,
 2707 Florida Statutes, are amended to read:

2708 679.324 Priority of purchase-money security interests.—

2709 (2) Subject to subsection (3) and except as otherwise
 2710 provided in subsection (7), a perfected purchase-money security
 2711 interest in inventory has priority over a conflicting security
 2712 interest in the same inventory, has priority over a conflicting
 2713 security interest in chattel paper or an instrument constituting
 2714 proceeds of the inventory and in proceeds of the chattel paper,
 2715 if so provided in s. 679.330, and, except as otherwise provided
 2716 in s. 679.327, also has priority in identifiable cash proceeds
 2717 of the inventory to the extent the identifiable cash proceeds
 2718 are received on or before the delivery of the inventory to a
 2719 buyer, if:

2720 (a) The purchase-money security interest is perfected when
 2721 the debtor receives possession of the inventory;

2722 (b) The purchase-money secured party sends a signed an
 2723 ~~authenticated~~ notification to the holder of the conflicting
 2724 security interest;

2725 (c) The holder of the conflicting security interest
 2726 receives the notification within 5 years before the debtor

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receives possession of the inventory; and

(d) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in inventory of the debtor and describes the inventory.

(4) Subject to subsection (5) and except as otherwise provided in subsection (7), a perfected purchase-money security interest in livestock that are farm products has priority over a conflicting security interest in the same livestock, and, except as otherwise provided in s. 679.327, a perfected security interest in their identifiable proceeds and identifiable products in their unmanufactured states also has priority, if:

(a) The purchase-money security interest is perfected when the debtor receives possession of the livestock;

(b) The purchase-money secured party sends a signed and authenticated notification to the holder of the conflicting security interest;

(c) The holder of the conflicting security interest receives the notification within 6 months before the debtor receives possession of the livestock; and

(d) The notification states that the person sending the notification has or expects to acquire a purchase-money security interest in livestock of the debtor and describes the livestock.

Section 93. Section 679.3251, Florida Statutes, is created to read:

679.3251 Priority of security interest in controllable account, controllable electronic record, and controllable payment intangible.—A security interest in a controllable account, controllable electronic record, or controllable payment intangible held by a secured party having control of the

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account, electronic record, or payment intangible has priority over a conflicting security interest held by a secured party that does not have control.

Section 94. Subsections (1), (2), and (6) of section 679.330, Florida Statutes, are amended, and subsection (4) of that section is republished, to read:

679.330 Priority of purchaser of chattel paper or instrument.—

(1) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

(a) In good faith and in the ordinary course of the purchaser's business, the purchaser gives new value, ~~and~~ takes possession of each authoritative tangible copy of the record evidencing the chattel paper, and ~~or~~ obtains control under s. 679.1051 of each authoritative electronic copy of the record evidencing chattel paper ~~under s. 679.1051~~; and

(b) The authoritative copies of the record evidencing the chattel paper do ~~does~~ not indicate that the chattel paper ~~it~~ has been assigned to an identified assignee other than the purchaser.

(2) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value, ~~and~~ takes possession of each authoritative copy of the record evidencing the chattel paper, and ~~or~~ obtains control under s. 679.1051 of each authoritative electronic copy of the record evidencing the chattel paper ~~under s. 679.1051~~ in good faith, in the ordinary

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course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(4) Except as otherwise provided in s. 679.331(1), a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

(6) For purposes of subsections (2) and (4), if the authoritative copies of the record evidencing chattel paper or an instrument indicate ~~indicates~~ that the chattel paper or instrument ~~it~~ has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

Section 95. Section 679.331, Florida Statutes, is amended to read:

679.331 Priority of rights of purchasers of controllable accounts, controllable electronic records, controllable payment intangibles ~~instruments~~, documents, instruments, and securities under other articles; priority of interests in financial assets and security entitlements and protection against assertion of claim under chapters 669 and chapter ~~chapter~~ 678.—

(1) This chapter does not limit the rights of a holder in due course of a negotiable instrument, a holder to which a negotiable document of title has been duly negotiated, or a protected purchaser of a security, or a qualifying purchase of a controllable account, controllable electronic record, or controllable payment intangible. These holders or purchasers

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take priority over an earlier security interest, even if perfected, to the extent provided in chapters 669, 673, 677, and 678.

(2) This chapter does not limit the rights of or impose liability on a person to the extent that the person is protected against the assertion of an adverse claim under chapter 669 or chapter 678.

(3) Filing under this chapter does not constitute notice of a claim or defense to the holders, purchasers, or persons described in subsections (1) and (2).

Section 96. Section 679.332, Florida Statutes, is amended to read:

679.332 Transfer of money; transfer of funds from deposit account; transfer of electronic money.—

(1) A transferee of tangible money takes the money free of a security interest if the transferee receives possession of the money without acting ~~unless the transferee acts~~ in collusion with the debtor in violating the rights of the secured party.

(2) A transferee of funds from a deposit account takes the funds free of a security interest in the deposit account if the transferee receives the funds without acting ~~unless the transferee acts~~ in collusion with the debtor in violating the rights of the secured party.

(3) A transferee of electronic money takes the money free of a security interest if the transferee obtains control of the money without acting in collusion with the debtor in violating the rights of the secured party.

Section 97. Section 679.341, Florida Statutes, is amended to read:

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2843 679.341 Bank's rights and duties with respect to deposit
 2844 account.—Except as otherwise provided in s. 679.340(3), and
 2845 unless the bank otherwise agrees in a signed ~~an authenticated~~
 2846 record, a bank's rights and duties with respect to a deposit
 2847 account maintained with the bank are not terminated, suspended,
 2848 or modified by:

2849 (1) The creation, attachment, or perfection of a security
 2850 interest in the deposit account;

2851 (2) The bank's knowledge of the security interest; or

2852 (3) The bank's receipt of instructions from the secured
 2853 party.

2854 Section 98. Subsection (1) of section 679.4041, Florida
 2855 Statutes, is amended to read:

2856 679.4041 Rights acquired by assignee; claims and defenses
 2857 against assignee.—

2858 (1) Unless an account debtor has made an enforceable
 2859 agreement not to assert defenses or claims, and subject to
 2860 subsections (2)-(5) ~~(2) through (5)~~, the rights of an assignee
 2861 are subject to:

2862 (a) All terms of the agreement between the account debtor
 2863 and assignor and any defense or claim in recoupment arising from
 2864 the transaction that gave rise to the contract; and

2865 (b) Any other defense or claim of the account debtor
 2866 against the assignor which accrues before the account debtor
 2867 receives a notification of the assignment signed ~~authenticated~~
 2868 by the assignor or the assignee.

2869 Section 99. Subsections (1) through (4) and (7) of section
 2870 679.4061, Florida Statutes, are amended, and subsection (13) is
 2871 added to that section, to read:

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2872 679.4061 Discharge of account debtor; notification of
 2873 assignment; identification and proof of assignment; restrictions
 2874 on assignment of accounts, chattel paper, payment intangibles,
 2875 and promissory notes ineffective.—

2876 (1) Subject to subsections (2)-(9) ~~(2) through (9)~~ and
 2877 (13), an account debtor on an account, chattel paper, or a
 2878 payment intangible may discharge its obligation by paying the
 2879 assignor until, but not after, the account debtor receives a
 2880 notification, signed ~~authenticated~~ by the assignor or the
 2881 assignee, that the amount due or to become due has been assigned
 2882 and that payment is to be made to the assignee. After receipt of
 2883 the notification, the account debtor may discharge its
 2884 obligation by paying the assignee and may not discharge the
 2885 obligation by paying the assignor.

2886 (2) Subject to subsections (8) and (13) ~~subsection (8)~~,
 2887 notification is ineffective under subsection (1):

2888 (a) If it does not reasonably identify the rights assigned;

2889 (b) To the extent that an agreement between an account
 2890 debtor and a seller of a payment intangible limits the account
 2891 debtor's duty to pay a person other than the seller and the
 2892 limitation is effective under law other than this chapter; or

2893 (c) At the option of an account debtor, if the notification
 2894 notifies the account debtor to make less than the full amount of
 2895 any installment or other periodic payment to the assignee, even
 2896 if:

2897 1. Only a portion of the account, chattel paper, or payment
 2898 intangible has been assigned to that assignee;

2899 2. A portion has been assigned to another assignee; or

2900 3. The account debtor knows that the assignment to that

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assignee is limited.

(3) Subject to subsections (8) and (13) ~~subsection (8)~~, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection (1).

(4) For the purposes of this subsection, the term "promissory note" includes a negotiable instrument that evidences chattel paper. Except as otherwise provided in subsections (5) and (12) and ss. 680.303 and 679.4071, and subject to subsection (8), a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(a) Prohibits, restricts, or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account, chattel paper, payment intangible, or promissory note; or

(b) Provides that the assignment or transfer or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible, or promissory note.

(7) Subject to subsections (8) and (13) ~~subsection (8)~~, an account debtor may not waive or vary its option under paragraph (2) (c).

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(13) Subsections (1), (2), (3), and (7) do not apply to a controllable account or controllable payment intangible.

Section 100. Subsection (9) is added to section 679.4081, Florida Statutes, to read:

679.4081 Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles ineffective.—

(9) For the purposes of this section, the term "promissory note" includes a negotiable instrument that evidences chattel paper.

Section 101. Subsections (1) and (2) of section 679.509, Florida Statutes, are amended to read:

679.509 Persons entitled to file a record.—

(1) A person may file an initial financing statement, amendment that adds collateral covered by a financing statement, or amendment that adds a debtor to a financing statement only if:

(a) The debtor authorizes the filing in a signed and authenticated ~~authenticated~~ record or pursuant to subsection (2) or subsection (3); or

(b) The person holds an agricultural lien that has become effective at the time of filing and the financing statement covers only collateral in which the person holds an agricultural lien.

(2) By signing ~~authenticating~~ or becoming bound as a debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

(a) The collateral described in the security agreement; and

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2959 (b) Property that becomes collateral under s.
 2960 679.3151(1)(b), whether or not the security agreement expressly
 2961 covers proceeds.

2962 Section 102. Subsections (2) and (3) of section 679.513,
 2963 Florida Statutes, are amended to read:

2964 679.513 Termination statement.—

2965 (2) To comply with subsection (1), a secured party shall
 2966 cause the secured party of record to file the termination
 2967 statement:

2968 (a) Within 1 month after there is no obligation secured by
 2969 the collateral covered by the financing statement and no
 2970 commitment to make an advance, incur an obligation, or otherwise
 2971 give value; or

2972 (b) If earlier, within 20 days after the secured party
 2973 receives a signed ~~an authenticated~~ demand from a debtor.

2974 (3) In cases not governed by subsection (1), within 20 days
 2975 after a secured party receives a signed ~~an authenticated~~ demand
 2976 from a debtor, the secured party shall cause the secured party
 2977 of record for a financing statement to send to the debtor a
 2978 termination statement for the financing statement or file the
 2979 termination statement in the filing office if:

2980 (a) Except in the case of a financing statement covering
 2981 accounts or chattel paper that has been sold or goods that are
 2982 the subject of a consignment, there is no obligation secured by
 2983 the collateral covered by the financing statement and no
 2984 commitment to make an advance, incur an obligation, or otherwise
 2985 give value;

2986 (b) The financing statement covers accounts or chattel
 2987 paper that has been sold but as to which the account debtor or

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2988 other person obligated has discharged its obligation;

2989 (c) The financing statement covers goods that were the
 2990 subject of a consignment to the debtor but are not in the
 2991 debtor's possession; or

2992 (d) The debtor did not authorize the filing of the initial
 2993 financing statement.

2994 Section 103. Subsection (2) of section 679.601, Florida
 2995 Statutes, is amended, and subsection (4) of that section is
 2996 republished, to read:

2997 679.601 Rights after default; judicial enforcement;
 2998 consignor or buyer of accounts, chattel paper, payment
 2999 intangibles, or promissory notes.—

3000 (2) A secured party in possession of collateral or control
 3001 of collateral under s. 679.1041, s. 679.1051, s. 679.1052, s.
 3002 679.1053, s. 679.1061, or s. 679.1071 has the rights and duties
 3003 provided in s. 679.2071.

3004 (4) Except as otherwise provided in subsection (7) and s.
 3005 679.605, after default, a debtor and an obligor have the rights
 3006 provided in this part and by agreement of the parties.

3007 Section 104. Subsection (4) of section 679.604, Florida
 3008 Statutes, is amended to read:

3009 679.604 Procedure if security agreement covers real
 3010 property or fixtures.—

3011 (4) A secured party that removes collateral shall promptly
 3012 reimburse any encumbrancer or owner of the real property, other
 3013 than the debtor, for the cost of repair of any physical injury
 3014 caused by the removal. The secured party need not reimburse the
 3015 encumbrancer or owner for any diminution in value of the real
 3016 property caused by the absence of the goods removed or by any

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necessity of replacing them. A person entitled to reimbursement may refuse permission to remove until the secured party gives adequate assurance for the performance of the obligation to reimburse. This subsection does not prohibit a secured party and the person entitled to reimbursement from entering into a signed an authenticated record providing for the removal of fixtures and reimbursement for any damage caused thereby.

Section 105. Section 679.605, Florida Statutes, is amended to read:

679.605 Unknown debtor or secondary obligor.—

(1) Except as provided in subsection (2), a secured party does not owe a duty based on its status as secured party:

(a)(1) To a person who is a debtor or obligor, unless the secured party knows:

1.(a) That the person is a debtor or obligor;

2.(b) The identity of the person; and

3.(c) How to communicate with the person; or

(b)(2) To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

1.(a) That the person is a debtor; and

2.(b) The identity of the person.

(2) A secured party owes a duty based on its status as a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(a) The person is a debtor or obligor; and

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(b) The secured party knows that the information relating to the person in subparagraph (1)(a)1., subparagraph (1)(a)2., or subparagraph (1)(a)3. is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

Section 106. Paragraph (a) of subsection (1) and subsection (3) of section 679.608, Florida Statutes, are amended to read:

679.608 Application of proceeds of collection or enforcement; liability for deficiency and right to surplus.—

(1) If a security interest or agricultural lien secures payment or performance of an obligation, the following rules apply:

(a) A secured party shall apply or pay over for application the cash proceeds of collection or enforcement under s. 679.607 in the following order to:

1. The reasonable expenses of collection and enforcement and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

2. The satisfaction of obligations secured by the security interest or agricultural lien under which the collection or enforcement is made; and

3. The satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives a signed an authenticated demand for proceeds before distribution of the proceeds is completed.

(3) If the secured party in good faith cannot determine the

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3075 validity, extent, or priority of a subordinate security interest
 3076 or other lien or there are conflicting claims of subordinate
 3077 interests or liens, the secured party may commence an
 3078 interpleader action with respect to remaining proceeds in excess
 3079 of \$2,500 in the circuit or county court, as applicable based
 3080 upon the amount to be deposited, where the collateral was
 3081 located or collected or in the county where the debtor has its
 3082 chief executive office or principal residence in this state, as
 3083 applicable. If authorized in a signed ~~an authenticated~~ record,
 3084 the interpleading secured party is entitled to be paid from the
 3085 remaining proceeds the actual costs of the filing fee and an
 3086 ~~attorney~~ attorney's fee in the amount of \$250 incurred in
 3087 connection with filing the interpleader action and obtaining an
 3088 order approving the interpleader of funds. The debtor in a
 3089 consumer transaction may not be assessed for the reasonable
 3090 ~~attorney~~ attorney's fees and costs incurred in the interpleader
 3091 action by the holders of subordinate security interests or other
 3092 liens based upon disputes among said holders, and a debtor in a
 3093 transaction other than a consumer transaction may only recover
 3094 such fees and costs to the extent provided for in a signed ~~an~~
 3095 ~~authenticated~~ record. If authorized in a signed ~~an authenticated~~
 3096 record, the court in the interpleader action may award
 3097 reasonable ~~attorney~~ attorney's fees and costs to the prevailing
 3098 party in a dispute between the debtor and a holder of a security
 3099 interest or lien which claims an interest in the remaining
 3100 interplead proceeds, but only if the debtor challenges the
 3101 validity, priority, or extent of said security interest or lien.
 3102 Except as provided in this subsection, a debtor may not be
 3103 assessed reasonable attorney ~~attorney's~~ fees and costs incurred

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3104 by any party in an interpleader action commenced under this
 3105 section.
 3106 Section 107. Subsections (1), (2), (3), (5), and (6) of
 3107 section 679.611, Florida Statutes, are amended to read:
 3108 679.611 Notification before disposition of collateral.—
 3109 (1) In this section, the term "notification date" means the
 3110 earlier of the date on which:
 3111 (a) A secured party sends to the debtor and any secondary
 3112 obligor a signed ~~an authenticated~~ notification of disposition;
 3113 or
 3114 (b) The debtor and any secondary obligor waive the right to
 3115 notification.
 3116 (2) Except as otherwise provided in subsection (4), a
 3117 secured party that disposes of collateral under s. 679.610 shall
 3118 send to the persons specified in subsection (3) a reasonable
 3119 signed ~~authenticated~~ notification of disposition.
 3120 (3) To comply with subsection (2), the secured party shall
 3121 send a signed ~~an authenticated~~ notification of disposition to:
 3122 (a) The debtor;
 3123 (b) Any secondary obligor; and
 3124 (c) If the collateral is other than consumer goods:
 3125 1. Any other person from whom the secured party has
 3126 received, before the notification date, a signed ~~an~~
 3127 ~~authenticated~~ notification of a claim of an interest in the
 3128 collateral;
 3129 2. Any other secured party or lienholder that, 10 days
 3130 before the notification date, held a security interest in or
 3131 other lien on the collateral perfected by the filing of a
 3132 financing statement that:

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3133 a. Identified the collateral;
 3134 b. Was indexed under the debtor's name as of that date; and
 3135 c. Was filed in the office in which to file a financing
 3136 statement against the debtor covering the collateral as of that
 3137 date; and
 3138 3. Any other secured party that, 10 days before the
 3139 notification date, held a security interest in the collateral
 3140 perfected by compliance with a statute, regulation, or treaty
 3141 described in s. 679.3111(1).
 3142 (5) A secured party complies with the requirement for
 3143 notification prescribed by subparagraph (3)(c)2. if:
 3144 (a) Not later than 20 days or earlier than 30 days before
 3145 the notification date, the secured party requests, in a
 3146 commercially reasonable manner, information concerning financing
 3147 statements indexed under the debtor's name in the office
 3148 indicated in subparagraph (3)(c)2.; and
 3149 (b) Before the notification date, the secured party:
 3150 1. Did not receive a response to the request for
 3151 information; or
 3152 2. Received a response to the request for information and
 3153 sent a signed ~~an authenticated~~ notification of disposition to
 3154 each secured party or other lienholder named in that response
 3155 whose financing statement covered the collateral.
 3156 (6) For purposes of subsection (3), the secured party may
 3157 send the signed ~~authenticated~~ notification as follows:
 3158 (a) If the collateral is other than consumer goods, to the
 3159 debtor at the address in the financing statement, unless the
 3160 secured party has received a signed ~~an authenticated~~ record from
 3161 the debtor notifying the secured party of a different address

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3162 for such notification purposes or the secured party has actual
 3163 knowledge of the address of the debtor's chief executive office
 3164 or principal residence, as applicable, at the time the
 3165 notification is sent;
 3166 (b) If the collateral is other than consumer goods, to any
 3167 secondary obligor at the address, if any, in the signed
 3168 ~~authenticated~~ agreement, unless the secured party has received a
 3169 signed ~~an authenticated~~ record from the secondary obligor
 3170 notifying the secured party of a different address for such
 3171 notification purposes or the secured party has actual knowledge
 3172 of the address of the secondary obligor's chief executive office
 3173 or principal residence, as applicable, at the time the
 3174 notification is sent; and
 3175 (c) If the collateral is other than consumer goods:
 3176 1. To the person described in subparagraph (3)(c)1., at the
 3177 address stated in the notification;
 3178 2. To the person described in subparagraph (3)(c)2., at the
 3179 address stated in the financing statement;
 3180 3. To the person described in subparagraph (3)(c)3., at the
 3181 address stated in the official records of the recording or
 3182 registration agency.
 3183 Section 108. Subsection (5) of section 679.613, Florida
 3184 Statutes, is amended to read:
 3185 679.613 Contents and form of notification before
 3186 disposition of collateral; general.—Except in a consumer-goods
 3187 transaction, the following rules apply:
 3188 (5)(a) The following form of notification and the form
 3189 appearing in s. 679.614(3)(a) ~~s. 679.614(3)~~, when completed in
 3190 accordance with the instructions in paragraph (b), each provides

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3191 sufficient information:

3192

3193 NOTIFICATION OF DISPOSITION

3194 OF COLLATERAL

3195

3196 To:...(Name of debtor, obligor, or other person to which the
3197 notification is sent)...

3198 From:...(Name, address, and telephone number of secured
3199 party)...

3200 Item 1. Name of any debtor that is not an addressee
3201 ~~Debtor(s):...(Name of each debtor Include only if debtor(s) are~~
3202 ~~not an addressee)...~~

3203 ~~{For a public disposition:}~~

3204 Item 2. We will sell for lease or license, as applicable,
3205 the ...(describe collateral)...to the highest qualified bidder
3206 at public sale. A sale could include a lease or a license. The
3207 sale will be held in public as follows:

3208 Day and Date:

3209 Time:

3210 Place:

3211 ~~{For a private disposition:}~~

3212 Item 3. We will sell for lease or license, as applicable,
3213 the ...(describe collateral)... at a private sale privately
3214 sometime after ...(day and date).... A sale could include a
3215 lease or a license.

3216 Item 4. You are entitled to an accounting of the unpaid
3217 indebtedness secured by the property that we intend to sell or,
3218 as applicable, for lease or license.

3219 Item 5. If you request an accounting, you must pay, as

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3220 ~~applicable~~ for a charge of \$....

3221 Item 6. You may request an accounting by calling us at
3222 ...(telephone number)....

3223 (b) The following instructions apply to the form set forth
3224 in paragraph (a):

3225 1. Do not include the item numbers in the notification, as
3226 they are used only for the purpose of clarification.

3227 2. Include and complete Item 1 only if there is a debtor
3228 that is not an addressee of the notification and list the name
3229 or names.

3230 3. Include and complete either Item 2, if the notification
3231 relates to a public disposition of the collateral, or Item 3, if
3232 the notification relates to a private disposition of the
3233 collateral. If Item 2 is completed, include the words "to the
3234 highest qualified bidder" only if applicable.

3235 4. Include and complete Items 4 and 6.

3236 5. Include and complete Item 5 only if the sender will
3237 charge the recipient for an accounting.

3238 Section 109. Subsection (3) of section 679.614, Florida
3239 Statutes, is amended to read:

3240 679.614 Contents and form of notification before
3241 disposition of collateral; consumer-goods transaction.—In a
3242 consumer-goods transaction, the following rules apply:

3243 (3) (a) The following form of notification, when completed
3244 in accordance with the instructions set forth in paragraph (b),
3245 provides sufficient information:

3246

3247 ... (Name and address of secured party)...

3248 ... (Date)...

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NOTICE OF OUR PLAN TO SELL PROPERTY

...(Name and address of any obligor who is also a debtor)...

Subject:...(~~Identify~~ Identification of Transaction)...

We have your ...(describe collateral)..., because you broke promises in our agreement.

~~{For a public disposition:}~~

Item 1. We will sell ...(describe collateral)... at public sale. A sale could include a lease or license. The sale will be held as follows:

Date:

Time:

Place:

You may attend the sale and bring bidders ~~if you want.~~

~~{For a private disposition:}~~

Item 2. We will sell ...(describe collateral)... at private sale sometime after ...(date).... A sale could include a lease or license.

Item 3. The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you ...(will or will not, as applicable)... still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

Item 4. You can get the property back at any time before we sell it by paying us the full amount you owe, ~~{not just the past due payments}~~, including our expenses. To learn the exact amount you must pay, call us at ...(telephone number)....

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Item 5. If you want us to explain to you ...(in writing or in description of electronic record)... how we have figured the amount that you owe us, Item 6. ~~you may~~ call us at ...(telephone number)..., ~~or~~ write us at ...(secured party's address)..., or contact us by ...(description of electronic communication method)... Item 7. and request a written explanation, an explanation in ...(description of electronic record)...

Item 8. We will charge you \$.... for the explanation if we sent you another written explanation of the amount you owe us within the last 6 months.

Item 9. If you need more information about the sale, call us at ...(telephone number)...., ~~or~~ write us at ...(secured party's address)..., or contact us by ...(description of electronic communication method)...

Item 10. We are sending this notice to the following other people who have an interest in ...(describe collateral)... or who owe money under your agreement:

...(Names of all other debtors and obligors, if any)...

(b) The following instructions apply to the form of notification in paragraph (a):

1. The instructions in this paragraph refer to the numbers before items in the form of notification in paragraph (a). Do not include the numbers in the notification. The numbers are used only for the purpose of these instructions.

2. Include and complete either Item 1, if the notification relates to a public disposition of the collateral, or Item 2, if the notification relates to a private disposition of the collateral.

3. Include and complete Items 3, 4, 5, 6, and 7.

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3307 4. In Item 5, include and complete any one of the three
 3308 alternative methods for the explanation identified in paragraph
 3309 (a).

3310 5. In Item 6, include the telephone number. In addition,
 3311 the sender may include and complete either or both of the two
 3312 additional alternative methods of communication identified in
 3313 paragraph (a) for the recipient of the notification to
 3314 communicate with the sender. Neither of the two additional
 3315 methods of communication is required to be included.

3316 6. In Item 7, include and complete the method or methods
 3317 for the explanation—writing, writing or electronic record, or
 3318 electronic record—included in Item 5.

3319 7. Include and complete Item 8 only if a written
 3320 explanation is included in Item 5 as a method for communicating
 3321 the explanation and the sender will charge the recipient for
 3322 another written explanation.

3323 8. In Item 9, include either the telephone number or the
 3324 address, or both. In addition, the sender may include and
 3325 complete the additional method of communication identified in
 3326 paragraph (a) for the recipient of the notification to
 3327 communicate with the sender. The additional method of electronic
 3328 communication is not required to be included.

3329 9. If Item 10 does not apply, insert "None" after
 3330 "agreement:."

3331 Section 110. Subsection (1) of section 679.615, Florida
 3332 Statutes, is amended to read:

3333 679.615 Application of proceeds of disposition; liability
 3334 for deficiency and right to surplus.—
 3335 (1) A secured party shall apply or pay over for application

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3336 the cash proceeds of disposition under s. 679.610 in the
 3337 following order to:

3338 (a) The reasonable expenses of retaking, holding, preparing
 3339 for disposition, processing, and disposing, and, to the extent
 3340 provided for by agreement and not prohibited by law, reasonable
 3341 attorney's fees and legal expenses incurred by the secured
 3342 party;

3343 (b) The satisfaction of obligations secured by the security
 3344 interest or agricultural lien under which the disposition is
 3345 made;

3346 (c) The satisfaction of obligations secured by any
 3347 subordinate security interest in or other subordinate lien on
 3348 the collateral if:

3349 1. The secured party receives from the holder of the
 3350 subordinate security interest or other lien a signed ~~an~~
 3351 ~~authenticated~~ demand for proceeds before distribution of the
 3352 proceeds is completed; and

3353 2. In a case in which a consignor has an interest in the
 3354 collateral, the subordinate security interest or other lien is
 3355 senior to the interest of the consignor; and

3356 (d) A secured party that is a consignor of the collateral
 3357 if the secured party receives from the consignor a signed ~~an~~
 3358 ~~authenticated~~ demand for proceeds before distribution of the
 3359 proceeds is completed.

3360 Section 111. Subsections (1), (2), and (3) of section
 3361 679.616, Florida Statutes, are amended to read:

3362 679.616 Explanation of calculation of surplus or
 3363 deficiency.—
 3364 (1) In this section, the term:

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3365 (a) "Explanation" means a record ~~writing~~ that:

3366 1. States the amount of the surplus or deficiency;

3367 2. Provides an explanation in accordance with subsection

3368 (3) of how the secured party calculated the surplus or

3369 deficiency;

3370 3. States, if applicable, that future debits, credits,

3371 charges, including additional credit service charges or

3372 interest, rebates, and expenses may affect the amount of the

3373 surplus or deficiency; and

3374 4. Provides a telephone number or mailing address from

3375 which additional information concerning the transaction is

3376 available.

3377 (b) "Request" means a record:

3378 1. Signed ~~Authenticated~~ by a debtor or consumer obligor;

3379 2. Requesting that the recipient provide an explanation;

3380 and

3381 3. Sent after disposition of the collateral under s.

3382 679.610.

3383 (2) In a consumer-goods transaction in which the debtor is

3384 entitled to a surplus or a consumer obligor is liable for a

3385 deficiency under s. 679.615, the secured party shall:

3386 (a) Send an explanation to the debtor or consumer obligor,

3387 as applicable, after the disposition and:

3388 1. Before or when the secured party accounts to the debtor

3389 and pays any surplus or first makes ~~written~~ demand in a record

3390 on the consumer obligor after the disposition for payment of the

3391 deficiency; and

3392 2. Within 14 days after receipt of a request; or

3393 (b) In the case of a consumer obligor who is liable for a

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3394 deficiency, within 14 days after receipt of a request, send to

3395 the consumer obligor a record waiving the secured party's right

3396 to a deficiency.

3397 (3) To comply with subparagraph (1)(a)2., an explanation ~~a~~

3398 ~~writing~~ must provide the following information in the following

3399 order:

3400 (a) The aggregate amount of obligations secured by the

3401 security interest under which the disposition was made, and, if

3402 the amount reflects a rebate of unearned interest or credit

3403 service charge, an indication of that fact, calculated as of a

3404 specified date:

3405 1. If the secured party takes or receives possession of the

3406 collateral after default, not more than 35 days before the

3407 secured party takes or receives possession; or

3408 2. If the secured party takes or receives possession of the

3409 collateral before default or does not take possession of the

3410 collateral, not more than 35 days before the disposition;

3411 (b) The amount of proceeds of the disposition;

3412 (c) The aggregate amount of the obligations after deducting

3413 the amount of proceeds;

3414 (d) The amount, in the aggregate or by type, and types of

3415 expenses, including expenses of retaking, holding, preparing for

3416 disposition, processing, and disposing of the collateral, and

3417 attorney's fees secured by the collateral which are known to the

3418 secured party and relate to the current disposition;

3419 (e) The amount, in the aggregate or by type, and types of

3420 credits, including rebates of interest or credit service

3421 charges, to which the obligor is known to be entitled and which

3422 are not reflected in the amount in paragraph (a); and

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3423 (f) The amount of the surplus or deficiency.
 3424 Section 112. Subsection (1) of section 679.619, Florida
 3425 Statutes, is amended to read:
 3426 679.619 Transfer of record or legal title.—
 3427 (1) In this section, the term “transfer statement” means a
 3428 record signed ~~authenticated~~ by a secured party stating:
 3429 (a) That the debtor has defaulted in connection with an
 3430 obligation secured by specified collateral;
 3431 (b) That the secured party has exercised its post-default
 3432 remedies with respect to the collateral;
 3433 (c) That, by reason of the exercise, a transferee has
 3434 acquired the rights of the debtor in the collateral; and
 3435 (d) The name and mailing address of the secured party,
 3436 debtor, and transferee.
 3437 Section 113. Subsections (1), (2), (3), and (6) of section
 3438 679.620, Florida Statutes, are amended to read:
 3439 679.620 Acceptance of collateral in full or partial
 3440 satisfaction of obligation; compulsory disposition of
 3441 collateral.—
 3442 (1) Except as otherwise provided in subsection (7), a
 3443 secured party may accept collateral in full or partial
 3444 satisfaction of the obligation it secures only if:
 3445 (a) The debtor consents to the acceptance under subsection
 3446 (3);
 3447 (b) The secured party does not receive, within the time set
 3448 forth in subsection (4), a notification of objection to the
 3449 proposal signed ~~authenticated~~ by:
 3450 1. A person to whom the secured party was required to send
 3451 a proposal under s. 679.621; or

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3452 2. Any other person, other than the debtor, holding an
 3453 interest in the collateral subordinate to the security interest
 3454 that is the subject of the proposal;
 3455 (c) If the collateral is consumer goods, the collateral is
 3456 not in the possession of the debtor when the debtor consents to
 3457 the acceptance; and
 3458 (d) Subsection (5) does not require the secured party to
 3459 dispose of the collateral or the debtor waives the requirement
 3460 pursuant to s. 679.624.
 3461 (2) A purported or apparent acceptance of collateral under
 3462 this section is ineffective unless:
 3463 (a) The secured party consents to the acceptance in a
 3464 signed ~~an authenticated~~ record or sends a proposal to the
 3465 debtor; and
 3466 (b) The conditions of subsection (1) are met.
 3467 (3) For purposes of this section:
 3468 (a) A debtor consents to an acceptance of collateral in
 3469 partial satisfaction of the obligation it secures only if the
 3470 debtor agrees to the terms of the acceptance in a record signed
 3471 ~~authenticated~~ after default; and
 3472 (b) A debtor consents to an acceptance of collateral in
 3473 full satisfaction of the obligation it secures only if the
 3474 debtor agrees to the terms of the acceptance in a record signed
 3475 ~~authenticated~~ after default or the secured party:
 3476 1. Sends to the debtor after default a proposal that is
 3477 unconditional or subject only to a condition that collateral not
 3478 in the possession of the secured party be preserved or
 3479 maintained;
 3480 2. In the proposal, proposes to accept collateral in full

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satisfaction of the obligation it secures, and, in a consumer transaction, provides notice that the proposal will be deemed accepted if it is not objected to by an authenticated notice within 30 days after the date the proposal is sent by the secured party; and

3. Does not receive a notification of objection signed ~~authenticated~~ by the debtor within 30 days after the proposal is sent.

(6) To comply with subsection (5), the secured party shall dispose of the collateral:

(a) Within 90 days after taking possession; or

(b) Within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and signed ~~authenticated~~ after default.

Section 114. Subsection (1) of section 679.621, Florida Statutes, is amended to read:

679.621 Notification of proposal to accept collateral.—

(1) A secured party that desires to accept collateral in full or partial satisfaction of the obligation it secures shall send its proposal to:

(a) Any person from whom the secured party has received, before the debtor consented to the acceptance, a signed ~~an authenticated~~ notification of a claim of an interest in the collateral;

(b) Any other secured party or lienholder that, 10 days before the debtor consented to the acceptance, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

1. Identified the collateral;

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2. Was indexed under the debtor's name as of that date; and

3. Was filed in the office or offices in which to file a financing statement against the debtor covering the collateral as of that date; and

(c) Any other secured party that, 10 days before the debtor consented to the acceptance, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in s. 679.3111(1).

Section 115. Section 679.624, Florida Statutes, is amended to read:

679.624 Waiver.—

(1) A debtor or secondary obligor may waive the right to notification of disposition of collateral under s. 679.611 only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

(2) A debtor may waive the right to require disposition of collateral under s. 679.620(5) only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

(3) Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under s. 679.623 only by an agreement to that effect entered into and signed ~~authenticated~~ after default.

Section 116. Subsections (1) and (5) of section 679.625, Florida Statutes, are amended, and subsections (3), (6), and (7) are republished, to read:

679.625 Remedies for failure to comply with article.—

(1) If it is established that a secured party is not proceeding in accordance with this chapter, a court may order or restrain collection, enforcement, or disposition of collateral

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on appropriate terms and conditions. This subsection ~~does shall~~ not preclude a debtor other than a consumer and a secured party, or two or more secured parties in other than a consumer transaction, from agreeing in a ~~signed an authenticated~~ record that the debtor or secured party must first provide to the alleged offending secured party notice of a violation of this chapter and opportunity to cure before commencing any legal proceeding under this section.

(3) Except as otherwise provided in s. 679.628:

(a) A person who, at the time of the failure, was a debtor, was an obligor, or held a security interest in or other lien on the collateral may recover damages under subsection (2) for the person's loss; and

(b) If the collateral is consumer goods, a person who was a debtor or a secondary obligor at the time a secured party failed to comply with this part may recover for that failure in any event an amount not less than the credit service charge plus 10 percent of the principal amount of the obligation or the time-price differential plus 10 percent of the cash price.

(5) In lieu of damages recoverable under subsection (2), the debtor, consumer obligor, or person named as a debtor in a filed record, as applicable, may recover \$500 in each case from a person who:

(a) Fails to comply with s. 679.2081;

(b) Fails to comply with s. 679.209;

(c) Files a record that the person is not entitled to file under s. 679.509(1);

(d) Fails to cause the secured party of record to file or send a termination statement as required by s. 679.513(1) or (3)

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after receipt of a signed ~~an authenticated~~ record notifying the person of such noncompliance;

(e) Fails to comply with s. 679.616(2) (a) and whose failure is part of a pattern, or consistent with a practice, of noncompliance; or

(f) Fails to comply with s. 679.616(2) (b).

(6) A debtor or consumer obligor may recover damages under subsection (2) and, in addition, \$500 in each case from a person who, without reasonable cause, fails to comply with a request under s. 679.210. A recipient of a request under s. 679.210 which never claimed an interest in the collateral or obligations that are the subject of a request under that section has a reasonable excuse for failure to comply with the request within the meaning of this subsection.

(7) If a secured party fails to comply with a request regarding a list of collateral or a statement of account under s. 679.210, the secured party may claim a security interest only as shown in the list or statement included in the request as against a person who is reasonably misled by the failure.

Section 117. Subsections (1) and (2) of section 679.628, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

679.628 Nonliability and limitation on liability of secured party; liability of secondary obligor.—

(1) Subject to subsection (6), unless a secured party knows that a person is a debtor or obligor, knows the identity of the person, and knows how to communicate with the person:

(a) The secured party is not liable to the person, or to a secured party or lienholder that has filed a financing statement

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against the person, for failure to comply with this chapter; and

(b) The secured party's failure to comply with this chapter does not affect the liability of the person for a deficiency.

(2) Subject to subsection (6), a secured party is not liable because of its status as a secured party:

(a) To a person who is a debtor or obligor, unless the secured party knows:

1. That the person is a debtor or obligor;
2. The identity of the person; and
3. How to communicate with the person; or

(b) To a secured party or lienholder that has filed a financing statement against a person, unless the secured party knows:

1. That the person is a debtor; and
2. The identity of the person.

(6) Subsections (1) and (2) do not apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(a) The person is a debtor or obligor; and

(b) The secured party knows that the information in subparagraph (2)(a)1., subparagraph (2)(a)2., or subparagraph (2)(a)3., relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

Section 118. Part IX of chapter 670, Florida Statutes,

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consisting of ss. 679.901 and 679.902, Florida Statutes, is created and entitled "Transitional Provisions."

Section 119. Section 679.901, Florida Statutes, is created to read:

679.901 Saving clause.—Except as otherwise provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025, and the rights duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 120. Section 679.902, Florida Statutes, is created to read:

679.902 Transitional provisions.—Effective July 1, 2025, chapter 679 shall be amended by this act, including the transitional provisions for chapters 669 and 679, as amended by this act, as provided in part II of chapter 669.

Section 121. Section 680.1021, Florida Statutes, is amended to read:

680.1021 Scope.—

(1) This chapter applies to any transaction, regardless of form, that creates a lease and, in the case of a hybrid lease, applies to the extent provided in subsection (2).

(2) In a hybrid lease, both of the following apply:

(a) If the lease-of-goods aspects do not predominate:

1. Only the provisions of this chapter which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the

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transaction as a whole do not apply;

2. Section 608.209 applies if the lease is a finance lease; and

3. Section 608.407 applies to the promises of the lessee in a finance lease to the extent that the promises are consideration for the right to possession and use of the leased goods.

(b) If the lease-of-goods aspects predominate, this chapter applies to the transaction, but does not preclude application in appropriate circumstances of other law to aspects of the lease which do not relate to the lease of goods.

Section 122. Present paragraphs (i) through (z) of subsection (1) of section 680.1031, Florida Statutes, are redesignated as paragraphs (j) through (aa), respectively, a new paragraph (i) is added to that subsection, and paragraphs (a), (d), (e), (f), (h), (j), (l), and (m) of subsection (3) of that section are amended, to read:

680.1031 Definitions and index of definitions.—

(1) In this chapter, unless the context otherwise requires:

(i) "Hybrid lease" means a single transaction involving a lease of goods and:

1. The provision of services;

2. A sale of other goods; or

3. A sale, lease, or license of property other than goods.

(3) The following definitions in other chapters of this code apply to this chapter:

(a) "Account," s. 679.1021(1) ~~s. 679.1021(1)(b)~~.

(d) "Chattel paper," s. 679.1021(1) ~~s. 679.1021(1)(k)~~.

(e) "Consumer goods," s. 679.1021(1) ~~s. 679.1021(1)(w)~~.

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(f) "Document," s. 679.1021(1) ~~s. 679.1021(1)(dd)~~.

(h) "General intangible," s. 679.1021(1) ~~s. 679.1021(1)(pp)~~.

(j) "Instrument," s. 679.1021(1) ~~s. 679.1021(1)(uu)~~.

(l) "Mortgage," s. 679.1021(1) ~~s. 679.1021(1)(cc)~~.

(m) "Pursuant to a commitment," s. 679.1021(1) ~~s. 679.1021(1)(pp)~~.

Section 123. Section 680.1071, Florida Statutes, is amended to read:

680.1071 Waiver or renunciation of claim or right after default.—Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a ~~written~~ waiver or renunciation in a signed record and delivered by the aggrieved party.

Section 124. Subsections (1), (3), and (5) of section 680.201, Florida Statutes, are amended to read:

680.201 Statute of frauds.—

(1) A lease contract is not enforceable by way of action or defense unless:

(a) In a lease contract that is not a consumer lease, the total payments to be made under the lease contract, excluding payments for options to renew or buy, are less than \$1,000; or

(b) There is a record writing, signed by the party against whom enforcement is sought or by that party's authorized agent, sufficient to indicate that a lease contract has been made between the parties and to describe the goods leased and the lease term.

(3) A record writing is not insufficient because it omits or incorrectly states a term agreed upon, but the lease contract

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is not enforceable under paragraph (1)(b) beyond the lease term and the quantity of goods shown in the record writing.

(5) The lease term under a lease contract referred to in subsection (4) is:

(a) If there is a record writing signed by the party against whom enforcement is sought or by that party's authorized agent specifying the lease term, the term so specified;

(b) If the party against whom enforcement is sought admits in that party's pleading, testimony, or otherwise in court a lease term, the term so admitted; or

(c) A reasonable lease term.

Section 125. Section 680.202, Florida Statutes, is amended to read:

680.202 Final ~~written~~ expression: parol or extrinsic evidence.—Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a record writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(1) By course of dealing or usage of trade or by course of performance; and

(2) By evidence of consistent additional terms unless the court finds the record writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Section 126. Section 680.203, Florida Statutes, is amended to read:

680.203 Seals inoperative.—The affixing of a seal to a

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record writing evidencing a lease contract or an offer to enter into a lease contract does not render the record writing a sealed instrument, and the law with respect to sealed instruments does not apply to the lease contract or offer.

Section 127. Section 680.205, Florida Statutes, is amended to read:

680.205 Firm offers.—An offer by a merchant to lease goods to or from another person in a signed record writing that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed 3 months. Any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

Section 128. Subsection (2) of section 680.208, Florida Statutes, is amended to read:

680.208 Modification, rescission, and waiver.—

(2) A signed lease agreement that excludes modification or rescission except by a signed record writing may not be otherwise modified or rescinded, but, except as between merchants, such a requirement on a form supplied by a merchant must be separately signed by the other party.

Section 129. Part VI of chapter 680, Florida Statutes, consisting of s. 680.601, Florida Statutes, is created and entitled "Transitional Provisions."

Section 130. Section 680.601, Florida Statutes, is created to read:

680.601 Saving clause.—Except as provided in ss. 669.501-669.706, a transaction validly entered into before July 1, 2025,

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and the rights, duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 131. Subsection (6) of section 55.205, Florida Statutes, is amended to read:

55.205 Effect of judgment lien.—

(6) A judgment lien acquired under s. 55.202 may be enforced only through judicial process, including attachment under chapter 76; execution under chapter 56; garnishment under chapter 77; a charging order under s. 605.0503, s. 620.1703, or s. 620.8504; or proceedings supplementary to execution under s. 56.29. A holder of a judgment lien acquired under s. 55.202, who is not enforcing separate lien rights in a judgment debtor's property, may not enforce his or her rights under this section through self-help repossession or replevin without a court order or without the express consent of the judgment debtor contained in a record authenticated in accordance with s. 668.50 or s. 679.1021(1) ~~s. 679.1021(1)(g)~~ after the judgment lien attaches.

Section 132. Subsection (2) and paragraph (b) of subsection (3) of section 319.27, Florida Statutes, are amended to read:

319.27 Notice of lien on motor vehicles or mobile homes; notation on certificate; recording of lien.—

(2) No lien for purchase money or as security for a debt in the form of a security agreement, retain title contract, conditional bill of sale, chattel mortgage, or other similar instrument or any other nonpossessory lien, including a lien for

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child support, upon a motor vehicle or mobile home upon which a Florida certificate of title has been issued shall be enforceable in any of the courts of this state against creditors or subsequent purchasers for a valuable consideration and without notice, unless a sworn notice of such lien has been filed in the department and such lien has been noted upon the certificate of title of the motor vehicle or mobile home. Such notice shall be effective as constructive notice when filed. The interest of a statutory nonpossessory lienor; the interest of a nonpossessory execution, attachment, or equitable lienor; or the interest of a lien creditor as defined in s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, if nonpossessory, is ~~shall~~ not be enforceable against creditors or subsequent purchasers for a valuable consideration unless such interest becomes a possessory lien or is noted upon the certificate of title for the subject motor vehicle or mobile home prior to the occurrence of the subsequent transaction. Provided the provisions of this subsection relating to a nonpossessory statutory lienor; a nonpossessory execution, attachment, or equitable lienor; or the interest of a lien creditor as defined in s. 679.1021(1) ~~does s. 679.1021(1)(zz)~~ shall not apply to liens validly perfected ~~before~~ prior to October 1, 1988. The notice of lien must ~~shall~~ provide the following information:

(a) The date of the lien if a security agreement, retain title contract, conditional bill of sale, chattel mortgage, or other similar instrument was executed prior to the filing of the notice of lien;

(b) The name and address of the registered owner;

(c) A description of the motor vehicle or mobile home,

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showing the make, type, and vehicle identification number; and

(d) The name and address of the lienholder.

(3)

(b) As applied to a determination of the respective rights of a secured party under this chapter and a lien creditor as defined by s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, or a nonpossessory statutory lienor, a security interest under this chapter shall be perfected upon the filing of the notice of lien with the department, the county tax collector, or their agents. Provided, however, the date of perfection of a security interest of such secured party shall be the same date as the execution of the security agreement or other similar instrument if the notice of lien is filed in accordance with this subsection within 15 days after the debtor receives possession of the motor vehicle or mobile home and executes such security agreement or other similar instrument. The date of filing of the notice of lien shall be the date of its receipt by the department central office in Tallahassee, if first filed there, or otherwise by the office of the county tax collector, or their agents.

Section 133. Subsection (2) of section 328.0015, Florida Statutes, is amended to read:

328.0015 Definitions.—

(2) The following definitions and terms also apply to this part:

(a) "Agreement" as defined in s. 671.201 ~~s. 671.201(3)~~.

(b) "Buyer in ordinary course of business" as defined in s. 671.201 ~~s. 671.201(9)~~.

(c) "Conspicuous" as defined in s. 671.201 ~~s. 671.201(11)~~.

(d) "Consumer goods" as defined in s. 679.1021(1) ~~s.~~

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~~679.1021(1)(w)~~.

(e) "Debtor" as defined in s. 679.1021(1) ~~s.~~

~~679.1021(1)(bb)~~.

(f) "Knowledge" as defined in s. 671.209.

(g) "Lease" as defined in s. 680.1031(1) ~~s. 680.1031(1)(j)~~.

(h) "Lessor" as defined in s. 680.1031(1) ~~s. 680.1031(1)(p)~~.

(i) "Notice" as defined s. 671.209.

(j) "Representative" as defined in s. 671.201 ~~s. 671.201(37)~~.

(k) "Sale" as defined in s. 672.106(1).

(l) "Security agreement" as defined in s. 679.1021(1) ~~s. 679.1021(1)(uuu)~~.

(m) "Seller" as defined in s. 672.103(1) ~~s. 672.103(1)(d)~~.

(n) "Send" as defined in s. 671.201 ~~s. 671.201(40)~~.

(o) "Value" as defined in s. 671.211.

Section 134. Subsection (13) of section 517.061, Florida Statutes, is amended to read:

517.061 Exempt transactions.—Except as otherwise provided in subsection (11), the exemptions provided herein from the registration requirements of s. 517.07 are self-executing and do not require any filing with the office before being claimed. Any person who claims entitlement to an exemption under this section bears the burden of proving such entitlement in any proceeding brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following transactions; however, such transactions are subject to s. 517.301:

(13) By or for the account of a pledgeholder, a secured party as defined in s. 679.1021(1) ~~s. 679.1021(1)(ttt)~~, or a mortgagee selling or offering for sale or delivery in the

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3887 ordinary course of business and not for the purposes of avoiding
 3888 ~~the provisions of this chapter~~, to liquidate a bona fide debt, a
 3889 security pledged in good faith as security for such debt.

3890 Section 135. Subsection (2) of section 559.9232, Florida
 3891 Statutes, is amended to read:

3892 559.9232 Definitions; exclusion of rental-purchase
 3893 agreements from certain regulations.—

3894 (2) A rental-purchase agreement that complies with this act
 3895 may ~~shall~~ not be construed to be, nor be governed by, any of the
 3896 following:

3897 (a) A lease or agreement that constitutes a credit sale as
 3898 defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the
 3899 federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

3900 (b) A lease that constitutes a “consumer lease” as defined
 3901 in 12 C.F.R. s. 213.2(a)(6);

3902 (c) Any lease for agricultural, business, or commercial
 3903 purposes;

3904 (d) Any lease made to an organization;

3905 (e) A lease or agreement that constitutes a “retail
 3906 installment contract” or “retail installment transaction” as
 3907 those terms are defined in s. 520.31; or

3908 (f) A security interest as defined in s. 671.201 ~~or~~
 3909 ~~671.201(39)~~.

3910 Section 136. Paragraph (g) of subsection (2) of section
 3911 563.022, Florida Statutes, is amended to read:

3912 563.022 Relations between beer distributors and
 3913 manufacturers.—

3914 (2) DEFINITIONS.—In construing this section, unless the
 3915 context otherwise requires, the word, phrase, or term:

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3916 (g) “Good faith” means honesty in fact in the conduct or
 3917 transaction concerned as defined and interpreted under s.
 3918 671.201 ~~or 671.201(21)~~.

3919 Section 137. Paragraph (d) of subsection (16) of section
 3920 668.50, Florida Statutes, is amended, and paragraph (b) of
 3921 subsection (3) of that section is republished, to read:

3922 668.50 Uniform Electronic Transaction Act.—

3923 (3) SCOPE.—

3924 (b) This section does not apply to a transaction to the
 3925 extent the transaction is governed by:

3926 1. A provision of law governing the creation and execution
 3927 of wills, codicils, or testamentary trusts;

3928 2. The Uniform Commercial Code other than s. 671.107 and
 3929 chapters 672 and 680; or

3930 3. The Uniform Computer Information Transactions Act.

3931 (16) TRANSFERABLE RECORDS.—

3932 (d) Except as otherwise agreed, a person having control of
 3933 a transferable record is the holder, as defined in s. 671.201 ~~or~~
 3934 ~~671.201(22)~~, of the transferable record and has the same rights
 3935 and defenses as a holder of an equivalent record or writing
 3936 under the Uniform Commercial Code, including, if the applicable
 3937 statutory requirements under s. 673.3021, s. 677.501, or s.
 3938 679.330 are satisfied, the rights and defenses of a holder in
 3939 due course, a holder to which a negotiable document of title has
 3940 been duly negotiated, or a purchaser, respectively. Delivery,
 3941 possession, and indorsement are not required to obtain or
 3942 exercise any of the rights under this paragraph.

3943 Section 138. For the purpose of incorporating the amendment
 3944 made by this act to section 671.105, Florida Statutes, in a

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reference thereto, subsections (1) and (2) of section 655.55, Florida Statutes, are reenacted to read:

655.55 Law applicable to deposits in and contracts relating to extensions of credit by a deposit or lending institution located in this state.—

(1) The law of this state, excluding its law regarding comity and conflict of laws, governs all aspects, including without limitation the validity and effect, of any deposit account in a branch or office in this state of a deposit or lending institution, including a deposit account otherwise covered by s. 671.105(1), regardless of the citizenship, residence, location, or domicile of any other party to the contract or agreement governing such deposit account, and regardless of any provision of any law of the jurisdiction of the residence, location, or domicile of such other party, whether or not such deposit account bears any other relation to this state, except that this section does not apply to any such deposit account:

(a) To the extent provided to the contrary in s. 671.105(2); or

(b) To the extent that all parties to the contract or agreement governing such deposit account have agreed in writing that the law of another jurisdiction will govern it.

(2) The law of this state, excluding its law regarding comity and conflict of laws, governs all aspects, including without limitation the validity and effect, of any contract relating to an extension of credit made by a branch or office in this state of a deposit or lending institution, including a contract otherwise covered by s. 671.105(1), if the contract

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expressly provides that it will be governed by the law of this state, regardless of the citizenship, residence, location, or domicile of any other party to such contract and regardless of any provision of any law of the jurisdiction of the residence, location, or domicile of such other party, whether or not such contract bears any other relation to this state, except that this section does not apply to any such contract to the extent provided to the contrary in s. 671.105(2).

Section 139. For the purpose of incorporating the amendment made by this act to section 671.105, Florida Statutes, in a reference thereto, subsection (2) of section 685.101, Florida Statutes, is reenacted to read:

685.101 Choice of law.—

(2) This section does not apply to any contract, agreement, or undertaking:

(a) Regarding any transaction which does not bear a substantial or reasonable relation to this state in which every party is either or a combination of:

1. A resident and citizen of the United States, but not of this state; or

2. Incorporated or organized under the laws of another state and does not maintain a place of business in this state;

(b) For labor or employment;

(c) Relating to any transaction for personal, family, or household purposes, unless such contract, agreement, or undertaking concerns a trust at least one trustee of which resides or transacts business as a trustee in this state, in which case this section applies;

(d) To the extent provided to the contrary in s.

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671.105(2); or

(e) To the extent such contract, agreement, or undertaking is otherwise covered or affected by s. 655.55.

Section 140. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsection (1) of section 90.953, Florida Statutes, is reenacted to read:

90.953 Admissibility of duplicates.—A duplicate is admissible to the same extent as an original, unless:

(1) The document or writing is a negotiable instrument as defined in s. 673.1041, a security as defined in s. 678.1021, or any other writing that evidences a right to the payment of money, is not itself a security agreement or lease, and is of a type that is transferred by delivery in the ordinary course of business with any necessary endorsement or assignment.

Section 141. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsections (1), (3), and (4) of section 673.1061, Florida Statutes, are reenacted to read:

673.1061 Unconditional promise or order.—

(1) Except as provided in this section, for the purposes of s. 673.1041(1), a promise or order is unconditional unless it states:

(a) An express condition to payment;

(b) That the promise or order is subject to or governed by another writing; or

(c) That rights or obligations with respect to the promise or order are stated in another writing.

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A reference to another writing does not of itself make the promise or order conditional.

(3) If a promise or order requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the promise or order, the condition does not make the promise or order conditional for the purposes of s. 673.1041(1). If the person whose specimen signature appears on an instrument fails to countersign the instrument, the failure to countersign is a defense to the obligation of the issuer, but the failure does not prevent a transferee of the instrument from becoming a holder of the instrument.

(4) If a promise or order at the time it is issued or first comes into possession of a holder contains a statement, required by applicable statutory or administrative law, to the effect that the rights of a holder or transferee are subject to claims or defenses that the issuer could assert against the original payee, the promise or order is not thereby made conditional for the purposes of s. 673.1041(1); but if the promise or order is an instrument, there cannot be a holder in due course of the instrument.

Section 142. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsection (2) of section 673.1151, Florida Statutes, is reenacted to read:

673.1151 Incomplete instrument.—

(2) Subject to subsection (3), if an incomplete instrument is an instrument under s. 673.1041, it may be enforced according to its terms if it is not completed, or according to its terms as augmented by completion. If an incomplete instrument is not

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4061 an instrument under s. 673.1041, but, after completion, the
 4062 requirements of s. 673.1041 are met, the instrument may be
 4063 enforced according to its terms as augmented by completion.

4064 Section 143. For the purpose of incorporating the amendment
 4065 made by this act to sections 673.1041 and 673.1051, Florida
 4066 Statutes, in a reference thereto, subsection (2) of section
 4067 673.1031, Florida Statutes, is reenacted to read:

4068 673.1031 Definitions.—

4069 (2) Other definitions applying to this chapter and the
 4070 sections in which they appear are:

4071 "Acceptance," s. 673.4091.

4072 "Accommodated party," s. 673.4191.

4073 "Accommodation party," s. 673.4191.

4074 "Alteration," s. 673.4071.

4075 "Anomalous indorsement," s. 673.2051.

4076 "Blank indorsement," s. 673.2051.

4077 "Cashier's check," s. 673.1041.

4078 "Certificate of deposit," s. 673.1041.

4079 "Certified check," s. 673.4091.

4080 "Check," s. 673.1041.

4081 "Consideration," s. 673.3031.

4082 "Draft," s. 673.1041.

4083 "Holder in due course," s. 673.3021.

4084 "Incomplete instrument," s. 673.1151.

4085 "Indorsement," s. 673.2041.

4086 "Indorser," s. 673.2041.

4087 "Instrument," s. 673.1041.

4088 "Issue," s. 673.1051.

4089 "Issuer," s. 673.1051.

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4090 "Negotiable instrument," s. 673.1041.

4091 "Negotiation," s. 673.2011.

4092 "Note," s. 673.1041.

4093 "Payable at a definite time," s. 673.1081.

4094 "Payable on demand," s. 673.1081.

4095 "Payable to bearer," s. 673.1091.

4096 "Payable to order," s. 673.1091.

4097 "Payment," s. 673.6021.

4098 "Person entitled to enforce," s. 673.3011.

4099 "Presentment," s. 673.5011.

4100 "Reacquisition," s. 673.2071.

4101 "Special indorsement," s. 673.2051.

4102 "Teller's check," s. 673.1041.

4103 "Transfer of instrument," s. 673.2031.

4104 "Traveler's check," s. 673.1041.

4105 "Value," s. 673.3031.

4106 Section 144. For the purpose of incorporating the amendment
 4107 made by this act to section 673.6041, Florida Statutes, in a
 4108 reference thereto, subsection (2) of section 673.6051, Florida
 4109 Statutes, is reenacted to read:

4110 673.6051 Discharge of indorsers and accommodation parties.—

4111 (2) Discharge, under s. 673.6041, of the obligation of a
 4112 party to pay an instrument does not discharge the obligation of
 4113 an indorser or accommodation party having a right of recourse
 4114 against the discharged party.

4115 Section 145. For the purpose of incorporating the amendment
 4116 made by this act to section 675.116, Florida Statutes, in a
 4117 reference thereto, subsection (2) of section 679.3061, Florida
 4118 Statutes, is reenacted to read:

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4119 679.3061 Law governing perfection and priority of security
4120 interests in letter-of-credit rights.-

4121 (2) For purposes of this part, an issuer's jurisdiction or
4122 nominated person's jurisdiction is the jurisdiction whose law
4123 governs the liability of the issuer or nominated person with
4124 respect to the letter-of-credit right as provided in s. 675.116.

4125 Section 146. For the purpose of incorporating the amendment
4126 made by this act to section 675.104, Florida Statutes, in a
4127 reference thereto, paragraph (j) of subsection (1) of section
4128 675.103, Florida Statutes, is reenacted to read:

4129 675.103 Definitions.-

4130 (1) For purposes of this chapter:

4131 (j) "Letter of credit" means a definite undertaking that
4132 satisfies the requirements of s. 675.104 by an issuer to a
4133 beneficiary at the request or for the account of an applicant
4134 or, in the case of a financial institution, to itself or for its
4135 own account, to honor a documentary presentation by payment or
4136 delivery of an item of value.

4137 Section 147. For the purpose of incorporating the amendment
4138 made by this act to section 679.2031, Florida Statutes, in a
4139 reference thereto, subsection (3) of section 674.2101, Florida
4140 Statutes, is reenacted to read:

4141 674.2101 Security interest of collecting bank in items,
4142 accompanying documents, and proceeds.-

4143 (3) Receipt by a collecting bank of a final settlement for
4144 an item is a realization on its security interest in the item,
4145 accompanying documents, and proceeds. So long as the bank does
4146 not receive final settlement for the item or give up possession
4147 of the item or possession or control of the accompanying or

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4148 associated documents for purposes other than collection, the
4149 security interest continues to that extent and is subject to
4150 chapter 679, but:

4151 (a) No security agreement is necessary to make the security
4152 interest enforceable (s. 679.2031(2)(c)1.);

4153 (b) No filing is required to perfect the security interest;
4154 and

4155 (c) The security interest has priority over conflicting
4156 perfected security interests in the item, accompanying
4157 documents, or proceeds.

4158 Section 148. For the purpose of incorporating the amendment
4159 made by this act to section 679.2031, Florida Statutes, in a
4160 reference thereto, subsection (2) of section 675.1181, Florida
4161 Statutes, is reenacted to read:

4162 675.1181 Security interest of issuer or nominated person.-

4163 (2) As long as and to the extent that an issuer or
4164 nominated person has not been reimbursed or has not otherwise
4165 recovered the value given with respect to a security interest in
4166 a document under subsection (1), the security interest continues
4167 and is subject to chapter 679, but a security agreement is not
4168 necessary to make the security interest enforceable under s.
4169 679.2031(2)(c):

4170 (a) If the document is presented in a medium other than a
4171 written or other tangible medium, the security interest is
4172 perfected; and

4173 (b) If the document is presented in a written or other
4174 tangible medium and is not a certificated security, chattel
4175 paper, a document of title, an instrument, or a letter of
4176 credit, the security interest is perfected and has priority over

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4177 a conflicting security interest in the document so long as the
4178 debtor does not have possession of the document.

4179 Section 149. For the purpose of incorporating the amendment
4180 made by this act to section 679.2031, Florida Statutes, in a
4181 reference thereto, section 679.1101, Florida Statutes, is
4182 reenacted to read:

4183 679.1101 Security interests arising under chapter 672 or
4184 chapter 680.—A security interest arising under s. 672.401, s.
4185 672.505, s. 672.711(3), or s. 680.508(5) is subject to this
4186 chapter. However, until the debtor obtains possession of the
4187 goods:

4188 (1) The security interest is enforceable, even if s.
4189 679.2031(2)(c) has not been satisfied;

4190 (2) Filing is not required to perfect the security
4191 interest;

4192 (3) The rights of the secured party after default by the
4193 debtor are governed by chapter 672 or chapter 680; and

4194 (4) The security interest has priority over a conflicting
4195 security interest created by the debtor.

4196 Section 150. For the purpose of incorporating the amendment
4197 made by this act to section 677.106, Florida Statutes, in a
4198 reference thereto, subsection (3) of section 672.103, Florida
4199 Statutes, is reenacted to read:

4200 672.103 Definitions and index of definitions.—

4201 (3) The following definitions in other chapters apply to
4202 this chapter:

4203 "Check," s. 673.1041.

4204 "Consignee," s. 677.102.

4205 "Consignor," s. 677.102.

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4206 "Consumer goods," s. 679.1021.

4207 "Control," s. 677.106.

4208 "Dishonor," s. 673.5021.

4209 "Draft," s. 673.1041.

4210 Section 151. For the purpose of incorporating the amendment
4211 made by this act to section 677.106, Florida Statutes, in a
4212 reference thereto, subsection (3) of section 674.104, Florida
4213 Statutes, is reenacted to read:

4214 674.104 Definitions and index of definitions.—

4215 (3) The following definitions in other chapters apply to
4216 this chapter:

4217 "Acceptance," s. 673.4091.

4218 "Alteration," s. 673.4071.

4219 "Cashier's check," s. 673.1041.

4220 "Certificate of deposit," s. 673.1041.

4221 "Certified check," s. 673.4091.

4222 "Check," s. 673.1041.

4223 "Control," s. 677.106.

4224 "Good faith," s. 673.1031.

4225 "Holder in due course," s. 673.3021.

4226 "Instrument," s. 673.1041.

4227 "Notice of dishonor," s. 673.5031.

4228 "Order," s. 673.1031.

4229 "Ordinary care," s. 673.1031.

4230 "Person entitled to enforce," s. 673.3011.

4231 "Presentment," s. 673.5011.

4232 "Promise," s. 673.1031.

4233 "Prove," s. 673.1031.

4234 "Teller's check," s. 673.1041.

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4235 "Unauthorized signature," s. 673.4031.
 4236 Section 152. For the purpose of incorporating the amendment
 4237 made by this act to section 678.1061, Florida Statutes, in a
 4238 reference thereto, subsection (3) of section 678.5101, Florida
 4239 Statutes, is reenacted to read:
 4240 678.5101 Rights of purchaser of security entitlement from
 4241 entitlement holder.—
 4242 (3) In a case not covered by the priority rules in chapter
 4243 679, a purchaser for value of a security entitlement, or an
 4244 interest therein, who obtains control has priority over a
 4245 purchaser of a security entitlement, or an interest therein, who
 4246 does not obtain control. Except as otherwise provided in
 4247 subsection (4), purchasers who have control rank according to
 4248 priority in time of:
 4249 (a) The purchaser's becoming the person for whom the
 4250 securities account, in which the security entitlement is
 4251 carried, is maintained, if the purchaser obtained control under
 4252 s. 678.1061(4)(a);
 4253 (b) The securities intermediary's agreement to comply with
 4254 the purchaser's entitlement orders with respect to security
 4255 entitlements carried or to be carried in the securities account
 4256 in which the security entitlement is carried, if the purchaser
 4257 obtained control under s. 678.1061(4)(b); or
 4258 (c) If the purchaser obtained control through another
 4259 person under s. 678.1061(4)(c), the time on which priority would
 4260 be based under this subsection if the other person were the
 4261 secured party.
 4262 Section 153. For the purpose of incorporating the amendment
 4263 made by this act to section 678.1061, Florida Statutes, in a

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4264 reference thereto, subsection (1) of section 679.1061, Florida
 4265 Statutes, is reenacted to read:
 4266 679.1061 Control of investment property.—
 4267 (1) A person has control of a certificated security,
 4268 uncertificated security, or security entitlement as provided in
 4269 s. 678.1061.
 4270 Section 154. For the purpose of incorporating the amendment
 4271 made by this act to sections 678.1061, 679.3131, 679.3141, and
 4272 679.323, Florida Statutes, in references thereto, subsections
 4273 (2), (5), and (7) of section 679.328, Florida Statutes, are
 4274 reenacted to read:
 4275 679.328 Priority of security interests in investment
 4276 property.—The following rules govern priority among conflicting
 4277 security interests in the same investment property:
 4278 (2) Except as otherwise provided in subsections (3) and
 4279 (4), conflicting security interests held by secured parties each
 4280 of which has control under s. 679.1061 rank according to
 4281 priority in time of:
 4282 (a) If the collateral is a security, obtaining control;
 4283 (b) If the collateral is a security entitlement carried in
 4284 a securities account and:
 4285 1. If the secured party obtained control under s.
 4286 678.1061(4)(a), the secured party's becoming the person for
 4287 which the securities account is maintained;
 4288 2. If the secured party obtained control under s.
 4289 678.1061(4)(b), the securities intermediary's agreement to
 4290 comply with the secured party's entitlement orders with respect
 4291 to security entitlements carried or to be carried in the
 4292 securities account; or

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4293 3. If the secured party obtained control through another
 4294 person under s. 678.1061(4)(c), the time on which priority would
 4295 be based under this paragraph if the other person were the
 4296 secured party; or

4297 (c) If the collateral is a commodity contract carried with
 4298 a commodity intermediary, the satisfaction of the requirement
 4299 for control specified in s. 679.1061(2)(b) with respect to
 4300 commodity contracts carried or to be carried with the commodity
 4301 intermediary.

4302 (5) A security interest in a certificated security in
 4303 registered form which is perfected by taking delivery under s.
 4304 679.3131(1) and not by control under s. 679.3141 has priority
 4305 over a conflicting security interest perfected by a method other
 4306 than control.

4307 (7) In all other cases, priority among conflicting security
 4308 interests in investment property is governed by ss. 679.322 and
 4309 679.323.

4310 Section 155. For the purpose of incorporating the amendment
 4311 made by this act to sections 679.1041 and 679.3141, Florida
 4312 Statutes, in references thereto, subsections (1) and (2) of
 4313 section 679.327, Florida Statutes, are reenacted to read:

4314 679.327 Priority of security interests in deposit account.—
 4315 The following rules govern priority among conflicting security
 4316 interests in the same deposit account:

4317 (1) A security interest held by a secured party having
 4318 control of the deposit account under s. 679.1041 has priority
 4319 over a conflicting security interest held by a secured party
 4320 that does not have control.

4321 (2) Except as otherwise provided in subsections (3) and

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4322 (4), security interests perfected by control under s. 679.3141
 4323 rank according to priority in time of obtaining control.

4324 Section 156. For the purpose of incorporating the amendment
 4325 made by this act to sections 679.2031 and 679.4041, Florida
 4326 Statutes, in a reference thereto, subsection (4) of section
 4327 679.1091, Florida Statutes, is reenacted to read:

4328 679.1091 Scope.—

4329 (4) This chapter does not apply to:

4330 (a) A landlord's lien, other than an agricultural lien;

4331 (b) A lien, other than an agricultural lien, given by
 4332 statute or other rule of law for services or materials, but s.
 4333 679.333 applies with respect to priority of the lien;

4334 (c) An assignment of a claim for wages, salary, or other
 4335 compensation of an employee;

4336 (d) A sale of accounts, chattel paper, payment intangibles,
 4337 or promissory notes as part of a sale of the business out of
 4338 which they arose;

4339 (e) An assignment of accounts, chattel paper, payment
 4340 intangibles, or promissory notes which is for the purpose of
 4341 collection only;

4342 (f) An assignment of a right to payment under a contract to
 4343 an assignee that is also obligated to perform under the
 4344 contract;

4345 (g) An assignment of a single account, payment intangible,
 4346 or promissory note to an assignee in full or partial
 4347 satisfaction of a preexisting indebtedness;

4348 (h) A transfer of an interest in or an assignment of a
 4349 claim under a policy of insurance, other than an assignment by
 4350 or to a health-care provider of a health-care-insurance

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receivable and any subsequent assignment of the right to payment, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(i) An assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;

(j) A right of recoupment or set-off, but:

1. Section 679.340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and

2. Section 679.4041 applies with respect to defenses or claims of an account debtor;

(k) The creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:

1. Liens on real property in ss. 679.2031 and 679.3081;

2. Fixtures in s. 679.334;

3. Fixture filings in ss. 679.5011, 679.5021, 679.512, 679.516, and 679.519; and

4. Security agreements covering personal and real property in s. 679.604;

(l) An assignment of a claim arising in tort, other than a commercial tort claim, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(m) An assignment of a deposit account, other than a nonnegotiable certificate of deposit, in a consumer transaction, but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(n) Any transfer by a government or governmental unit; or

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(o) A transfer or pledge of, or creation of a security interest in, any interest or right or portion of any interest or right in any storm-recovery property as defined in s. 366.8260.

Section 157. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (2) of section 679.709, Florida Statutes, is reenacted to read:

679.709 Priority.—

(2) For purposes of s. 679.322(1), the priority of a security interest that becomes enforceable under s. 679.2031 of this act dates from the time this act takes effect if the security interest is perfected under this act by the filing of a financing statement before this act takes effect which would not have been effective to perfect the security interest under chapter 679, Florida Statutes 2000. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

Section 158. For the purpose of incorporating the amendment made by this act to section 679.210, Florida Statutes, in a reference thereto, subsection (2) of section 679.602, Florida Statutes, is reenacted to read:

679.602 Waiver and variance of rights and duties.—Except as otherwise provided in s. 679.624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

(2) Section 679.210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

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Section 159. For the purpose of incorporating the amendment made by this act to section 679.3141, Florida Statutes, in a reference thereto, section 679.329, Florida Statutes, is reenacted to read:

679.329 Priority of security interests in letter-of-credit right.—The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under s. 679.1071 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under s. 679.3141 rank according to priority in time of obtaining control.

Section 160. For the purpose of incorporating the amendment made by this act to section 679.3161, Florida Statutes, in a reference thereto, subsection (3) of section 679.320, Florida Statutes, is reenacted to read:

679.320 Buyer of goods.—

(3) To the extent that it affects the priority of a security interest over a buyer of goods under subsection (2), the period of effectiveness of a filing made in the jurisdiction in which the seller is located is governed by s. 679.3161(1) and (2).

Section 161. For the purpose of incorporating the amendment made by this act to section 679.3171, Florida Statutes, in a reference thereto, paragraph (b) of subsection (8) of section 727.109, Florida Statutes, is reenacted to read:

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727.109 Power of the court.—The court shall have power to:

(8) Hear and determine any of the following actions brought by the assignee, which she or he is empowered to maintain:

(b) Determine the validity, priority, and extent of a lien or other interests in assets of the estate, or to subordinate or avoid an unperfected security interest pursuant to the assignee's rights as a lien creditor under s. 679.3171.

Section 162. For the purpose of incorporating the amendment made by this act to sections 679.3171 and 679.323, Florida Statutes, in references thereto, subsection (3) of section 680.307, Florida Statutes, is reenacted to read:

680.307 Priority of liens arising by attachment or levy on, security interests in, and other claims to goods.—

(3) Except as otherwise provided in ss. 679.3171, 679.321, and 679.323, a lessee takes a leasehold interest subject to a security interest held by a creditor or lessor.

Section 163. For the purpose of incorporating the amendment made by this act to section 679.628, Florida Statutes, in a reference thereto, subsection (3) of section 679.626, Florida Statutes, is reenacted to read:

679.626 Action in which deficiency or surplus is in issue.—In an action arising from a transaction in which the amount of a deficiency or surplus is in issue, the following rules apply:

(3) Except as otherwise provided in s. 679.628, if a secured party fails to prove that the collection, enforcement, disposition, or acceptance was conducted in accordance with the provisions of this part relating to collection, enforcement, disposition, or acceptance, the liability of a debtor or a secondary obligor for a deficiency is limited to an amount by

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4467 which the sum of the secured obligation, reasonable expenses,
4468 and, to the extent provided for by agreement and not prohibited
4469 by law, attorney's fees exceeds the greater of:

4470 (a) The proceeds of the collection, enforcement,
4471 disposition, or acceptance; or

4472 (b) The amount of proceeds that would have been realized
4473 had the noncomplying secured party proceeded in accordance with
4474 the provisions of this part relating to collection, enforcement,
4475 disposition, or acceptance.

4476 Section 164. This act shall take effect July 1, 2025.



The Florida Senate

Committee Agenda Request

To: Senator Thomas Leek, Chair
Committee on Commerce and Tourism

Subject: Committee Agenda Request

Date: March 7, 2025

I respectfully request that **Senate Bill #1666**, relating to Uniform Commercial Code, be placed on the:

- ☒ committee agenda at your earliest possible convenience.
- ☐ next committee agenda.

A handwritten signature in blue ink that reads "Erin K. Grall".

Senator Erin Grall
Florida Senate, District 29

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

3/12/24

Meeting Date

SB 1666

Bill Number or Topic

Commerce

Committee

Amendment Barcode (if applicable)

Name

Aimee Diaz Lyon

Phone

850-205-9000

Address

119 South Monroe Street #200

Email

adl@mhdfirm.com

Street

Tallahassee

FL

32301

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

The Business Law Section of the Florida Bar

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

1606

Bill Number or Topic

Amendment Barcode (if applicable)

3/17/25
Meeting Date

Commerce
Committee

Name David Garner

Phone

Address
Street

Email

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Bankers Association

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SM 1488

INTRODUCER: Senator Avila

SUBJECT: United States Sovereign Wealth Fund

DATE: March 10, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Renner	McKay	CM	Favorable
2.			RC	

I. Summary:

SM 1488 is a memorial urging the members of Congress to establish a framework for a sovereign wealth fund.

Memorials have no force of law, as they are mechanisms for formally petitioning the federal government to act on a particular subject.

The memorial does not have a fiscal impact on the state or local governments.

II. Present Situation:

Memorials

A memorial is an official legislative document address to Congress, the President of the United States, or some other governmental entity that expresses the will of the Legislature on a matter within the jurisdiction of the recipient. A memorial requires passage by both legislative houses but does not require the Governor's approval nor is it subject to a veto.¹

Sovereign Wealth Funds

While there is no universally agreed-upon definition, sovereign wealth funds (SWFs) are generally defined as investment funds owned and managed by national governments.² The

¹ The Florida Senate, Office of Bill Drafting Services, *Manual for Drafting Legislation*, 137-138 (2009), available at <https://flsenate.sharepoint.com/sites/Secretary/Publications%20Library/Forms/AllItems.aspx?id=%2Fsites%2FSecretary%2FPublications%20Library%2FManual%20for%20Drafting%20Legislation%20%28Senate%29%2Epdf&parent=%2Fsites%2FSecretary%2FPublications%20Library> (last visited March 14, 2025).

² Congressional Research Service, *Sovereign Wealth Funds: Background and Policy Issues for Congress* (Jan. 15, 2009), 1, https://www.everycrsreport.com/files/20090115_RL34336_a7ea655551d2435a8e05992d4ac1b1367b3e3635.pdf (last visited March 14, 2025).

United States Treasury Department narrowly defines SWFs as “a government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities (the Central Bank and reserve-related functions of the Finance Ministry).”³ SWFs were created in the 1950s by oil and resource-producing countries (Kuwait in 1953 and Kiribati in 1956) to help stabilize their economies against fluctuating commodity prices and provide a wealth source for future generations.⁴ SWFs generally have a targeted purpose, and the funding for SWFs comes from sources such as:⁵

- State-owned natural resource revenues.
- Trade surpluses.
- Bank reserves that accumulate from budget excesses.
- Foreign currency operations.
- Money from privatizations.
- Governmental transfer payments.

There are several categories of SWFs, including:⁶

- **Stabilization Funds**—These are funds set aside by a government to shield the country from economic shocks that can cause drastic changes in economic growth.
- **Future Generation Funds** – These funds are set up to ease pressure on a government’s budget in the future.
- **Reserve Investment Funds**—Funds are set aside for investment purposes, and the primary goal is to generate funds that can be invested in long-term high-yield investments.
- **Pension Reserve Funds** – Money is set aside to finance a country’s pension system so that the burden of paying pensions doesn’t fall entirely on the government’s budget.

The largest SWFs ranked by assets include:⁷

- Norway Government Pension Fund Global; - over \$1.7 trillion
- China Investment Corporation – Over \$1.3 trillion
- SAFE Investment Company – Over \$1 trillion
- Abu Dhabi Investment Authority – Over \$1 trillion
- Kuwait Investment Authority – Over \$1 trillion
- Public Investment Fund of Saudi Arabia - \$925 billion
- GIC Private Limited – Over \$800 billion
- Badan Pengelola Investasi Daya Anagata Nusantara – Over \$600 billion
- Qatar Investment Authority – Over \$525 billion
- Hong Kong Monetary Authority Investment Portfolio – Over \$510 billion

³ *Id.* at 2

⁴ *Id.* at 4.

⁵ Investopedia, *Sovereign Wealth Fund: Definition, Examples, and Types* (Feb. 3, 2025), available at https://www.investopedia.com/terms/s/sovereign_wealth_fund.asp (last visited March 14, 2025).

⁶ Corporate Finance Institute, *Sovereign Wealth Fund*, available at <https://corporatefinanceinstitute.com/resources/career-map/sell-side/capital-markets/sovereign-wealth-fund-swf/> (last visited March 14, 2025).

⁷ Investopedia, *Sovereign Wealth Fund: Definition, Examples, and Types* (Feb. 3, 2025), available at https://www.investopedia.com/terms/s/sovereign_wealth_fund.asp (last visited March 14, 2025).

Executive Order Establishing a United States Sovereign Wealth Fund

On February 3, 2025, President Trump signed an executive order instructing the Secretary of the Treasury and the Secretary of Commerce to create a strategy for establishing a Sovereign Wealth Fund (SWF). The purpose of the initiative is to encourage fiscal responsibility, reduce the tax burden on American families and small businesses, secure economic stability for future generations, and enhance the United States' economic and strategic influence on the global stage.⁸

The plan must include recommendations for funding mechanisms, investment strategies, fund structure, and a governance model. Furthermore, it should assess the legal factors in establishing and managing a SWF, including any potential legislation.⁹

III. Effect of Proposed Changes:

The memorial urges Congress to establish a framework for a sovereign wealth fund.

Florida's Secretary of State will send copies of the memorial to the President, the President of the Senate, the Speaker of the House of Representatives, and each member of the Florida delegation to the Congress.

Legislative memorials are not subject to the governor's veto power. Memorials have no force of law, as they are mechanisms for formally petitioning the federal government to act on a particular subject.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

⁸ The White House, *A Plan for Establishing a United States Sovereign Wealth Fund*, (Feb. 3, 2025), available at <https://www.whitehouse.gov/presidential-actions/2025/02/a-plan-for-establishing-a-united-states-sovereign-wealth-fund/> (last visited March 14, 2025).

⁹ *Id.*

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

None.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Avila

39-00643C-25

20251488__

Senate Memorial

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that the Secretary of State is

Page 1 of 2

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20251488__

directed to dispatch copies of this memorial to the President of
the United States, to the President of the United States Senate,
to the Speaker of the United States House of Representatives,
and to each member of the Florida delegation to the Congress of
the United States.

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SENATOR BRYAN AVILA
39th District

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

Avila.bryan.web@flsenate.gov

COMMITTEES: COMMITTEES:

Finance and Tax, *Chair*
Transportation, Vice Chair
Appropriations Committee on Transportation,
Tourism, and Economic Development
Environmental and Natural Resources
Ethics and Elections
Fiscal Policy
Rules

March 6th, 2025

The Honorable Senator Thomas J. Leek
The Florida Senate
310 Knott Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

REF: Request to be Heard

Honorable Chair Leek,

I respectfully request SM 1488 United States Sovereign Wealth Fund be placed on the next committee agenda.

United States Sovereign Wealth Fund: The bill urges Congress to establish a framework for a sovereign wealth fund for the United State

Sincerely,

A handwritten signature in blue ink that reads "Bryan Avila".

Senator Bryan Avila

CC: Todd McKay, Staff Director
Renita Hayes, Administrative Assistant
Michael Murtha, Legislative Assistant

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

3-17-25

Meeting Date

SM 1488(CM)

Bill Number or Topic

Commerce and

Committee

Tourism

Amendment Barcode (if applicable)

Name

John Navarra

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Street

Daytona Beach Florida 32119

City

State

Zip

Speaking:

☐ For



☐ Information

OR

Waive Speaking:

☐ In Support

☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:



I am appearing without
compensation or sponsorship.



I am a registered lobbyist,
representing:



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 480

INTRODUCER: Banking and Insurance Committee and Senator DiCeglie

SUBJECT: Nonprofit Agricultural Organization Medical Benefit Plans

DATE: March 14, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.	McKay	McKay	CM	Favorable
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 480 allows nonprofit agricultural organizations to offer medical benefit plans and specifies that such plans are not insurance for purposes of the Florida Insurance Code (code). The exemption of these plans from the code will provide individuals and families with access to non-insurance products, medical benefit plans, through membership in a nonprofit agricultural organization. Many rural communities have limited access to medical providers and affordable health insurance coverage.¹ The medical benefit plans offered by an eligible nonprofit agricultural organization authorized pursuant to the bill will be exempt from insurance regulation and consumer protections that apply to health insurers, health maintenance organizations, and their policies and contracts under the code.

The bill may have an indeterminate negative fiscal impact on state government premium tax revenues to the extent that purchasers of health insurance policies or health maintenance organization contracts shift their business from these insurance products insurance to the exempt health plans offered by nonprofit agricultural organizations.

The bill takes effect July 1, 2025.

¹ Brownfield, State Farm Bureaus work to join successful health care coverage program (Mar. 22, 2024), <https://www.brownfielddagnews.com/news/state-farm-bureaus-work-to-join-successful-health-care-coverage-program/> (last visited Feb. 25, 2025).

II. Present Situation:

The Patient Protection and Affordable Care Act (PPACA)²

On March 23, 2010, PPACA was signed into law. Among its sweeping changes to the U.S. health insurance system are requirements for health insurers to make coverage available to all individuals and employers,³ without exclusions, for preexisting medical conditions⁴ and without basing premiums on any health-related factors. PPACA imposes many insurance requirements, such as coverage of essential health benefits,⁵ prohibition on lifetime dollar limits⁶ on essential health benefits, rating and underwriting standards, reporting of medical loss ratios and payment of rebates,⁷ internal and external appeals of adverse benefit determinations, and other requirements.⁸ PPACA preempts any state law that prevents the application of a PPACA.

Some health insurance products that consumers may purchase are not required to comply with all the federal health insurance requirements. For example, short-term limited duration insurance⁹ and excepted benefits¹⁰ are not required to comply with PPACA requirements. The short-term plans generally have substantially lower premiums than PPACA plans. However, they exclude individuals with pre-existing conditions and offer more limited benefits than PPACA plans.¹¹

Regulation of Insurance in Florida

Florida's Office of Insurance Regulation (OIR)¹² is responsible for the regulation of all activities of insurers and other risk-bearing entities, including licensure, rates,¹³ policy forms, market conduct, claims, solvency, administrative supervision, as provided under the Florida Insurance

² P.L. 111-148, 124 Stat. 119-1945 (2010). PPACA was amended by P.L. 111-152, the Health Care and Education Reconciliation Act of 2010.

³ PPACA s. 1201; PHSA s. 2702 (42 U.S.C. s. 300gg-1).

⁴ 42 U.S.C. s. 300gg-3.

⁵ Department of Financial Services, Division of Consumer Services, Health Care Reform and You (Sept. 2021), https://myfloridacfo.com/docs-sf/consumer-services-libraries/consumerservices-documents/understanding-coverage/consumer-guides/health-care-reform_english-web_fl.pdf?sfvrsn=97e2ae45_1 (last visited Feb. 24, 2025).

⁶ PPACA s. 1001; PHSA s. 2711 (42 U.S.C. s. 300gg-11).

⁷ 42 USC 300gg-1. PPACA requires health insurers to report to the HHS information concerning the percent of premium revenue spent on claims for clinical services and activities (medical loss ratio or MLR). Insurers must provide a rebate to consumers if the MLR is less than 85 percent in the large group market and 80 percent in the small group and individual markets.

⁸ The federal Tax Cut and Jobs Act of 2017 eliminated the individual coverage mandate tax penalty, effective 2019. Public Law No. 115-97.

⁹ Centers for Medicare and Medicaid Services, Short-term, limited-duration insurance and independent, coordinated excepted benefits coverage (Mar. 28, 2024), <https://www.cms.gov/newsroom/fact-sheets/short-term-limited-duration-insurance-and-independent-noncoordinated-excepted-benefits-coverage-cms> (last visited Feb. 25, 2025).

¹⁰ 45 CFR s. 148.220. Excepted benefits include coverage only for accident, disability income insurance, liability insurance, workers' compensation insurance, automobile medical payments insurance, and other specified coverage.

¹¹ Kaiser Family Foundation, Why Do Short-Term Health Insurance Plans Have Lower Premiums Than Plans That Comply with the ACA? (Oct. 31, 2018), <https://www.kff.org/affordable-care-act/issue-brief/why-do-short-term-health-insurance-plans-have-lower-premiums-than-plans-that-comply-with-the-aca/> (last visited Feb. 25, 2025).

¹² The OIR is an office under the Financial Services Commission (commission), which is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The commission is not 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. Section 20.121(3), F.S.

¹³ Pursuant to s. 627.062(1), F.S., rates may not be excessive, inadequate, or unfairly discriminatory.

Code (code).¹⁴ Insurance is classified into the following kinds of insurance: life, health, property, casualty, surety, marine, and title.¹⁵ The code defines “insurance” as a contract whereby one undertakes to indemnify another or pay or allow a specified amount or a determinable benefit upon determinable contingencies.¹⁶ Health insurance is insurance of human beings against bodily injury, disablement, or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance pertaining to it.¹⁷ Health insurance does not include workers’ compensation coverage, except as provided in s. 624.406, F.S.¹⁸

The OIR monitors the solvency of insurers, and takes administrative action, if necessary, against any authorized insurer if OIR determines that the continued operation of the insurer may be deemed hazardous to its policyholders or creditors, or to the general public.¹⁹ If an insurer is found to be insolvent and is ordered to be liquidated by a court, a receiver takes over the insurer under court supervision and processes the assets and liabilities through liquidation.

Generally, once an insurance company is liquidated, an insurance guaranty association becomes liable for the policy or contract obligations of the liquidated insurance company. In Florida, the Florida Life and Health Insurance Guaranty Association (association)²⁰ is the guaranty association for most insurance companies that write life, health insurance or annuities in Florida.²¹ Insurance guaranty funds are designed to protect policyholders of liquidated insurers from financial losses and delays in claim payments, up to limits provided by law.²² The association services covered policies and contracts, collects premiums, and pays valid claims.²³ All insurers authorized to write life insurance policies, health insurance policies, supplemental contracts, and annuity contracts (with exceptions) in Florida are required, as a condition of doing business in this state, to be member insurers of the association.²⁴

Health Benefits Exempt from the Florida’s Insurance Code

Currently the code exempts nonprofit religious organizations,²⁵ commonly known as a health care sharing ministry, from the regulatory requirements and consumer protections if the nonprofit religious organization meets the following requirements:

¹⁴ Section 20.121(3)(a)1., F.S.

¹⁵ Section 624.6011, F.S.

¹⁶ Section 624.402, F.S.

¹⁷ Section 624.403, F.S.

¹⁸ *Id.*

¹⁹ Section 624.805, F.S.

²⁰ For a consumer or subscriber that has coverage through a health maintenance organization (HMO), the Health Maintenance Organization Consumer Assistance Plan under part IV of chapter 631, F.S., was created to protect subscribers of HMOs, subject to certain limitations, against the failure of an HMO to perform its contractual obligations due to its solvency. Section 631.812, F.S.

²¹ Part III of ch. 631, F.S.

²² Section 631.712, F.S.

²³ See the association’s website available at <https://www.flahiga.org/About> (last viewed Feb. 24, 2025). The maximum amount of protection provided by the association for major medical health insurance is \$500,000 per insured life. [Florida Life & Health Insurance Guaranty Association - Frequently Asked Questions](#) (last visited Feb. 25, 2025).

²⁴ Sections 631.713 and 631.715, F.S.

²⁵ Section 624.1265, F.S., refers to health care sharing ministries as “nonprofit religious organizations.” A health care sharing ministry is an organization that facilitates the sharing of health care expenses among individuals with similar and sincerely

- Qualifies under Title 26, s. 501 of the Internal Revenue Code of 1986, as amended.
- Limits its participants to those members who share a common set of ethical or religious beliefs.
- Acts as a facilitator among participants who have financial, physical, or medical needs to assist those with financial, physical, or medical needs in accordance with criteria established by the nonprofit religious organization.
- Provides for the financial or medical needs of a participant through contributions from other participants, or through payments directly from one participant to another participant.
- Provides amounts that participants may contribute, with no assumption of risk and no promise to pay among the participants or by the nonprofit religious organization to the participants.
- Provides a monthly accounting to the participants of the total dollar amount of qualified needs shared in the previous month in accordance with criteria established by the nonprofit religious organization.
- Conducts an annual financial audit that is performed by an independent certified public accountant in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the nonprofit religious organization's website.
- Does not market or sell health plans through insurance agents licensed by the Department of Financial Services under Ch. 626, F.S.

The nonprofit religious organization must provide a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the nonprofit religious organization. The disclaimer must read in substance:

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

However, the provisions of s. 624.1265, F.S. do not prevent:

- A participant from limiting the financial or medical needs that may be eligible for payment; or
- The nonprofit religious organization from canceling the membership of a participant when such participant indicates his or her unwillingness to participate by failing to meet the conditions of membership for a period greater than 60 days.

held beliefs. These organizations resemble insurance in that members generally pay monthly membership fees and submit claims when they incur medical bills.

Approximately 30 states have exempted health care sharing ministries (HCSM) explicitly from insurance regulation.²⁶ A member of a health care sharing ministry (HCSM) will typically contribute a monthly payment to cover the qualifying medical expenses of other members. The HCSMs will match paying members who need the health care funds or pool all the monthly shares and administer payments to members directly. Some people may enroll in HCSMs because of their typically lower upfront costs, compared to PPACA-compliant plans. HCSMs are not insurance and cannot guarantee payment of claims, i.e., while they may share funds with members who have health needs, they are not legally required to do so. Further, the HCSMs do not have to comply with state or federal insurance regulations and consumer protections.

According to the Department of Financial Services,²⁷ plans offered by the HCSM are not subject to federal and state mandated benefits and there is no guaranty fund if a company ceases operation. There is little oversight of the organizations since no state or federal agency has regulatory authority unless the organization is determined to be operating illegally in a state. There is a history of illicit organizations claiming they are exempt from state laws based on a health care sharing ministry exemption. Several of these organizations have ceased to operate over the past several years and left individuals throughout the United States with unpaid medical bills.

Nonprofit Agricultural Organizations that Offer Medical Benefit Plans Exempted from Insurance Regulation in Other States

The American Farm Bureau Federation is a national organization that was established in 1919 to advocate for the interests of farmers, ranchers, and other persons associated with agriculture. There are state farm bureau offices in all 50 states and in Puerto Rico.²⁸ Membership in a local farm bureau is open to anyone who pays the membership fee. Each state farm bureau provides member benefits, which may include offering health care benefits to its members.²⁹

Several states have exempted nonprofit agricultural organizations or cooperatives, which offer and sell medical benefit plans, from state insurance regulations and consumer protections. State Farm Bureaus offer medical benefit plans in several states³⁰ an alternative to health insurance coverage that aims to offer lower costs for individual benefits to members and their families, self-employed farmers, and others.³¹ The Farm Bureau Health Plans in Tennessee, a member service company of the Tennessee Farm Bureau Federation, has been offering medical benefit

²⁶ National Association of Insurance Commissioners, What you should know about health care sharing ministries, discount plans, and risk sharing plans, (Dec. 13, 2023), <https://content.naic.org/article/what-you-should-know-about-health-care-sharing-ministries-discount-plans-and-risk-sharing-plans> (last visited Feb. 25, 2025).

²⁷ Department of Financial Services, Legislative Bill Analysis of SB 480, as filed (Feb. 14, 2025).

²⁸ American Farm Bureau Federation, Who we are, <https://www.fb.org/about/who-we-are> (last visited Feb. 24, 2025).

²⁹ Congressional Research Service, Applicability of Federal Requirements to Selected Coverage Arrangements: An Overview (Nov. 13, 2019), <https://crsreports.congress.gov/product/pdf/IF/IF11359/3> (last visited Feb. 24, 2025).

³⁰ Arkansas (2023 SB 324), Indiana (IN Code s. 27-1-2.2-4), Iowa (IA s. 505.20), Kansas (KS Stat s.40-2222), Nebraska (NE Code s. 44-7,119), North Dakota (2023 SB 2349), South Dakota (2021 SB 87), Tennessee (TN Code s. 56-2-121), Texas (TX Ins Code s. 1682.005).

³¹ Insurance Newsnet, Farm bureau launches new health plan that is everything but 'insurance' (Oct. 12, 2024), <https://insurancenewsnet.com/oarticle/farm-bureau-launches-new-health-plan-that-is-everything-but-insurance> (last visited Feb. 24, 2025).

plans since 1947 and currently provides medical benefit plans for more than 200,000 residents.³² The vast majority of farmers and farm workers who lack health insurance coverage have incomes below 400 percent of the federal poverty level, which is the income cut-off for federal subsidies on policies offered on the Health Insurance Marketplace³³ that help pay for premiums in the individual health insurance market.³⁴ In addition to individual and family plans, Medicare, dental and vision, and small employer medical benefit plans are offered to members.³⁵

In regard to pre-existing condition waiting periods, benefits will not be provided until a member has completed a waiting period of at least six months for all contracts and nine months for maternity on family contracts.³⁶ These plans require medical underwriting,³⁷ which may affect eligibility and rates.³⁸ The plans are not compliant with PPACA, which means they can medically underwrite covered individuals, impose waiting periods for preexisting conditions, and are not required to provide essential health benefits, etc. These plans are only available to Farm Bureau members, though an individual does not necessarily need to be affiliated with the agricultural industry to become a member.⁹

In 2017, Minnesota³⁹ enacted legislation that allows for the formation of agricultural cooperatives to operate self-funded health plans. Plan membership is restricted to farmers or other people in the agriculture industry.⁴⁰ The plans accept all who apply but are underwritten such that people with prior health conditions can be charged higher premiums.⁴¹

III. Effect of Proposed Changes:

Section 1 creates s. 624.4032, F.S., relating to nonprofit agricultural organization medical benefit plans, to authorize nonprofit agricultural organizations to offer health benefit options to their

³² Farm Bureau Health Plans Tennessee, [Why Choose Farm Bureau Health Plans? | Farm Bureau Health Plans](#) (last visited Feb. 27, 2025).

³³ HealthCare.gov, Welcome to the Health Insurance Marketplace, [Welcome to the Health Insurance Marketplace® | HealthCare.gov](#) (last visited Feb. 25, 2025). The website provides individuals with access to obtaining PPACA-compliant health insurance coverage during open enrollment and special enrollment periods. Individuals may qualify for subsidies or Medicaid, contingent on their income.

³⁴ Center on Budget and Policy Priorities, Expanding Skimpy Health Plans Is the Wrong Solution for Uninsured Farmers and Farm Workers (Jul. 17, 2018), <https://www.cbpp.org/research/health/expanding-skimpy-health-plans-is-the-wrong-solution-for-uninsured-farmers-and-farm> (last visited Feb. 25, 2025).

³⁵ Farm Bureau Health Plans Tennessee, [Frequently Asked Questions | Farm Bureau Health Plans](#) (last visited Feb. 25, 2025).

³⁶ Farm Bureau Health Plans Tennessee, [Individual and Family Plans | Core Choice | Farm Bureau Health Plans](#) (last visited Feb. 25, 2025).

³⁷ Medical underwriting is a process used by insurers to determine the health status of an applicant for insurance coverage, and to determine whether to offer an applicant coverage, at what price, and with what exclusions or limits. See <https://www.healthcare.gov/glossary/medical-underwriting/> (last visited Feb. 26, 2025).

³⁸ Farm Bureau Health Plans Tennessee, [Home](#) (last visited Jan. 25, 2025).

³⁹ State Health Access Data Assistance Center, Alternatives to ACA Compliant Plans in the Individual Market (Nov. 15, 2019), <https://www.shadac.org/news/alternatives-aca-compliant-plans-individual-market> (last visited Feb. 25, 2025).

⁴⁰ The Minnesota Star Tribune, Farmer cooperative health plans may rattle individual market in Minnesota (Nov. 14, 2017), <https://www.startribune.com/farmer-cooperative-health-plans-may-rattle-individual-market-in-minnesota/457321193> (last visited Feb. 25, 2025).

⁴¹ *Id.*

members. The term “nonprofit agricultural organization” means an organization that meets the following criteria:

- Is domiciled in Florida.
- Is exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code.
- Was created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in Florida.
- Exists to serve its members beyond only offering health coverage.
- Collects annual dues from its members.
- Was in existence before 1945.
- Is composed of members who, collectively, are residents of the majority of counties in this state.

Further, a nonprofit agricultural association:

- May offer medical benefit plans to its members. Such plans are not insurance for purposes of the Florida Insurance Code.
- Must provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan, regardless of whether such applications and marketing materials are distributed by or on behalf of the nonprofit agricultural organization. The disclaimer must read substantially in the following form:

“Notice: This medical benefit plan is not a health insurance policy or health maintenance organization contract and is not subject to the regulatory requirements and consumer protections that apply to health insurance policies or health maintenance organization contracts under the Florida Insurance Code. The nonprofit agricultural organization offering this medical benefit plan is not an authorized insurer or authorized health maintenance organization in Florida and the nonprofit agricultural organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code.”

- May not market or sell health benefit plans through agents licensed by the department.⁴²
- Must conduct an annual financial audit that is performed by an independent certified public accountant and make a copy of the audit publicly available upon request or post it online on the organization’s website.

Because such medical benefit plans are not insurance, various state statutes relating to regulation of forms and rates, financial regulations, availability of a guaranty funds in the event of an insolvency and other consumer protections, and mandated benefits will not apply to nonprofit agricultural organization plans.

Section 2 provides this act takes effect July 1, 2025.

⁴² The term “department” means the Department of Financial Services.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Individuals, families, or small businesses who are ineligible for subsidies through the Health Insurance Marketplace may be able to obtain a lower cost alternative to health insurance through plans offered by nonprofit agricultural organizations.

If the nonprofit agricultural organization is unable to pay claims or becomes insolvent, there is no state guaranty fund to pay claims.

C. Government Sector Impact:

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

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 624.4032 of the Florida Statutes

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on Mar. 10, 2025:

The CS:

- Revises and transfers the provisions of the bill from newly created Part II of ch. 632, F.S., to newly created s. 624.4032, F.S.
- Replaces the term, “health coverage,” a health insurance related term, with the term, “medical benefit plans.”
- Authorizes nonprofit agricultural organizations to offer health benefit plans to their members, and specifies such coverage is not insurance for purposes of the Florida Insurance Code.
- Requires a nonprofit agricultural organization to provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan.
- Provides that a nonprofit agricultural organization may not market or sell health benefit plans through agents licensed by the department.
- Requires a nonprofit agricultural organization to conduct an annual financial audit that is performed by an independent certified public accountant and make a copy publicly available upon request or post it online on the organization’s website.

B. Amendments:

None.

By the Committee on Banking and Insurance; and Senator DiCeglie

597-02250-25

2025480c1

A bill to be entitled

An act relating to nonprofit agricultural organization medical benefit plans; creating s. 624.4032, F.S.; providing legislative purpose; defining the term "nonprofit agricultural organization"; authorizing nonprofit agricultural organizations to provide medical benefit plans; specifying that such plans are not insurance for purposes of the Florida Insurance Code; requiring a specified disclosure; providing requirements for the disclosure; prohibiting the nonprofit agricultural organization from marketing or selling a medical benefit plan through specified agents; requiring the nonprofit agricultural organization to conduct an annual financial audit and make such audit publicly available; providing an effective date.

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

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

624.4032 Nonprofit agricultural organization medical benefit plans.—

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

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

Page 1 of 3

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

597-02250-25

2025480c1

(a) Is domiciled in this state.

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

(c) Was created primarily to promote programs for the development of rural communities and the economic stability and sustainability of farmers in this state.

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

(e) Collects annual dues from its members.

(f) Was in existence before 1945.

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

(3) A nonprofit agricultural organization:

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

(b) Shall provide a written disclaimer on or accompanying all applications and marketing materials for a medical benefit plan, regardless of whether such applications and marketing materials are distributed by or on behalf of the nonprofit agricultural organization. The disclaimer must be in contrasting color and at least 12-point type. The disclaimer must read in substantially the following form:

Notice: This medical benefit plan is not a health insurance policy or health maintenance organization contract and is not subject to the regulatory requirements and consumer protections that apply to health insurance policies or health maintenance

Page 2 of 3

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

597-02250-25

2025480c1

59 organization contracts under the Florida Insurance
60 Code. The nonprofit agricultural organization offering
61 this medical benefit plan is not an authorized insurer
62 or authorized health maintenance organization in
63 Florida and the nonprofit agricultural organization is
64 not subject to the regulatory requirements or consumer
65 protections of the Florida Insurance Code.
66
67 (c) May not market or sell medical benefit plans through
68 agents licensed by the department.
69 (d) Must conduct an annual financial audit that is
70 performed by an independent certified public accountant in
71 accordance with generally accepted accounting principles and
72 make it publicly available either by providing a copy upon
73 request or posting it on the nonprofit agricultural
74 organization's website.
75 Section 2. This act shall take effect July 1, 2025.

The Florida Senate

APPEARANCE RECORD

3/17

Meeting Date

C & T

Committee

480

Bill Number or Topic

Amendment Barcode (if applicable)

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City

State

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Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☒

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without compensation or sponsorship.

☒

I am a registered lobbyist, representing:

☐

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

American Cancer Society Cancer Action Network

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 480

Bill Number or Topic

3/17/24

Meeting Date

Commerce

Committee

Name

Tripp Hunter - Farm Bureau

Phone

850-408-6007

Address

26 W College

Email

tripp.hunter@ffbf.org

Street

TLH

City

FL

State

32301

Zip

Amendment Barcode (if applicable)

Speaking:



For



Against



Information

OR

Waive Speaking:



In Support



Against

PLEASE CHECK ONE OF THE FOLLOWING:



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representing:

Florida Farm Bureau



I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
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This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 922

INTRODUCER: Commerce and Tourism Committee and Senator Leek

SUBJECT: Employment Agreements

DATE: March 18, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McMillan	McKay	CM	Fav/CS
2.			JU	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 922 creates the “Florida Trade Secret Protection Act, which establishes the framework and use of covered garden leave agreements and covered noncompete agreements between a covered employer and a covered employee.

The bill defines “covered garden leave agreement” as a written agreement between a covered employee and covered employer in which:

- The parties agree to up to, but no more than, 4 years of advance, express notice before terminating the employment or contractor relationship;
- The covered employee agrees not to resign before the end of the notice period; and
- The covered employer agrees to retain the covered employee for the duration of the notice period and to continue providing the same salary and benefits that the employee was receiving in the last month before commencement of the notice period.

The bill takes effect July 1, 2025.

II. Present Situation:

Federal Antitrust Laws

In 1890, Congress passed the first antitrust law, the Sherman Act, as a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade.

Congress subsequently passed two additional antitrust laws in 1914: the Federal Trade Commission Act, which created the Federal Trade Commission (FTC), and the Clayton Act. Currently, these are the three core federal antitrust laws.¹

The Sherman Act

The Sherman Act outlaws every contract, combination, or conspiracy in restraint of trade, and any monopolization, attempted monopolization, or conspiracy or combination to monopolize. The Sherman Act does not prohibit every restraint of trade – only those that are unreasonable. For example, an agreement between two individuals to form a partnership may restrain trade, but may not do so unreasonably, and thus may be lawful under the antitrust laws. In contrast, certain acts are considered “per se” violations of the Sherman Act because they are harmful to competition. These include plain arrangements among competing individuals or businesses to fix prices, divide markets, or rig bids.²

The penalties for violating the Sherman Act can be severe. Although most enforcement actions are civil, the Sherman Act is also a criminal law, and individuals and businesses that violate it may be prosecuted by the U.S. Department of Justice. Criminal prosecutions are typically limited to intentional and clear violations. The Sherman Act imposes criminal penalties of up to \$10 million for a corporation and \$350,000 for an individual, along with up to 3 years in prison.³ Under some circumstances, the maximum fines can be higher.⁴

The Federal Trade Commission Act

The Federal Trade Commission Act prohibits unfair methods of competition and unfair or deceptive acts or practices.⁵ The U.S. Supreme Court has ruled that all violations of the Sherman Act also violate the FTC Act. Therefore, the FTC can bring cases under the FTC Act against the same kinds of activities that violate the Sherman Act. The FTC Act also reaches other practices that harm competition but may not fit neatly into categories of conduct formally prohibited by the Sherman Act. Only the FTC may bring cases under the FTC Act.⁶

The Clayton Act

The Clayton Act addresses specific practices that the Sherman Act does not clearly prohibit, such as mergers and interlocking directorates.⁷ It also bans mergers and acquisitions where the effect may substantially lessen competition or create a monopoly. As amended by the Robinson-Patman Act of 1936, the Clayton Act also prohibits certain discriminatory prices, services, and allowances in dealings between merchants. The Clayton Act was amended again in 1976 by the

¹ See *The Antitrust Laws*, Federal Trade Commission, available at <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/antitrust-laws> (last visited Mar. 18, 2025).

² *Id.*

³ *Antitrust Enforcement and the Consumer*, U.S. Department of Justice, available at <https://www.govinfo.gov/content/pkg/GOVPUB-J-PURL-LPS16084/pdf/GOVPUB-J-PURL-LPS16084.pdf> (last visited Mar. 18, 2025). See also 15 U.S.C.A. § 2

⁴ *Id.*

⁵ 15 U.S.C. §§ 41-58.

⁶ *The Antitrust Laws*, Federal Trade Commission, available at <https://www.ftc.gov/tips-advice/competition-guidance/guide-antitrust-laws/antitrust-laws> (last visited Mar. 18, 2025).

⁷ “Interlocking directorates” means the same person making business decisions for competing companies. See also *Id.*

Hart-Scott-Rodino Antitrust Improvements Act to require companies planning large mergers or acquisitions to notify the government of their plans in advance. Additionally, private parties are authorized to sue for triple damages when they have been harmed by conduct that violates either the Sherman or Clayton Act and to obtain a court order prohibiting the anticompetitive practice prospectively.⁸

Florida Antitrust Laws

Florida law also provides protections against anticompetitive practices. Chapter 542, F.S., the Florida Antitrust Act of 1980, intended to complement the body of federal law prohibiting restraints of trade or commerce in order to foster effective competition.⁹ It outlaws every contract, combination, or conspiracy in restraint of trade or commerce in Florida¹⁰ and any person from monopolizing or attempting or conspiring to monopolize any part of trade.¹¹

Contracts in Restraint of Trade or Commerce

Generally, a contract in restraint of trade or commerce in Florida is unlawful.¹² However, non-competition restrictive covenants¹³ contained in employment agreements that are reasonable in time, area, and line of business, are not prohibited.¹⁴ In any action concerning enforcement of a restrictive covenant, a court may not enforce a restrictive covenant unless it is set forth in a writing signed by the person against whom enforcement is sought, and the person seeking enforcement of a restrictive covenant must prove the existence of one or more legitimate business interests justifying the restrictive covenant.¹⁵ The term “legitimate business interest” includes, but is not limited to:

- Trade secrets;¹⁶
- Valuable confidential business or professional information that does not otherwise qualify as trade secrets;
- Substantial relationships with specific prospective or existing customers, patients, or clients;
- Customer, patient, or client goodwill associated with:
 - An ongoing business or professional practice, by way of trade name, trademark, service mark, or “trade dress;”
 - A specific geographic location; or
 - A specific marketing or trade area; or
- Extraordinary or specialized training.¹⁷

⁸ *Id.*

⁹ Section 542.16, F.S.

¹⁰ Section 542.18, F.S.

¹¹ Section 542.19, F.S.

¹² Section 542.18, F.S.

¹³ Section 542.335, F.S. employs the term “restrictive covenants” and includes all contractual restrictions such as noncompetition/nonsolicitation agreements, confidentiality agreements, exclusive dealing agreements, and all other contractual restraints of trade. See *Henao v. Prof'l Shoe Repair, Inc.*, 929 So.2d 723, 726 (Fla. 5th DCA 2006).

¹⁴ Section 542.335(1), F.S.

¹⁵ *Id.*

¹⁶ Section 688.002(4), F.S., defines a “trade secret” as information, including a formula, pattern, compilation, program, device, method, technique, or process that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

¹⁷ Section 542.335(1)(b), F.S.

Any restrictive covenant not supported by a legitimate business interest is unlawful and is void and unenforceable.¹⁸ A person seeking enforcement of a restrictive covenant must prove that the contractually specified restraint is reasonably necessary to protect the legitimate business interest or interests justifying the restriction.¹⁹

Trade Secrets

Section 812.081, F.S., defines a “trade secret” as the whole or any portion or phase of any formula, pattern, device, combination of devices, or compilation of information which is for use, or is used, in the operation of a business and which provides the business an advantage, or an opportunity to obtain an advantage, over those who do not know or use it. The term includes any scientific, technical, or commercial information, including financial information, and includes any design, process, procedure, list of suppliers, list of customers, business code, or improvement thereof, whether tangible or intangible, and regardless of whether or how it is stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing. Irrespective of novelty, invention, patentability, the state of the prior art, and the level of skill in the business, art, or field to which the subject matter pertains, a trade secret is considered to be:

- Secret;
- Of value;
- For use or in use by the business; and
- Of advantage to the business, or providing an opportunity to obtain an advantage, over those who do not know or use it.²⁰

Penalties

Florida law criminalizes the disclosure or theft of trade secrets. For example:

- Section 815.04, F.S., makes it a third degree felony²¹ for a person to willfully, knowingly, and without authorization disclose or take data, programs, or supporting documentation that are trade secrets that reside or exist internal or external to a computer, computer system, computer network, or electronic device.²²
- Section 812.081(2), F.S., makes it a third degree felony for a person to willfully and without authorization, obtain or use, or endeavor to obtain or use, a trade secret with the intent to either temporarily or permanently:
 - Deprive or withhold from the trade secret’s owner the control or benefit of a trade secret; or
 - Appropriate a trade secret to his or her own use or to the use of another person not entitled to the trade secret.

¹⁸ *Id.*

¹⁹ Section 542.335(1)(c), F.S.

²⁰ Section 812.081(1)(f), F.S.

²¹ A third degree felony is punishable by up to 5 years imprisonment and a \$5,000 fine. See ss. 775.082 and 775.083, F.S.

²² The offense is a second degree felony if committed for the purpose of devising or executing any scheme or artifice to defraud or to obtain property.

- Section 812.081(3), F.S., makes it a second degree felony²³ for a person who traffics in, or endeavors to traffic in, a trade secret that he or she knows or should know was obtained or used without authorization.

Restrictive Covenants in Florida Health Care

Under s. 542.336, F.S., a restrictive covenant entered into with a physician who practices a medical specialty in a county where one entity employs or contracts with all physicians who practice that specialty in that county, is not supported by a legitimate business interest and is void and unenforceable.²⁴ The restrictive covenant remains void and unenforceable until three years after the date on which a second entity that employs or contracts with one or more physicians who practice that specialty begins serving patients in that county.²⁵

In *21st Century Oncology, Inc.*, the plaintiff sought a preliminary injunction to enjoin the application and enforcement of s. 542.336, F.S. In August of 2019, the U.S. District Court for the Northern District of Florida denied the injunction. While s. 542.336, F.S., was found to impair the plaintiff's employment contracts within the meaning of the Contracts Clause, the court held that the degree of impairment did not outweigh the statute's significant, legitimate public purpose.²⁶

Federal Trade Commission Rule

In September of 2024, the FTC's rule²⁷ against noncompete agreements was set to take effect to promote competition by banning noncompete agreements nationwide.²⁸ Under the rule, existing noncompete agreements²⁹ for most workers would no longer be enforceable.³⁰ Existing

²³ A second degree felony is punishable by up to 15 years imprisonment and a \$10,000 fine. See ss. 775.082 and 775.083, F.S.

²⁴ Section 542.336, F.S.

²⁵ *Id.*

²⁶ The ostensible public purpose of section 542.336 is to reduce healthcare costs and improve patients' access to physicians. See s. 542.336, F.S.; ECF No. 64 at 8 (Attorney General's post-hearing brief, stating "section 542.336 explicitly sets forth its own rational basis in declaring that the restrictive covenants addressed by it are not supported by a legitimate business interest, restrict patient access to physicians, and increase costs"). It is well settled that access to affordable healthcare is a legitimate state interest." See also *21st Century Oncology, Inc. v. Moody*, 402 F. Supp. 3d 1351, 1359 (N.D. Fla. 2019). "Allopathy" is a system of medical practice that emphasizes diagnosing and treating disease and the use of conventional, evidence-based therapeutic measures (such as drugs or surgery). See also Merriam-Webster Dictionary, "allopathy," available at <https://www.merriam-webster.com/dictionary/allopathy> (last visited Mar. 18, 2025). "Osteopathy" is a system of medical practice that emphasizes a holistic and comprehensive approach to patient care and utilizes the manipulation of musculoskeletal tissues along with therapeutic measures to prevent or treat disease. See also Merriam-Webster Dictionary, "osteopathy," available at <https://www.merriam-webster.com/dictionary/osteopathy> (last visited Mar. 18, 2025).

²⁷ 16 C.F.R. § 910.1-6

²⁸ *FTC Announces Rule Banning Noncompetes*, The Federal Trade Commission, available at <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-rule-banning-noncompetes> (last visited Mar. 18, 2025).

²⁹ The rule defines "noncompete clause" as one that prevents the worker from seeking or accepting new employment "after the conclusion" of the current employment. Thus, under the rule "garden leave agreements" may or may not be prohibited depending on how they are structured. For instance, a garden leave agreement where the employee remains employed but is not allowed to access the business during the garden leave period should be permissible. See *id.*

³⁰ *Id.* The following are exceptions listed under the rule: (1) noncompete agreements that are entered into by a person pursuant to a bona fide sale of a business entity, of the person's ownership interest in a business entity, or of all or substantially all of a business entity's operating assets; (2) noncompete agreements where a cause of action related to a noncompete clause accrued prior to the effective date of the rule; and (3) where a person has a good faith basis to believe that the rule is inapplicable. See 16 C.F.R. § 910.1-6.

noncompete agreements for senior executives³¹ would remain in force, however, new noncompete agreements, even if they involve senior executives would be banned.³² Additionally, the rule requires employers to provide notice to workers other than senior executives who are bound by an existing noncompete agreement that they will not be enforceable.³³ Ultimately, the rule determined that it is an unfair method of competition for employers to enter into noncompete agreements with workers, and therefore noncompete agreements are a violation of Section 5 of the FTC Act.³⁴

On July 23, 2024, the U.S. District Court for the Eastern District of Pennsylvania issued a decision, which held that the FTC had the authority to issue its rule banning most employment based noncompete agreements.³⁵

On August 14, 2024, the U.S. District Court for the Middle District of Florida entered a limited injunction prohibiting the FTC from enforcing the FTC's noncompete rule. The court used the "major questions doctrine" to argue that the FTC did not have a valid grant of congressional authority to enact the rule.³⁶

On August 20, 2024, the U.S. District Court for the Northern District of Texas granted summary judgement to the plaintiffs in *Ryan, LLC v. FTC*, which sets aside the FTC's noncompete clause rule.³⁷ The court found that the FTC has no authority to promulgate substantive rules regarding unfair competition, and the rule is invalid because it is arbitrary and capricious.³⁸

III. Effect of Proposed Changes:

Section 1 of the bill creates Part I of ch. 542, F.S., consisting of ss. 542.15-542.36, F.S., entitled "The Florida Antitrust Act of 1980."

The Florida Trade Secret Protection Act

Section 2 of the bill creates Part II of ch. 542, F.S., consisting of ss. 542.41-542.25, F.S., entitled "The Florida Trade Secret Protection Act."

³¹ The FTC defines "senior executive" as someone who earns at least \$151,164 per year and has "policy making" authority. "Policy making" authority means a role that involves making decisions that significantly impact business.

³² *Id.* The final rule defines "senior executives" as workers earning more than \$151,164 annually and who are in policy-making positions. *See id.* *See also* 16 C.F.R. § 910.1-6.

³³ *Id.*

³⁴ *Id.* The FTC found that employers have several alternatives to noncompete agreements that still enable them to protect their investments without having to enforce a noncompete agreement. For instance, trade secret laws and non-disclosure agreements both provide employers with means to protect proprietary and other sensitive information. *See id.*

³⁵ *ATS Tree Services, LLC. v. Federal Trade Commission*, WL 3511630 (E.D. Pa. 2024). The court found that the FTC has broad authority to regulate "unfair methods of competition" under the FTC Act. *See also* 15 U.S.C. §§ 41-58.

³⁶ *Properties of the Villages, Inc. v. Federal Trade Commission*, WL 3870380 (M.D. Fla. 2024). The "major questions doctrine" requires administrative agencies issuing rules of extraordinary economic and political significance to point to clear and unambiguous congressional intent to confer such power on the agency.

³⁷ *Ryan, LLC v. Federal Trade Commission*, 746 F.Supp.3d 369 (N.D. Tex. 2024). This is a nation wide injunction. The FTC is

³⁸ *Id.*

The bill establishes that the Legislature finds a proper and legitimate state interest is served by enforcing strong legal protections in contracts between employers and contracted personnel which encourage optimal levels of information sharing and training and development. The Legislature further finds that alternative means of protecting confidential information and client, relationships, such as nondisclosure agreements, fixed-duration term contracts, and nonsolicitation clauses in employment contracts, are inadequate to protect against the significant global risks faced by companies in Florida. Additionally, the Legislature finds that predictability in the enforcement of contracts described in Part II of ch. 542, F.S., encourages investment in Florida. Therefore, the Legislature determines and declares that Part II of ch. 542, F.S., fulfills an important state interest.

Definitions

The bill creates the following definitions:

- “Annual mean wage of employees in Florida” or “annual mean wage” means the most recent annual mean wage as calculated by the United States Department of Labor Bureau of Labor Statistics, or its successor calculation, for all occupations in Florida.³⁹
- “Benefit” means access to health insurance, life insurance, or disability insurance that is the same as or similar to the insurance that a covered employee had access to and at the same cost to that employee during the month before the commencement of his or her notice period.
- “Covered employee” means an employee or individual contractor who earns or is reasonably expected to earn a salary greater than twice the annual mean wage, or who has access to his or her employer’s or client’s confidential information or customer relationships. A court must presume that an employee or individual contractor has access to confidential information or customer relationships if the employee or individual contractor acknowledges the access or receipt of such access in writing. The term does not include a person classified as a medical professional⁴⁰ as defined in s. 1006.0626, F.S.
- “Covered employer” means an entity or individual who employs or engages a covered employee.
- “Covered garden leave agreement” means a written agreement, or part of a written agreement, between a covered employee and covered employer in which:
 - The covered employee and covered employer agree to up to, but no more than, 4 years of advance, express notice before terminating the employment or contractor relationship;
 - The covered employee agrees not to resign before the end of such notice period; and
 - The covered employer agrees to retain the covered employee for the duration of such notice period and to continue paying the covered employee the same salary and providing the same benefits that the covered employee received from the covered employer in the last month before the commencement of the notice period.⁴¹

³⁹ According to the United States Department of Labor Bureau of Labor Statistics, the most recent annual mean wage for all occupations in Florida is \$60,210. *Occupational Employment and Wage Statistics*, U.S. Bureau of Labor Statistics, available at https://www.bls.gov/oes/current/oes_fl.htm#00-0000 (last visited Mar. 18, 2025).

⁴⁰ Section 1006.0626, F.S., defines “medical professional” as a physician licensed under chapter 458 or chapter 459, F.S., a physician assistant licensed under chapter 458 or chapter 459, F.S., or an advanced practice registered nurse licensed under s. 464.012, F.S., who provides epilepsy or seizure disorder care.

⁴¹ The bill provides that the covered employer is not obligated to provide discretionary incentive compensation or benefits or have the covered employee continue performing any work during the notice period.

- “Covered noncompete agreement” means a written agreement, or a portion of a written agreement, between a covered employee and a covered employer in which, for a period not to exceed 4 years and within a specified geographic area, which may be global in scope, the covered employee agrees not to assume a role with or for another business, entity, or individual:
 - In which the covered employee would provide services similar to the services provided to the covered employer during the 3 years preceding the noncompete period; or
 - In which it is reasonably likely the covered employee would use the confidential information or customer relationships of the covered employer.
- “Noncompete period” means the time from the covered employee’s termination of employment through the end of the agreed-upon postemployment period of noncompetition as set forth in the covered noncompete agreement.
- “Notice period” means the date from the covered employee’s or covered employer’s written notice of intent to terminate the covered employee’s employment through the date of termination as set forth in a covered garden leave agreement.
- “Primary place of work” means the location where the covered employee spends more work time than any other single workplace.
- “Salary” means the base compensation, calculated on an annualized basis, which a covered employer pays a covered employee, including a base wage, a salary, a professional fee, or other compensation for personal services, and the fair market value of any benefit other than cash. Salary does not include health care benefits, severance pay, retirement benefits, expense reimbursement, distribution of earnings and profits not included as compensation for personal services, discretionary incentives or awards, or anticipated but indeterminable compensation, including tips, bonuses, or commissions.

Applicability

This section of the bill applies to a covered garden leave agreement or a covered noncompete agreement with a covered employee⁴² who maintains a primary place of work in Florida, as well as to a covered employee who is subject to a covered garden leave agreement or a covered noncompete agreement with a covered employer that has a significant nexus with Florida.⁴³ If any provision of ss. 542.44 or 542.45, F.S., are in conflict with any other law, the provisions of ss. 542.44 or 542.45, F.S., must govern.

⁴² A “covered employee” means an employee or individual contractor who earns or is reasonably expected to earn a salary greater than twice the annual mean wage, or who has access to his or her employer’s or client’s confidential information or customer relationships. A court must presume that an employee or individual contractor has access to confidential information or customer relationships if the employee or individual contractor acknowledges the access or receipt of such access in writing.

⁴³ “Significant nexus” with Florida includes: (1) Having employees, agents, or independent contractors conducting sales or other business activities in Florida; (2) Maintaining an office or other place of business in Florida; (3) Assembling, installing, servicing, or repairing products in Florida; (4) Owning, renting, or leasing real property or tangible personal property in Florida; or (5) Delivering goods to Florida customers using your company-owned leased truck. *See Information for Out-of-State Businesses*, The Florida Department of Revenue, available at <https://floridarevenue.com/taxes/businesses/Pages/outstate.aspx#:~:text=Some%20common%20examples%20of%20activities,place%20of%20business%20in%20Florida> (last visited March 18, 2025).

Garden Leave Agreements

The bill provides that a covered garden leave agreement does not violate public policy as a restraint of trade⁴⁴ or as an attempt to monopolize trade or commerce⁴⁵ in Florida, and is fully enforceable according to its terms, if the following requirements are met:

- A covered employee is provided proper notice of the covered garden leave agreement before its execution; and
- The covered garden leave agreement provides that:
 - After the first 90 days of the notice period, the covered employee does not have to provide services to the covered employer;
 - The covered employee may engage in nonwork activities at any time, including during normal business hours, during the remainder of the notice period; and
 - The covered employee may, with the permission of the covered employer while still employed by the covered employer during the remainder of the notice period.

Noncompete Agreements

The bill establishes that a covered noncompete agreement does not violate public policy as a restraint of trade, or as an attempt to monopolize trade or commerce in Florida, and is fully enforceable according to its terms, provided that:

- A covered employee is provided proper notice of the covered noncompete agreement before its execution; and
- A covered noncompete agreement provides that the noncompete period is reduced day-for-day by any nonworking portion of the notice period, pursuant to a covered garden leave agreement between the covered employee and the covered employer, if applicable.

Notice***Both Garden Leave Agreements and Noncompete Agreements***

The bill requires proper notice of a covered garden leave agreement or a covered noncompete agreement in the following circumstances:

- For a prospective covered employee, at least 7 days before a prospective covered employee's offer of employment expires; or
- For a current covered employee, at least 7 days before an offer to enter into a covered garden leave agreement expires.

In either case, a prospective or current covered employee is required to acknowledge in writing that he or she was expressly advised of the right to seek legal counsel before the execution of the covered garden leave agreement or the covered noncompete agreement. However, the covered employer may, without breach of the covered garden leave agreement, waive any portion of the notice requirement by providing at least 30 days' advance notice in writing to the covered employee.

⁴⁴ See s. 542.18, F.S.

⁴⁵ See s. 542.19, F.S.

Other Agreements

Both Garden Leave Agreements and Noncompete Agreements

The bill provides that this section of the bill does not affect or limit the enforceability of any other employment agreement or any other agreement.

Remedies

Garden Leave Agreements

Upon application by a covered employer, a court must preliminarily enjoin a covered employee from providing services to any business, entity, or individual other than the covered employer during the notice period. The court may modify or dissolve the injunction only if the covered employee establishes by clear and convincing evidence that:

- The covered employee will not perform, during the notice period, any work similar to the services provided to the covered employer during the 3-year period preceding the commencement of the notice period, or use confidential information or customer relationships of the covered employer; or
- The covered employer has failed to pay or provide the salary and benefits provided for in the covered garden leave agreement during the notice period and has had a reasonable opportunity to cure the failure.

Noncompete Agreements

Upon application by a covered employer, a court must preliminarily enjoin a business, an entity, or an individual from engaging a covered employee during the covered employee's noncompete period. The court may modify or dissolve the injunction only if the business, entity, or individual establishes by clear and convincing evidence, based on public or other nonconfidential information, that:

- The covered employee will not provide any services similar to the services provided to the covered employer during the 3-year period preceding the commencement of the noncompete period, or use confidential information or customer relationships of the covered employer; or
- The business or individual seeking to employ or engage the covered employee is not engaged in, and is not planning or preparing to engage in, any business activity similar to those engaged in by the covered employer during the noncompete period.

Both Garden Leave Agreements and Noncompete Agreements

Any information filed with the court which the covered employer deems to be confidential must be filed under seal to protect trade secrets or avoid substantial injury.

The injunctive relief provided is not an exclusive remedy, and a prevailing covered employer is entitled to recover all available monetary damages for all available claims.

In any action to enforce this section, the prevailing party is entitled to reasonable attorney fees and costs.

If the covered employee engages in gross misconduct against the covered employer, the covered employer may reduce the salary or benefits of the covered employee or take other appropriate action during the notice period or the noncompete period, which reduction or other action may not be considered a breach of the covered garden leave agreement or the covered noncompete agreement.

The bill provides that any action regarding a restrictive covenant that does not meet the definition set forth in this bill of a covered garden leave agreement or a covered noncompete agreement is governed by s. 542.335, F.S.

Effective Date

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Article VI, Paragraph 2 of the U.S. Constitution, commonly referred to as the Supremacy Clause, establishes that the federal constitution, and federal law generally, take precedence over state laws and constitutions. The Supremacy Clause also prohibits states from interfering with the federal government's exercise of its constitutional powers and from assuming any functions that are exclusively entrusted to the federal government. It does not, however, allow the federal government to review or veto state laws before they take effect.⁴⁶

As described in the "Present Situation" of this bill analysis, on August 20, 2024, the U.S. District Court for the Northern District of Texas issued an order stopping the FTC from enforcing the noncompete rule. The FTC has appealed the decision.

⁴⁶ *Supremacy Clause*, Cornell Law School, Legal Information Institute, available at https://www.law.cornell.edu/wex/supremacy_clause (last visited Mar. 18, 2025).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 542.41, 542.45, 542.42, 542.43, 542.44.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism on March 17, 2025

The committee substitute clarifies that a covered employer is not obligated to provide "discretionary benefits" or have the covered employee continue performing any work during the notice period. The amendment also clarifies that a provision should read "covered garden leave agreement," instead of "covered garden agreement." Lastly, the amendment fixes a drafting error to the title of a subsection in the bill.

None.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate . House
Comm: RCS .
03/17/2025 .

The Committee on Commerce and Tourism (Leek) recommended the following:

Senate Amendment

Delete lines 126 - 284

and insert:

provide discretionary incentive compensation or discretionary benefits or have the covered employee continue performing any work during the notice period.

(6) "Covered noncompete agreement" means a written agreement, or a portion of a written agreement, between a covered employee and a covered employer in which, for a period



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not to exceed 4 years and within a specified geographic area, which may be global in scope, the covered employee agrees not to assume a role with or for another business, entity, or individual:

(a) In which the covered employee would provide services similar to the services provided to the covered employer during the 3 years preceding the noncompete period; or

(b) In which it is reasonably likely the covered employee would use the confidential information or customer relationships of the covered employer.

(7) "Noncompete period" means the time from the covered employee's termination of employment through the end of the agreed-upon postemployment period of noncompetition as set forth in the covered noncompete agreement.

(8) "Notice period" means the date from the covered employee's or covered employer's written notice of intent to terminate the covered employee's employment through the date of termination as set forth in a covered garden leave agreement.

(9) "Primary place of work" means the location where the covered employee spends more work time than any other single workplace.

(10) "Salary" means the base compensation, calculated on an annualized basis, which a covered employer pays a covered employee, including a base wage, a salary, a professional fee, or other compensation for personal services, and the fair market value of any benefit other than cash. Salary does not include health care benefits, severance pay, retirement benefits, expense reimbursement, distribution of earnings and profits not included as compensation for personal services, discretionary



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incentives or awards, or anticipated but indeterminable compensation, including tips, bonuses, or commissions.

542.44 Covered garden leave agreement.—

(1) APPLICABILITY.—This section applies to:

(a) A covered garden leave agreement with a covered employee who maintains a primary place of work in this state, regardless of any applicable choice of law provisions; or

(b) A covered employee who is subject to a covered garden leave agreement with a covered employer with a significant nexus to this state.

If any provision of this section is in conflict with any other law, the provisions of this section shall govern.

(2) RESTRAINT OF TRADE.—A covered garden leave agreement does not violate public policy as a restraint of trade, as described in s. 542.18, or an attempt to monopolize trade or commerce in this state, as described in s. 542.19, and is fully enforceable according to its terms, provided that:

(a) A covered employee is provided proper notice of the covered garden leave agreement before its execution, as described in subsection (3); and

(b) The covered garden leave agreement provides that:

1. After the first 90 days of the notice period, the covered employee does not have to provide services to the covered employer;

2. The covered employee may engage in nonwork activities at any time, including during normal business hours, during the remainder of the notice period; and

3. The covered employee may, with the permission of the



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covered employer, work for another employer while still employed by the covered employer during the remainder of the notice period.

(3) NOTICE; WAIVER OF NOTICE.—

(a) Proper notice of a covered garden leave agreement requires:

1. For a prospective covered employee, at least 7 days before a prospective covered employee's offer of employment expires.

2. For a current covered employee, at least 7 days before an offer to enter into a covered garden leave agreement expires.

(b) A prospective or current covered employee must acknowledge in writing that he or she was expressly advised of the right to seek legal counsel before the execution of the covered garden leave agreement.

(c) The covered employer may, without breach of the covered garden leave agreement, waive any portion of this subsection by providing at least 30 days' advance notice in writing to the covered employee.

(4) OTHER AGREEMENTS.—This section does not affect or limit the enforceability of any other employment agreement or any other agreement.

(5) BREACH OF A COVERED GARDEN LEAVE AGREEMENT; REMEDIES.—

(a) Upon application by a covered employer, a court must preliminarily enjoin a covered employee from providing services to any business, entity, or individual other than the covered employer during the notice period. The court may modify or dissolve the injunction only if the covered employee establishes by clear and convincing evidence that:



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98 1. The covered employee will not perform, during the notice
99 period, any work similar to the services provided to the covered
100 employer during the 3-year period preceding the commencement of
101 the notice period, or use confidential information or customer
102 relationships of the covered employer; or
103 2. The covered employer has failed to pay or provide the
104 salary and benefits provided for in the covered garden leave
105 agreement during the notice period and has had a reasonable
106 opportunity to cure the failure.
107 (b) Upon application by a covered employer, a court must
108 preliminarily enjoin a business, an entity, or an individual
109 from engaging a covered employee during the covered employee's
110 notice period. The court may modify or dissolve the injunction
111 only if the business, entity, or individual establishes by clear
112 and convincing evidence, based on public or other
113 nonconfidential information, that:
114 1. The covered employee will not provide any services
115 similar to the services provided to the covered employer during
116 the 3-year period preceding the commencement of the notice
117 period, or use confidential information or customer
118 relationships of the covered employer; or
119 2. The business or individual seeking to employ or engage
120 the covered employee is not engaged in, and is not planning or
121 preparing to engage in, any business activity similar to those
122 engaged in by the covered employer during the notice period.
123 Any information filed with the court which the covered employer
124 deems to be confidential must be filed under seal to protect
125 trade secrets or avoid substantial injury.
126

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127 (c) The injunctive relief provided under this section is
128 not an exclusive remedy, and a prevailing covered employer is
129 entitled to recover all available monetary damages for all
130 available claims.
131 (d) In any action to enforce this section, the prevailing
132 party is entitled to reasonable attorney fees and costs.
133 (e) If the covered employee engages in gross misconduct
134 against the covered employer, the covered employer may reduce
135 the salary or benefits of the covered employee or take other
136 appropriate action during the notice period, which reduction or
137 other action may not be considered a breach of the covered
138 garden leave agreement.
139 542.45 Covered noncompete agreements.—
140 (1) APPLICABILITY.—This section applies to:
141 (a) A covered noncompete agreement with a covered employee
142 who maintains a primary place of work in this state, regardless
143 of any applicable choice of law provisions; or
144 (b) A covered employee who is subject to a covered
145 noncompete agreement with a covered employer with a significant
146 nexus to this state.
147 In either case, if any provision of this section is in conflict
148 with any other law, the provisions of this section govern.
149 (2) RESTRAINT OF TRADE.—A covered noncompete agreement does
150 not violate public policy as a restraint of trade, as described
151 in s. 542.18, or an attempt to monopolize trade or commerce in
152 this state, as described in s. 542.19, and is fully enforceable
153 according to its terms, provided that:
154 (a) A covered employee is provided proper notice of the
155

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156 covered noncompete agreement before its execution, as described
157 in subsection (3); and
158 (b) A covered noncompete agreement provides that the
159 noncompete period is reduced day-for-day by any nonworking
160 portion of the notice period, pursuant to a covered garden leave
161 agreement between the covered employee and the covered employer,
162 if applicable.
163 (3) NOTICE.—Proper notice of a covered

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By Senator Leek

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1 A bill to be entitled
 2 An act relating to employment agreements; creating
 3 part I of ch. 542, F.S., entitled "The Florida
 4 Antitrust Act of 1980"; creating part II of ch. 542,
 5 F.S., entitled "The Florida Trade Secret Protection
 6 Act"; creating s. 542.41, F.S.; providing a short
 7 title; creating s. 542.42, F.S.; providing legislative
 8 findings; creating s. 542.43, F.S.; defining terms;
 9 creating s. 542.44, F.S.; providing applicability;
 10 providing that certain covered garden leave agreements
 11 are not a restraint of trade or an attempt to
 12 monopolize trade or commerce; providing notice
 13 requirements for covered garden leave agreements;
 14 providing that a covered employer may waive any
 15 portion of such notice requirements by providing a
 16 specified amount of advance written notice to the
 17 covered employee; providing that covered garden leave
 18 agreements do not affect other agreements; requiring a
 19 court to enter a preliminary injunction to stop
 20 covered employees, businesses, entities, or
 21 individuals if a breach of a covered garden leave
 22 agreement is alleged; authorizing the court to modify
 23 such an injunction if a covered employee, business,
 24 entity, or individual establishes certain information
 25 by clear and convincing evidence; requiring that
 26 certain information be provided to the court under
 27 seal; providing that a prevailing covered employer is
 28 entitled to recover all available monetary damages for
 29 all available claims; providing that a prevailing

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

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30 party is entitled to reasonable attorney fees and
 31 costs; authorizing a covered employer to reduce the
 32 salary or benefits of a covered employee if he or she
 33 engages in gross misconduct; providing that such a
 34 reduction is not a breach of the covered garden leave
 35 agreement; creating s. 542.45, F.S.; providing
 36 applicability; providing that certain covered
 37 noncompete agreements are not a restraint of trade or
 38 an attempt to monopolize trade or commerce; providing
 39 notice requirements for covered noncompete agreements;
 40 providing that covered noncompete agreements do not
 41 affect other agreements; requiring a court to enter a
 42 preliminary injunction to stop covered employees,
 43 businesses, entities, or individuals if a breach of a
 44 covered noncompete agreement is alleged; authorizing
 45 the court to modify such an injunction if a covered
 46 employee, business, entity, or individual establishes
 47 certain information by clear and convincing evidence;
 48 requiring that certain information be provided to the
 49 court under seal; providing that a prevailing covered
 50 employer is entitled to recover all available monetary
 51 damages for all available claims; providing that a
 52 prevailing party is entitled to reasonable attorney
 53 fees and costs; authorizing a covered employer to
 54 reduce the salary or benefits of a covered employee if
 55 he or she engages in gross misconduct; providing that
 56 such a reduction is not a breach of the covered
 57 noncompete agreement; providing construction regarding
 58 a restrictive covenant that does not meet the

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definition of a covered garden leave agreement or a covered noncompete agreement; providing an effective date.

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

Section 1. Part I of chapter 542, Florida Statutes, consisting of ss. 542.15-542.36, Florida Statutes, is created and entitled "The Florida Antitrust Act of 1980."

Section 2. Part II of chapter 542, Florida Statutes, consisting of ss. 542.41-542.45, Florida Statutes, is created and entitled "The Florida Trade Secret Protection Act."

542.41 Short title.—This part may be cited as "The Florida Trade Secret Protection Act."

542.42 Legislative findings.—The Legislature finds that a proper and legitimate state interest is served by enforcing strong legal protections in contracts between employers and contracted personnel which encourage optimal levels of information sharing and training and development. The Legislature further finds that alternative means of protecting confidential information and client relationships, such as nondisclosure agreements, fixed-duration term contracts, and nonsolicitation clauses in employment contracts, are inadequate to protect against the significant global risks faced by companies in this state. The Legislature further finds that predictability in the enforcement of contracts described in this part encourages investment in this state. Therefore, the Legislature determines and declares that this part fulfills an important state interest.

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542.43 Definitions.—For the purposes of this part, the term:

(1) "Annual mean wage of employees in Florida" or "annual mean wage" means the most recent annual mean wage as calculated by the United States Department of Labor Bureau of Labor Statistics, or its successor calculation, for all occupations in this state.

(2) "Benefit" means access to health insurance, life insurance, or disability insurance that is the same as or similar to the insurance that a covered employee had access to and at the same cost to that employee during the month before the commencement of his or her notice period.

(3) "Covered employee" means an employee or individual contractor who earns or is reasonably expected to earn a salary greater than twice the annual mean wage, or who has access to his or her employer's or client's confidential information or customer relationships. A court must presume that an employee or individual contractor has access to confidential information or customer relationships if the employee or individual contractor acknowledges the access or receipt of such access in writing. The term does not include a person classified as a medical professional as defined in s. 1006.0626.

(4) "Covered employer" means an entity or individual who employs or engages a covered employee.

(5) "Covered garden leave agreement" means a written agreement, or part of a written agreement, between a covered employee and covered employer in which:

(a) The covered employee and covered employer agree to up to, but no more than, 4 years of advance, express notice before

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terminating the employment or contractor relationship;

(b) The covered employee agrees not to resign before the end of such notice period; and

(c) The covered employer agrees to retain the covered employee for the duration of such notice period and to continue paying the covered employee the same salary and providing the same benefits that the covered employee received from the covered employer in the last month before the commencement of the notice period. The covered employer is not obligated to provide discretionary incentive compensation or benefits or have the covered employee continue performing any work during the notice period.

(6) "Covered noncompete agreement" means a written agreement, or a portion of a written agreement, between a covered employee and a covered employer in which, for a period not to exceed 4 years and within a specified geographic area, which may be global in scope, the covered employee agrees not to assume a role with or for another business, entity, or individual:

(a) In which the covered employee would provide services similar to the services provided to the covered employer during the 3 years preceding the noncompete period; or

(b) In which it is reasonably likely the covered employee would use the confidential information or customer relationships of the covered employer.

(7) "Noncompete period" means the time from the covered employee's termination of employment through the end of the agreed-upon postemployment period of noncompetition as set forth in the covered noncompete agreement.

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(8) "Notice period" means the date from the covered employee's or covered employer's written notice of intent to terminate the covered employee's employment through the date of termination as set forth in a covered garden leave agreement.

(9) "Primary place of work" means the location where the covered employee spends more work time than any other single workplace.

(10) "Salary" means the base compensation, calculated on an annualized basis, which a covered employer pays a covered employee, including a base wage, a salary, a professional fee, or other compensation for personal services, and the fair market value of any benefit other than cash. Salary does not include health care benefits, severance pay, retirement benefits, expense reimbursement, distribution of earnings and profits not included as compensation for personal services, discretionary incentives or awards, or anticipated but indeterminable compensation, including tips, bonuses, or commissions.

542.44 Covered garden leave agreement.—

(1) APPLICABILITY.—This section applies to:

(a) A covered garden leave agreement with a covered employee who maintains a primary place of work in this state, regardless of any applicable choice of law provisions; or

(b) A covered employee who is subject to a covered garden leave agreement with a covered employer with a significant nexus to this state.

If any provision of this section is in conflict with any other law, the provisions of this section shall govern.

(2) RESTRAINT OF TRADE.—A covered garden leave agreement

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does not violate public policy as a restraint of trade, as described in s. 542.18, or an attempt to monopolize trade or commerce in this state, as described in s. 542.19, and is fully enforceable according to its terms, provided that:

(a) A covered employee is provided proper notice of the covered garden agreement before its execution, as described in subsection (3); and

(b) The covered garden leave agreement provides that:

1. After the first 90 days of the notice period, the covered employee does not have to provide services to the covered employer;

2. The covered employee may engage in nonwork activities at any time, including during normal business hours, during the remainder of the notice period; and

3. The covered employee may, with the permission of the covered employer, work for another employer while still employed by the covered employer during the remainder of the notice period.

(3) NOTICE; WAIVER OF NOTICE.—Proper notice of a covered garden leave agreement requires:

(a) For a prospective covered employee, at least 7 days before a prospective covered employee's offer of employment expires.

(b) For a current covered employee, at least 7 days before an offer to enter into a covered garden leave agreement expires.

In either case, a prospective or current covered employee must acknowledge in writing that he or she was expressly advised of the right to seek legal counsel before the execution of the

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covered garden leave agreement.

(c) The covered employer may, without breach of the covered garden leave agreement, waive any portion of this subsection by providing at least 30 days' advance notice in writing to the covered employee.

(4) OTHER AGREEMENTS.—This section does not affect or limit the enforceability of any other employment agreement or any other agreement.

(5) BREACH OF A COVERED GARDEN LEAVE AGREEMENT; REMEDIES.—

(a) Upon application by a covered employer, a court must preliminarily enjoin a covered employee from providing services to any business, entity, or individual other than the covered employer during the notice period. The court may modify or dissolve the injunction only if the covered employee establishes by clear and convincing evidence that:

1. The covered employee will not perform, during the notice period, any work similar to the services provided to the covered employer during the 3-year period preceding the commencement of the notice period, or use confidential information or customer relationships of the covered employer; or

2. The covered employer has failed to pay or provide the salary and benefits provided for in the covered garden leave agreement during the notice period and has had a reasonable opportunity to cure the failure.

(b) Upon application by a covered employer, a court must preliminarily enjoin a business, an entity, or an individual from engaging a covered employee during the covered employee's notice period. The court may modify or dissolve the injunction only if the business, entity, or individual establishes by clear

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and convincing evidence, based on public or other
nonconfidential information, that:

1. The covered employee will not provide any services
similar to the services provided to the covered employer during
the 3-year period preceding the commencement of the notice
period, or use confidential information or customer
relationships of the covered employer; or

2. The business or individual seeking to employ or engage
the covered employee is not engaged in, and is not planning or
preparing to engage in, any business activity similar to those
engaged in by the covered employer during the notice period.

Any information filed with the court which the covered employer
deems to be confidential must be filed under seal to protect
trade secrets or avoid substantial injury.

(c) The injunctive relief provided under this section is
not an exclusive remedy, and a prevailing covered employer is
entitled to recover all available monetary damages for all
available claims.

(d) In any action to enforce this section, the prevailing
party is entitled to reasonable attorney fees and costs.

(e) If the covered employee engages in gross misconduct
against the covered employer, the covered employer may reduce
the salary or benefits of the covered employee or take other
appropriate action during the notice period, which reduction or
other action may not be considered a breach of the covered
garden leave agreement.

542.45 Covered noncompete agreements.-

(1) APPLICABILITY.-This section applies to:

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(a) A covered noncompete agreement with a covered employee
who maintains a primary place of work in this state, regardless
of any applicable choice of law provisions; or

(b) A covered employee who is subject to a covered
noncompete agreement with a covered employer with a significant
nexus to this state.

In either case, if any provision of this section is in conflict
with any other law, the provisions of this section govern.

(2) RESTRAINT OF TRADE.-A covered noncompete agreement does
not violate public policy as a restraint of trade, as described
in s. 542.18, or an attempt to monopolize trade or commerce in
this state, as described in s. 542.19, and is fully enforceable
according to its terms, provided that:

(a) A covered employee is provided proper notice of the
covered noncompete agreement before its execution, as described
in subsection (3); and

(b) A covered noncompete agreement provides that the
noncompete period is reduced day-for-day by any nonworking
portion of the notice period, pursuant to a covered garden leave
agreement between the covered employee and the covered employer,
if applicable.

(3) NOTICE; WAIVER OF NOTICE.-Proper notice of a covered
noncompete agreement requires:

(a) For a prospective covered employee, at least 7 days
before a prospective covered employee's offer of employment
expires.

(b) For a current covered employee, at least 7 days before
an offer to enter into a covered noncompete agreement expires.

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291 In either case, a prospective or current covered employee must
 292 acknowledge in writing that he or she was expressly advised of
 293 the right to seek legal counsel before the execution of the
 294 covered noncompete agreement.

295 (4) OTHER AGREEMENTS.—This section does not affect or limit
 296 the enforceability of any other employment agreement or any
 297 other agreement.

298 (5) BREACH OF COVERED NONCOMPETE AGREEMENT; REMEDIES.—

299 (a) Upon application by a covered employer, a court must
 300 preliminarily enjoin a covered employee from providing services
 301 to any business, entity, or individual other than the covered
 302 employer during the noncompete period. The court may modify or
 303 dissolve the injunction only if the covered employee establishes
 304 by clear and convincing evidence that:

305 1. The covered employee will not perform, during the
 306 noncompete period, any work similar to the services provided to
 307 the covered employer during the 3-year period preceding the
 308 commencement of the noncompete period, or use confidential
 309 information or customer relationships of the covered employer;
 310 or

311 2. The covered employer has failed to pay or provide the
 312 salary and benefits provided for in the covered noncompete
 313 agreement during the noncompete period and has had a reasonable
 314 opportunity to cure the failure.

315 (b) Upon application by a covered employer, a court must
 316 preliminarily enjoin a business, an entity, or an individual
 317 from engaging a covered employee during the covered employee's
 318 noncompete period. The court may modify or dissolve the
 319

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320 injunction only if the business, entity, or individual
 321 establishes by clear and convincing evidence, based on public or
 322 other nonconfidential information, that:

323 1. The covered employee will not provide any services
 324 similar to the services provided to the covered employer during
 325 the 3-year period preceding the commencement of the noncompete
 326 period, or use confidential information or customer
 327 relationships of the covered employer; or

328 2. The business or individual seeking to employ or engage
 329 the covered employee is not engaged in, and is not planning or
 330 preparing to engage in, any business activity similar to those
 331 engaged in by the covered employer during the noncompete period.

332 Any information filed with the court which the covered employer
 333 deems to be confidential must be filed under seal to protect
 334 trade secrets or avoid substantial injury.

335 (c) The injunctive relief provided in this section is not
 336 an exclusive remedy, and a prevailing covered employer is
 337 entitled to recover all available monetary damages for all
 338 available claims.

339 (d) In any action to enforce this section, the prevailing
 340 party is entitled to reasonable attorney fees and costs.

341 (e) If the covered employee engages in gross misconduct
 342 against the covered employer, the covered employer may reduce
 343 the salary or benefits of the covered employee or take other
 344 appropriate action during the noncompete period, which reduction
 345 or other action may not be considered a breach of the covered
 346 noncompete agreement.

347

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349 Any action regarding a restrictive covenant that does not meet
350 the definition set forth in this section of a covered garden
351 leave agreement or a covered noncompete agreement is governed by
352 s. 542.335.

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

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 922(CM)

Bill Number or Topic

Amendment Barcode (if applicable)

3-17-25

Meeting Date

Commerce and

Tourism

Committee

Name

John Navarra

Phone

386 843 0341

Address

168 Springwood Drive

Email

africanist444
@yahoo.com

Street

Daytona Beach, Florida 32119

City

State

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

3.17.25

Meeting Date

Commerce and Tourism

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 922

Bill Number or Topic

Amendment Barcode (if applicable)

Name **Cameron Fink**

Phone **8509334665**

Address **516 N Adams st**

Email **cfink@aif.com**

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Associated Industries of Florida

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

3/17/05

Meeting Date

922

Bill Number or Topic

Commerce

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Amendment Barcode (if applicable)

Name Patricia Conners

Phone 850-354-7622

Address Stearns Weaver Miller
106 E. College Ave, Suite 700

Email tconners@stearnsweaver.com

Street

Tallahassee

City

FL

State

32308

Zip

Speaking: ☐ For ☐ Against ☒ Information

OR

Waive Speaking: ☐ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☒ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

This form is part of the public record for this meeting.

S-001 (08/10/2021)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1252

INTRODUCER: Senator Yarborough

SUBJECT: Statewide Pawn Data Database

DATE: March 14, 2025

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Renner	McKay	CM	Favorable
2. _____	_____	ACJ	_____
3. _____	_____	FP	_____

I. Summary:

SB 1252 requires the Department of Law Enforcement (FDLE) and law enforcement agencies to create a centralized statewide system for sharing pawn data by December 31, 2026. Pawn data is defined by the bill to include information related to transactions of secondhand dealers and secondary metals recyclers under ch. 538, F.S., and pawn shops regulated under ch. 539, F.S.

All law enforcement agencies must have free, unrestricted access to the system for real-time sharing of pawn data to aid criminal investigations and public safety. The system must ensure interoperability among different databases and jurisdictions and meet established data standards.

Pawn data is the exclusive property of law enforcement and cannot be sold or transferred to third parties for commercial purposes. Private vendors must comply with privacy laws and ensure pawn data is accessible to law enforcement without restrictions.

Violations related to vendors selling, reselling, or commodifying pawn data are subject to civil penalties, with fines up to \$500,000. Law enforcement agencies that fail to share pawn data may face administrative penalties and restrictions on accessing other databases.

The bill may have an indeterminate fiscal impact on local governments. See Section V. Fiscal Impact Statement.

The bill takes effect July 1, 2025.

II. Present Situation:

Secondhand Dealers

Chapter 538, F.S., regulates secondhand dealers and secondary metal recyclers in the trade of secondhand goods. The purpose of such regulations is to assist law enforcement in recovering stolen property and in solving other theft-related crimes.¹

A secondhand dealer is defined as any person, corporation, or other business organization or entity that is not a secondary metals recycler and is engaged in purchasing, consigning, or trading secondhand goods. The term also includes a secondhand dealer engaged in purchasing secondhand goods through an automated kiosk.²

Secondhand goods are previously owned or used personal property purchased, consigned, or traded as used property.³ The term also includes gift certificates and credit memos⁴ that are purchased, consigned, or traded by a secondhand dealer. Secondhand goods do not include office furniture, pianos, books, clothing, organs, coins, motor vehicles, costume jewelry; gold, silver, platinum, palladium, or rhodium bullion that has been assayed and is properly marked as to its weight and fineness; cardio and strength training or conditioning equipment designed primarily for indoor use, and secondhand sports equipment that is not permanently labeled with a serial number.⁵

A secondhand dealer must annually register his or her business with the Department of Revenue (DOR).⁶

Secondhand Dealer Transaction Forms

Upon each acquisition of secondhand goods, a secondhand dealer must complete a transaction form that details the goods purchased and the seller's identity. The secondhand dealer must retain this document for at least 3 years and forward a copy to the appropriate law enforcement agency within 24 hours after the acquisition of the secondhand goods.⁷ In addition to the descriptive statements of the secondhand goods and the seller's identity, the transaction record must also include:

- A statement of the date, time, and place of the transaction;

¹ See ss. 538.04, 538.06, F.S. (identifying recordkeeping requirements and holding periods in connection with secondhand goods); see also Jarret C. Oeltjen, *Florida Pawnbroking: An Industry in Transition*, 23 FLA. ST. U. L. REV. 995, 1013 (Spring 1996) (noting that “[t]he main impetus behind [ch. 538, F.S.] was to confront the problem of property theft and drug-related crimes by facilitating recovery of stolen goods and apprehending those criminals who may turn to secondhand dealers for cash”).

² Section 538.03(1)(h), F.S.

³ Section 538.03(1)(i), F.S.

⁴ Section 501.95, F.S., defines “credit memo” as a certificate, card, stored value card, or similar instrument issued in exchange for returned merchandise when the certificate, card, or similar instrument is redeemable for merchandise, food, or services regardless of whether any cash may be paid to the owner of the certificate, card, or instrument as part of the redemption transaction.

⁵ Section 538.03(1)(i), F.S.

⁶ See generally s. 538.09, F.S. (providing for registration).

⁷ Section 538.04(1), F.S.

- A summary of the goods acquired, including brand name, model number, serial number, and other unique identifiers;
- Digital photographs of the goods acquired in the report that is submitted to law enforcement; and
- A description of the person from whom the goods were acquired, including his or her right thumbprint, name and address, and a physical description.⁸

If the appropriate law enforcement official supplies a secondhand dealer with appropriate software and the secondhand dealer has computer capability, the secondhand dealer must electronically transmit the required transaction records.⁹ Additionally, if a secondhand dealer lacks computer capability, the appropriate law enforcement official may provide a computer and all of the equipment necessary to electronically transmit transactions.¹⁰

Secondhand dealers must hold all secondhand goods for at least 15 days after acquiring the property. However, secondhand dealers are required to hold a precious metal,¹¹ gemstone, jewelry; antique furnishings, fixtures, or decorative objects; or an item of art as defined in s. 686.501, F.S.,¹² for 30 days after they acquire the property.¹³ Additionally, a secondhand good must be held for 30 days if the secondhand dealer uses an automated kiosk.¹⁴

Penalties

If a law enforcement officer has probable cause to believe that the goods held by a secondhand dealer are stolen, the officer may place a 90-day written hold order on the goods.¹⁵ This prevents the secondhand dealer from selling the goods and preserves them for use as evidence in a criminal trial. Additionally, it allows for the possibility of the goods being returned to their rightful owner.¹⁶

Law enforcement agencies having jurisdiction enforce compliance with registration, record keeping, holding periods, and inspection requirements.¹⁷ A person who knowingly violates the

⁸ *Id.*

⁹ Section 538.04(6), F.S.

¹⁰ *Id.*

¹¹ Section 538.03(1)(f), F.S., defines “precious metals” as any item containing any gold, silver, or platinum, or any combination thereof, excluding any chemical or any automotive, photographic, electrical, medical, or dental materials or electronic parts.

¹² Section 686.501(1), F.S., defines “art” as a painting, sculpture, drawing, work of graphic art, pottery, weaving, batik, macramé, quilt, print, photograph, or craft work executed in materials including, but not limited to, clay, textile, paper, fiber, wood, tile, metal, plastic, or glass. The term includes a rare map which is offered as a limited edition or a map 80 years old or older; or a rare document or rare print which includes, a print, engraving, etching, woodcut, lithograph, or serigraph which is offered as a limited edition, or one 80 years old or older.

¹³ Section 538.06(1), F.S.

¹⁴ *Id.* An “automated kiosk” is an interactive device that is permanently installed within a secure retail space and that has the following technological functions: remotely monitored by a live representative during all business hours; verification of a seller’s identity by government-issued photographic identification card; automated reading and recording of item serial numbers; ability to compare item serial numbers against databases of stolen items; secure storage of goods accepted by the kiosk; and capture and storage of images during the transaction. Section 538.03(1)(c), F.S.

¹⁵ Section 538.06(3), F.S.

¹⁶ *Id.*

¹⁷ Section 538.05, F.S.

requirements governing secondhand dealers in ch. 538, F.S., commits a first degree misdemeanor.¹⁸

Pawnbrokers

Pawnbrokers¹⁹ must apply for and obtain a license from the DACS annually.²⁰ To be eligible for the license, each pawnshop must maintain a net worth of at least \$50,000 or file security in the form of a surety bond, letter of credit, or certificate of deposit of \$10,000 for each license.²¹ DACS is authorized to impose penalties of up to \$5,000 for noncompliance with the law.²²

Pawnbroker Transaction Forms

At the time a pawnbroker enters into any pawn or purchase transaction, the pawnbroker is required to complete a pawnbroker transaction form.²³ The form must include an indication of whether the transaction is a pawn or a purchase, and the seller must also sign the form.²⁴

A pawnbroker is required to maintain a copy of each completed pawnbroker transaction form on the pawnshop premises for at least 1 year after the date of the transaction.²⁵ On or before the end of each business day, the pawnbroker must deliver the original pawnbroker transaction forms for each of the transactions occurring during the previous business day to the appropriate law enforcement official.²⁶ Additionally, an electronic image that is accepted for a transaction, must be maintained electronically in order to meet the same recordkeeping requirements.²⁷

In lieu of physically delivering the original pawnbroker transaction forms, a local law enforcement agency may supply software to a pawnbroker so the pawnbroker may electronically transfer the transaction forms to the law enforcement agency. If a pawnbroker does not have a computer to use such software, the law enforcement agency may provide a computer to the pawnbroker. The law enforcement agency retains ownership of the computer unless otherwise agreed upon. The pawnbroker must maintain the computer in good working order, ordinary wear and tear excepted.²⁸

¹⁸ Section 538.07(1), F.S. A first degree misdemeanor is punishable by up to 1 year in county jail and a \$10,000 fine. Sections 775.082 and 775.083, F.S.

¹⁹ A “pawnbroker” is a person who is engaged in the business of making pawns; who makes a public display containing the term “pawn,” “pawnbroker,” or “pawnshop” or any derivative thereof; or who publicly displays a sign or symbol historically identified with pawns. Pawnbrokers may also engage in purchasing goods which includes consignment and trade. Section 539.001(1)(i), F.S. A “pawn” is any advancement of funds on the security of pledged goods on condition that the pledged goods are left in the possession of the pawnbroker for the duration of the pawn and may be redeemed by the pledgor on certain terms and conditions. Section 539.001(1)(h), F.S.

²⁰ Section 539.001(3), F.S.

²¹ Section 539.001(4), F.S.

²² Fla. Admin. Code R. 5J-13.004 (2016).

²³ Section 593.001(8)(a), F.S.

²⁴ *Id.*

²⁵ Section 593.001(9)(a), F.S.

²⁶ *Id.*

²⁷ *Id.*

²⁸ Section 539.001(9)(b), F.S.

Penalties

A person who willfully makes a false entry on a transaction form or any other record required under chapter 539, F.S., commits a first degree misdemeanor.²⁹ Clerical or recordkeeping errors on a document or required record does not constitute a willful violation.

At the department's request, the FDLE must supply the department with any arrest and conviction records in its possession of an individual applying for or holding a license.³⁰

Any person who traffics in, or endeavors to traffic in, property that he or she knows or should know was stolen is guilty of a second degree felony.³¹

III. Effect of Proposed Changes:

Section 1 creates s. 539.004, F.S., requiring the FDLE and local and regional law enforcement agencies to create a centralized statewide system for sharing pawn data by December 31, 2026. This applies to second-hand dealers, secondary metals recyclers, and pawn shops. The system will allow all law enforcement agencies in the state to access, update, and share pawn data in real-time to support criminal investigations and enhance public safety.

All law enforcement agencies must have free, unrestricted access to the database and are not required to pay fees to access or share pawn data. The pawn data sharing system must ensure interoperability between different law enforcement databases, software solutions, and jurisdictions and meet established data standards to facilitate seamless communication between agencies.

The bill provides that pawn data is the exclusive property of law enforcement agencies and may not be transferred or sold to any third-party vendor for any purpose other than the direct use of the reporting law enforcement agency. Law enforcement agencies must retain full access to all pawn data they report and are prohibited from charging a fee or premium for accessing their own data.

The bill prohibits a private vendor from selling, leasing, sublicensing, or otherwise transferring pawn data for any commercial purpose, including resale to other law enforcement agencies.

Private vendors providing services related to pawn data must ensure that all pawn data is stored, managed, and transmitted in compliance with applicable privacy and security laws and remain accessible to law enforcement agencies without restrictions. They must also ensure data is shared freely between agencies to support multi-jurisdictional investigations.

Any private vendor selling, reselling, or otherwise commodifying pawn data is subject to civil penalties, including fines of up to \$500,000 per violation.

²⁹ Section 539.001(17), F.S. A third degree felony is punishable by up to 5 years imprisonment and a \$5,000 fine and a first degree misdemeanor is punishable by up to 1 year in county jail and a \$1,000 fine. Sections 775.082 and 775.083, F.S.

³⁰ Section 539.001(19), F.S.

³¹ Section 812.019(1), F.S. A second degree felony is punishable by up to 15 years imprisonment and a \$10,000 fine. Sections 775.082 and 775.083, F.S.

Any law enforcement agency that does not share pawn data with other agencies through the database is subject to administrative penalties and may face restrictions on its ability to access other law enforcement databases, as determined by the FDLE.

The FDLE is authorized to adopt rules.

The bill defines the following terms:

- Pawn data - information relating to the transactions of second-hand dealers and secondary metals recyclers, including pawn shops. This data is required to be reported electronically to law enforcement officials. It includes but is not limited to, property description, seller information, transaction dates, and any other data related to the exchange of goods.
- Private vendor – any third-party company or entity that provides services relating to the intake, management, storage, or sharing of pawn data for law enforcement agencies.
- Law enforcement data – data electronically reported by second-hand dealers to law enforcement under chapters 538 and 539, F.S., which is necessary for criminal investigations and public safety efforts.

Section 2 provides the bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill prohibits a private vendor from selling, reselling, or monetizing pawn data. As such, private vendors who currently provide data collection interfaces and then charge agencies to access the data that has been collected may experience a loss of revenue.

C. Government Sector Impact:

The bill may have an indeterminate fiscal impact on local government due to the bill eliminating the current charge/expense of supporting local repositories of pawn information and the necessity to procure additional software due to the otherwise limited access to surrounding local repositories.³²

VI. Technical Deficiencies:

None.

VII. Related Issues:

It is unclear if the bill requires the affected businesses to use the database.

Section 539.003, F.S., contains a public record exemption for records relating to pawnbroker transactions delivered to law enforcement. The bill uses the term “pawn data,” so it is unclear if the public records exemption would apply to the database.

The FDLE recommends conducting a “feasibility study to determine the technical requirements, provide a detailed scope of work, timeline, and a local cost to include startup and maintenance costs for the project. The study will also review the impact to local law enforcement.”³³

The estimated cost for a feasibility study is \$250,000.

The bill may immediately impact vendors who currently possess a substantial amount of pawn transaction data through existing contracts with local law enforcement agencies.

VIII. Statutes Affected:

This bill creates section 539.004 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

³² FDLE analysis for SB 1252. On file with Senate Commerce and Tourism Committee.

³³ *Id.*

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Yarborough

4-01602-25

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A bill to be entitled

An act relating to the statewide pawn data database; creating s. 539.004, F.S.; providing definitions; requiring the Department of Law Enforcement to create a statewide database of transaction data electronically reported by specified businesses; providing requirements for the database; prohibiting certain data transfers by third-party vendors; providing restrictions on use; providing requirements for data storage; providing penalties for violations; authorizing rulemaking; providing an effective date.

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

Section 1. Section 539.004, Florida Statutes, is created to read:

539.004 Pawn data database; data usage; storage; violations.—

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

(a) "Department" means the Department of Law Enforcement.

(b) "Law enforcement data" means data electronically reported by second-hand dealers to law enforcement under chapter 538 and this chapter which is necessary for criminal investigations and public safety efforts.

(c) "Pawn data" means information related to the transactions of second-hand dealers and secondary metals recyclers, including pawn shops, which is required by chapter 538 and this chapter to be reported electronically to law enforcement officials. This includes, but is not limited to,

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

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descriptions of property, seller information, transaction dates, and any other data related to the exchange of goods.

(d) "Private vendor" means any third-party company or entity that provides services related to the intake, management, storage, or sharing of pawn data for law enforcement agencies.

(2) STATEWIDE PAWN DATA SHARING SYSTEM.—

(a) The department shall work with local and regional law enforcement agencies to establish a centralized, statewide system for the sharing of pawn transaction data no later than December 31, 2026. This system will allow law enforcement agencies in all counties in this state to access, update, and share pawn data in real time to support criminal investigations and enhance public safety.

(b) All law enforcement agencies in this state shall have free, unrestricted access to the statewide pawn data sharing system for the purpose of conducting investigations. Agencies shall not be required to pay fees to access or share pawn data.

(c) The statewide pawn data sharing system shall ensure interoperability between different law enforcement databases, software solutions, and jurisdictions. The system must meet established data standards to facilitate seamless communication between agencies.

(3) DATA TRANSFER PROHIBITED.—

(a) Pawn data reported to law enforcement agencies remains the exclusive property of the respective law enforcement agencies and may not be transferred or sold to any third-party vendor for any purpose other than the direct use of the reporting law enforcement agency. Law enforcement agencies shall retain full access to all pawn data they report and may not be

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59 charged a fee or premium for accessing their own data.

60 (b) It is unlawful for a private vendor to sell, lease,
61 sublicense, or otherwise transfer pawn data for any commercial
62 purposes, including resale to other law enforcement agencies.

63 (4) DATA STORAGE.—Private vendors providing services
64 related to pawn data must ensure that all pawn data is stored,
65 managed, and transmitted in compliance with applicable privacy
66 and security laws and that it remains accessible to law
67 enforcement agencies without restrictions. Private vendors must
68 also ensure that data is shared freely between agencies to
69 support multi-jurisdictional investigations.

70 (5) PENALTIES FOR VENDOR VIOLATIONS.—Any private vendor
71 that sells, resells, or otherwise commodifies pawn data in
72 violation of this section is subject to civil penalties,
73 including fines of up to \$500,000 per violation.

74 (6) PENALTIES FOR LAW ENFORCEMENT AGENCIES.—Any law
75 enforcement agency that fails to share pawn data with other
76 agencies through the statewide system is subject to
77 administrative penalties and may face restrictions on its
78 ability to access other law enforcement databases, as determined
79 by the department.

80 (7) RULEMAKING.—The department may adopt rules to implement
81 this section.

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



The Florida Senate

Committee Agenda Request

To: Senator Thomas Leek, Chair
Committee on Commerce and Tourism

Subject: Committee Agenda Request

Date: March 11, 2025

I respectfully request that **Senate Bill #1252**, relating to Statewide Pawn Data Database, be placed on the:

- ☐ committee agenda at your earliest possible convenience.
- ☒ next committee agenda.



Senator Clay Yarborough
Florida Senate, District 4



2025 FDLE LEGISLATIVE BILL ANALYSIS



BILL INFORMATION

BILL NUMBER:	SB 1252
BILL TITLE:	Statewide Pawn Data Database
BILL SPONSOR:	Senator Yarborough
EFFECTIVE DATE:	July 1, 2025

COMMITTEES OF REFERENCE

1) Senate Commerce and Tourism
2) Senate Appropriations Committee on Criminal and Civil Justice
3) Fiscal Policy
4)
5)

CURRENT COMMITTEE

Senate Commerce and Tourism

SIMILAR BILLS

BILL NUMBER:

SPONSOR:

IDENTICAL BILLS

BILL NUMBER:

SPONSOR:

HB 1359

Rep. Michael

PREVIOUS LEGISLATION

BILL NUMBER:	SB 314
SPONSOR:	BOYD
YEAR:	2024
LAST ACTION:	Died in committee

Is this bill part of an agency package?

No

BILL ANALYSIS INFORMATION

DATE OF ANALYSIS:	March 12, 2025
LEAD AGENCY ANALYST:	Lori Mizell
ADDITIONAL ANALYST(S):	John Murphy
LEGAL ANALYST:	Phil Lindley
FISCAL ANALYST:	Elizabeth Martin

POLICY ANALYSIS

1. EXECUTIVE SUMMARY

The bill requires the Florida Department of Law Enforcement (FDLE) to work with local and regional law enforcement agencies to establish a Statewide Pawn Data Database by December 31, 2026. The bill prohibits the sale or transfer of pawn data to third-party vendors and provides restrictions on data use. The bill provides requirements for data storage and penalties for violations. The bill takes effect July 1, 2025.

2. SUBSTANTIVE BILL ANALYSIS

1. PRESENT SITUATION:

Section 538.04, F.S., requires secondhand dealers to maintain records or transactions, including descriptions of the goods acquired and information about the seller. A copy of the completed transaction must be kept on the registered premises for a minimum of one year. The secondhand dealer must maintain a copy of the transaction form for a minimum of three years. The dealer must also deliver the official record of the transaction within 24 hours of acquiring any secondhand goods to the appropriate law enforcement official unless other arrangements have been agreed to by other parties. This section also specifies what information constitutes a complete and accurate description of the goods acquired.

Third-party vendors provide solutions for pawn shops to collect and report transaction information to law enforcement agencies. These solutions are used to aggregate and then monetize the data. The practice of charging a fee to access pawn transactions that are statutorily required to be provided may appear to contradict the intent of existing statutes, but it is not prohibited. Many law enforcement agencies use an existing vendor-based solution rather than expend time and funds to create an internal solution. Pawn data exists as a chain of information. Florida Statutes currently address the Create and Collect steps, while the proposed legislation primarily addresses the Store and Query steps.

- Create: Generated by a private transaction with a secondhand business.
- Collect: Required information is reported to a law enforcement agency.
- Store: Transaction information is stored for, or by, law enforcement.
- Query: Transaction information is queried.

2. EFFECT OF THE BILL:

Section 1: The bill creates s. 539.004, F.S., to create a Statewide Pawn Data Database. The bill requires FDLE to work with local and regional law enforcement agencies to establish a centralized, statewide system for the sharing of pawn transaction data to support criminal investigations and enhance public safety. The system must be established no later than December 31, 2026. The bill specifies prohibited data transfer, provides pawn data storage requirements for private vendors, and creates penalties for specified violations. The bill authorizes FDLE to adopt rules to implement the bill.

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

3. DOES THE LEGISLATION DIRECT OR ALLOW THE AGENCY/BOARD/COMMISSION/DEPARTMENT TO DEVELOP, ADOPT, OR ELIMINATE RULES, REGULATIONS, POLICIES OR PROCEDURES? Y ☒ N ☐

If yes, explain:	Lines 80-81: FDLE may adopt rules to implement this section.
What is the expected impact to the agency's core mission?	
Rule(s) impacted (provide references to F.A.C., etc.):	

4. WHAT IS THE POSITION OF AFFECTED CITIZENS OR STAKEHOLDER GROUPS?

List any known proponents and opponents:	
--	--

Provide a summary of the proponents' and opponents' positions:	
--	--

5. ARE THERE ANY REPORTS OR STUDIES REQUIRED BY THIS BILL? Y ☐ N ☒

If yes, provide a description:	
Date Due:	
Bill Section Number:	

6. ARE THERE ANY NEW GUBERNATORIAL APPOINTMENTS OR CHANGES TO EXISTING BOARDS, TASK FORCES, COUNCILS, COMMISSION, ETC. REQUIRED BY THIS BILL? Y ☐ N ☒

Board:	
Board Purpose:	
Who Appointments:	
Appointee Term:	
Changes:	
Bill Section Number(s):	

FISCAL ANALYSIS

1. DOES THE BILL HAVE A FISCAL IMPACT TO LOCAL GOVERNMENT? Y ☒ N ☐

Revenues:	Eliminates the current charge/expense of supporting local repositories of pawn information and the necessity to procure additional software due to the otherwise limited access to surrounding local repositories.
Expenditures:	
Does the legislation increase local taxes or fees?	No
If yes, does the legislation provide for a local referendum or local governing body public vote prior to implementation of the tax or fee increase?	

2. DOES THE BILL HAVE A FISCAL IMPACT TO STATE GOVERNMENT? Y ☒ N ☐

Revenues:	
Expenditures:	FDLE recommends conducting a feasibility study to determine the technical requirements, provide a detailed scope of work, timeline, and a total cost to include

	startup and maintenance costs for the project. The study will also review the impact to local law enforcement. The estimated cost for a feasibility study is \$250,000. Total FDLE Fiscal: \$250,000
Does the legislation contain a State Government appropriation?	
If yes, was this appropriated last year?	

3. DOES THE BILL HAVE A FISCAL IMPACT TO THE PRIVATE SECTOR? Y ☒ N ☐

Revenues:	Private vendors who currently provide data collection interfaces, and then charge agencies to access the data that has been collected will experience a loss of revenue. This bill prohibits a private vendor from selling, reselling, or monetizing pawn data.
Expenditures:	
Other:	

4. DOES THE BILL INCREASE OR DECREASE TAXES, FEES, OR FINES? Y ☒ N ☐

Does the bill increase taxes, fees or fines?	The bill establishes civil penalties including fines but does not indicate who levies and collects the fine or where the fine is to be deposited.
Does the bill decrease taxes, fees or fines?	No.
What is the impact of the increase or decrease?	Lines 70-73: Any private vendor that sells, resells, or otherwise commodifies pawn data in violation of this section is subject to civil penalties, including fines of up to \$500,000 per violation.
Bill Section Number:	Section 1.

TECHNOLOGY IMPACT

1. DOES THE LEGISLATION IMPACT THE AGENCY'S TECHNOLOGY SYSTEMS (I.E., IT SUPPORT, LICENSING, SOFTWARE, DATA STORAGE, ETC.)? Y ☒ N ☐

If yes, describe the anticipated impact to the agency including any fiscal impact.	FDLE recommends conducting a feasibility study to determine the technical requirements, provide a detailed scope of work, timeline, and a total cost to include startup and maintenance costs for the project. The study will also review the impact to local law enforcement. The estimated cost for a feasibility study is \$250,000.
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FEDERAL IMPACT

1. DOES THE LEGISLATION HAVE A FEDERAL IMPACT (I.E., FEDERAL COMPLIANCE, FEDERAL FUNDING, FEDERAL AGENCY INVOLVEMENT, ETC.)? Y ☐ N ☒

If yes, describe the anticipated impact including any fiscal impact.	
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LEGAL - GENERAL COUNSEL'S OFFICE REVIEW

Issues/concerns/comments and recommended action:	To ensure there is no conflict with current Florida law prohibiting the creation or keeping of a list, record, or registry of legally owned firearms (s. 790.335), the new database should exclude the names associated with the pawned firearm. Section 790.335(3)(f)5, F.S., allows "secondhand dealers and pawnbrokers to electronically submit limited firearms records consisting solely of the manufacturer, model, serial number and caliber of pawned or purchased firearms to a third-party private vendor."
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ADDITIONAL COMMENTS

- Line 39- FDLE is unable to determine if the December 31, 2026, implementation date for the statewide pawn database can be met. A feasibility study is needed to determine the scope of the project and detailed timeline.
- Some vendors are aggregating the pawn transaction data with other publicly accessible data. It must be noted the statewide system will only provide data related to pawn transactions.
- Vendors currently possess a substantial amount of pawn transaction data through existing contracts with local law enforcement agencies. The length and terms of these contracts are not known by FDLE but may be immediately impacted upon passage of this bill.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: CS/SB 1776

INTRODUCER: Commerce and Tourism Committee and Senator McClain

SUBJECT: Employment Rights

DATE: March 17, 2025

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Dike	McKay	CM	Fav/CS
2.			JU	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1776 amends Florida’s whistleblower protections for employees of private employers. The bill states that an employer may not retaliate against an employee who:

- Disclosed a practice of the employer, which the employee had a good faith belief would be illegal, to a government agency under oath.
- Threatened to disclose an unlawful practice of the employer to a government agency.
- Objected to or refused to participate in an unlawful practice of the employer.

An employee is required to prove, by clear and convincing evidence, that they notified a supervisor or employer about the alleged violation, and the supervisor or employer was given an opportunity to correct the illegal activity. If the employer proffers evidence that the personnel action was taken for a reason other than the employee’s exercise of a right under this act, then the employee has the burden to prove otherwise.

Further, the bill alters provisions for definitions, attorney fees and costs, and remedies available to the employee.

The bill also modifies the public whistleblower provisions by excluding from the definition of “independent contractor” any private, individual, firm, partnership, institution, corporation, or association that employs ten or more people.

The bill takes effect July 1, 2025.

II. Present Situation:

Florida's Whistleblower's Act

Florida's Whistleblower's Act (FWA), ss. 112.3187-112.31895, F.S., provides protections for public employees who report an employer's violation of law to an appropriate government agency. Under state law, any government agency¹ or independent contractor² "shall not dismiss, discipline, or take any other adverse personnel action against an employee for disclosing:

- Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public's health, safety, or welfare.
- Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor."³

The FWA allows employees who experience retaliation to obtain reinstatement of their position, compensation for lost wages, payment of reasonable cost and attorney fees, and issuance of an injunction by a court.

Ch. 448, F.S., provides general labor provisions for employers and employees in the state of Florida. More specifically, ss. 448.101-448.105, F.S., prohibit retaliatory attacks on employees in private workplaces who disclose illegal workplace practices and the remedies and rights that flow from that prohibition. While these statutes are not given a name, they are commonly known as Florida's Private Sector Whistleblower's Act.⁴

Case Law

Currently, there is an unresolved question of law arising from the provisions of FWA that has resulted in a certified conflict⁵ between the First and Fourth District Courts of Appeal (DCA).⁶ In 2013, the Fourth DCA determined that an employee is protected by the FWA if the employee has a good faith, objectively reasonable belief that their activity is protected by the statute.⁷ Even if the activity which the employee is refusing to take part in was legal, if the employee had a good faith belief the employer's activity was illegal, they are protected under the FWA.⁸ Meanwhile, the First and Second DCAs held that an employee must prove they objected to an actual violation

¹ "Agency" means any state, regional, county, local, or municipal government entity, whether executive, judicial, or legislative; any official, officer, department, division, bureau, commission, authority, or political subdivision therein; or any public school, community college, or state university. Section 112.3187(3)(b), F.S.

² "Independent contractor" means a person, other than an agency, engaged in any business and who enters into a contract, including a provider agreement, with an agency. Section 112.3187(3)(e), F.S.

³ Section 112.3187, F.S.

⁴ *Golf Channel v. Jenkins*, 752 So. 2d 561, 562 (Fla. 2000).

⁵ The Florida Supreme Court gains jurisdiction to hear a case when a district court of appeal certifies that its decision is in direct conflict with another district court of appeal's decision. Fla. Const. art. V, sec. 3(b)(4).

⁶ *Gessner v. Southern Co.*, 396 So. 3d 908, 910 (Fla. 1st DCA 2024).

⁷ *Aery v. Wallace Lincoln-Mercury, LLC*, 118 So. 3d 904, 916 (Fla. 4th DCA 2013).

⁸ *Id.*

of law under s. 448.102(3), F.S., rather than relying on a good faith belief that there was a violation of law.⁹ The First DCA contends that “had the Legislature wished to provide the same whistleblower protections for private sector employees who disclose suspected violations of law... it could have done so.”¹⁰

Although the Florida Supreme Court has jurisdiction over the case, the Court has the authority to choose whether to hear an appeal on this issue. As a result, the issue of whether an employee’s good faith belief of a violation of law is sufficient to gain protection under the FWA, currently depends on which DCA governs the area of Florida in which the employee lives.

III. Effect of Proposed Changes:

Definitions

Section 2 amends s. 448.101, F.S., to provide the following definitions:

- “Appropriate governmental agency” means any agency of government charged with the enforcement of laws, rules, or regulations governing an activity, a policy, or a practice of an employer in which the employee objected to; refused to participate in; or testified, provided information, made a disclosure, or threatened to make a disclosure concerning an employer’s activity, policy, or practice.
- “Of the employer,” when used in reference to an actual or proposed activity, policy, practice, or proposal, does not include an activity, a policy, a practice, or a proposal of or by one or more employees acting outside the course and scope of their employment or which is contrary to the employer’s policies, practices, or directives.
- “Retaliatory personnel action” means the discharge, suspension, or demotion by an employer of an employee or any serious and material change by an employer in the terms and conditions of an employee’s employment.

This change narrows the government agencies to which an employee can disclose illegal activity to those which are charged with the enforcement of that particular policy or practice. The bill’s new definition “of the employer” narrows the type of illegal activities the employee can disclose or object to, to those activities within the scope of their employment. The bill also changes the definition of retaliation from “any other adverse employment actions” to “serious and material changes” to the terms and conditions of employment.

Prohibitions

Section 3 amends s. 448.102, F.S., to provide that a private employer may not take retaliatory personnel action against an employee because the employee has:

- Disclosed to any appropriate governmental agency, under oath in writing, an activity, policy, or practice of the employer which the employee has a good faith belief that such activity, policy, or practice has violated a statute or regulation, or if implemented would violate a statute or regulation.

⁹ *Gessner*, 396 So. 3d at 913; *Kearns v. Farmer Acquisition Co.*, 157 So. 3d 458, 465 (Fla. 2d DCA 2015).

¹⁰ *Gessner*, 396 So. 3d at 913.

- Threatened to disclose to any appropriate governmental agency, under oath, in writing, an activity, a policy, or a practice of the employer which actually violated a law, a rule, or a regulation, or any proposed course of action of the employer which, if implemented, would violate a law, a rule, or regulation.
- Objected to, or refused to participate in, an activity, a policy, or a practice of the employer which, at the time of the objection or refusal, was in violation of a law, a rule, or a regulation, or any proposed activity, policy, or practice of the employer which, if implemented, would actually violate a law, a rule, or a regulation.

Further, the bill sets out that these provisions do not apply unless the employee notifies the supervisor or employer in writing the activity, policy, or practice of the employer to which the employee objects or in which the employee refuses to participate. The employee must also give the supervisor or employer a reasonable opportunity to correct the actual or proposed activity, policy, or practice.

Remedies

Section 4 amends s. 448.103, F.S., to specify that an employee may not recover in a legal action brought against their employer for a violation of s. 448.102, F.S., unless:

- The employee proves by clear and convincing evidence that they notified a supervisor or employer about the alleged violation; and
- The supervisor or employer was afforded a reasonable opportunity to correct the actual or proposed illegal activity.

Additionally, the bill provides that an employee may not recover in a legal action claiming a violation if the retaliatory personnel action was based on a ground other than the employee's exercise of a right protected by this act. If the employer proffers an alternate reason for its personnel action than the employee's exercise of a right under this act, the burden shifts to the employee to prove each of the employer's proffered reasons are false.

Section 5 amends s. 448.104, F.S., mandating that courts award reasonable attorney fees, court costs, and expenses to the prevailing party in a case. This section also limits such attorney fees, costs, and expenses pursuant to s. 768.79, F.S., which requires courts to assess fees and costs based on offers and demands of judgment.

Rights

Section 6 amends s. 448.105, F.S., to specify if an employee has another available statutory remedy for conduct that would otherwise violate this chapter, the remedies under that statute preclude claims under this chapter.

Public Employer Whistleblowers

Section 1 amends s. 112.3187, F.S., to exclude "any private individual, firm, partnership, institution, corporation, or association that employs ten or more" people from the definition of "independent contractor" under the FWA.

Reenactment

Section 7 reenacts s. 448.111, F.S., for the purpose of incorporating the amendments to s. 448.103, F.S.

Effective Date

Section 8 provides an effective date of July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

Indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 112.3187, 448.101, 448.102, 448.103, 448.104, 448.105, 448.111.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Commerce and Tourism Committee on March 17, 2025:

The amendment clarifies that the provision precluding claims under this chapter if other remedies are available applies to employees, not employers.

B. Amendments:

None.



319032

LEGISLATIVE ACTION

	Senate	House
Comm: RCS	.	
03/17/2025	.	
	.	
	.	
	.	

The Committee on Commerce and Tourism (McClain) recommended the following:

Senate Amendment (with title amendment)

Delete line 141

and insert:

448.105 Existing rights.-If an employee has another

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

And the title is amended as follows:

Delete line 21

and insert:



319032

448.105, F.S.; providing that if an employee has

By Senator McClain

9-01484-25

20251776__

1 A bill to be entitled
 2 An act relating to employment rights; amending s.
 3 112.3187, F.S.; revising the definition of the term
 4 "independent contractor"; amending s. 448.101, F.S.;
 5 revising the definitions of the terms "appropriate
 6 governmental agency" and "retaliatory personnel
 7 action"; defining the term "of the employer"; amending
 8 s. 448.102, F.S.; revising the prohibitions against
 9 retaliatory personnel action against an employee by
 10 his or her employer; providing construction; amending
 11 s. 448.103, F.S.; providing that an employee may not
 12 recover in an action against an employer for a
 13 retaliatory personnel action unless the employee can
 14 prove certain claims by clear and convincing evidence;
 15 providing that an employee has the burden of proof if
 16 the employer proffers certain grounds for the
 17 retaliatory action; amending s. 448.104, F.S.;
 18 requiring, rather than authorizing, a court to award
 19 reasonable attorney fees and costs to the prevailing
 20 party for retaliatory personnel actions; amending s.
 21 448.105, F.S.; providing that if an employer has
 22 another available statutory remedy for conduct that
 23 would otherwise violate the act, then the remedies
 24 under the other statute preclude a claim under the
 25 act; reenacting s. 448.111(2), F.S., relating to
 26 evidentiary standards for actions of a business during
 27 an emergency, to incorporate the amendment made to s.
 28 448.103, F.S., in a reference thereto; providing an
 29 effective date.

Page 1 of 7

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

9-01484-25

20251776__

30
 31 Be It Enacted by the Legislature of the State of Florida:
 32
 33 Section 1. Paragraph (e) of subsection (3) of section
 34 112.3187, Florida Statutes, is amended to read:
 35 112.3187 Adverse action against employee for disclosing
 36 information of specified nature prohibited; employee remedy and
 37 relief.—
 38 (3) DEFINITIONS.—As used in this act, unless otherwise
 39 specified, the following words or terms shall have the meanings
 40 indicated:
 41 (e) "Independent contractor" means a person, other than an
 42 agency, engaged in any business and who enters into a contract,
 43 including a provider agreement, with an agency. For the purposes
 44 of this act, a person who is an employer as defined in s.
 45 448.101 is not an independent contractor.
 46 Section 2. Present subsections (5) and (6) of section
 47 448.101, Florida Statutes, are redesignated as subsections (6)
 48 and (7), respectively, a new subsection (5) is added to that
 49 section, and subsection (1) and present subsection (5) of that
 50 section are amended, to read:
 51 448.101 Definitions.—As used in ss. 448.101-448.105, the
 52 term:
 53 (1) "Appropriate governmental agency" means any agency of
 54 government charged with the enforcement of laws, rules, or
 55 regulations governing an activity, a policy, or a practice of an
 56 employer in which an employee objected to; refused to
 57 participate in; or testified, provided information, made a
 58 disclosure, or threatened to make a disclosure concerning an

Page 2 of 7

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9-01484-25

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59 employer's activity, policy, or practice.

60 (5) "Of the employer," when used in reference to an actual
 61 or proposed activity, policy, practice, or proposal, does not
 62 include an activity, a policy, a practice, or a proposal of or
 63 by one or more employees acting outside the course and scope of
 64 their employment or which is contrary to the employer's
 65 policies, practices, or directives.

66 (6)(5) "Retaliatory personnel action" means the discharge,
 67 suspension, or demotion by an employer of an employee or any
 68 serious and material change ~~either adverse employment action~~
 69 ~~taken by an employer against an employee in the terms and~~
 70 ~~conditions of an employee's employment.~~

71 Section 3. Section 448.102, Florida Statutes, is amended to
 72 read:

73 448.102 Prohibitions.—An employer may not take any
 74 retaliatory personnel action against an employee because the
 75 employee has:

76 (1) Disclosed, or threatened to disclose, to any
 77 appropriate governmental agency, under oath, in writing, an
 78 activity, a policy, or a practice of the employer which the
 79 employee has a good faith belief that such activity, policy, or
 80 practice violated a law, a rule, or a regulation, or any
 81 proposed course of action of the employer which, if implemented,
 82 would actually violate a law, a rule, or a regulation.

83 (2) Threatened to disclose to any appropriate governmental
 84 agency, under oath, in writing, an activity, a policy, or a
 85 practice of the employer which actually violated a law, a rule,
 86 or a regulation, or any proposed course of action of the
 87 employer which, if implemented, would violate a law, a rule, or

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88 a regulation.

89 (3) Objected to, or refused to participate in, an activity,
 90 a policy, or a practice of the employer which, at the time of
 91 the objection or refusal, was ~~that is~~ in violation of a law, a
 92 rule, or a regulation, or any proposed. ~~However, this subsection~~
 93 ~~does not apply unless the employee has, in writing, brought the~~
 94 activity, policy, or practice of the employer which, if
 95 implemented, would actually violate a law, a rule, or a
 96 regulation to the attention of a supervisor or the employer and
 97 ~~has afforded the employer a reasonable opportunity to correct~~
 98 ~~the activity, policy, or practice.~~

99 (4)(2) Provided information to, or testified before, any
 100 appropriate governmental agency, person, or entity conducting an
 101 investigation, hearing, or inquiry into an alleged violation of
 102 a law, rule, or regulation by the employer.

103
 104 ~~(3)~~ Subsections (1), (2), and (3) do not apply unless the
 105 employee brings to the attention of a supervisor or the
 106 employer, in writing, the ~~Objected to, or refused to participate~~
 107 in, any activity, policy, or practice of the employer which the
 108 employee objects to or refuses to participate in and affords the
 109 supervisor or employer a reasonable opportunity to correct the
 110 actual or proposed activity, policy, or practice ~~which is in~~
 111 violation of a law, rule, or regulation.

112 Section 4. Paragraph (c) of subsection (1) of section
 113 448.103, Florida Statutes, is amended, and paragraph (d) is
 114 added to that subsection, to read:

115 448.103 Employee's remedy; relief.—

116 (1)

9-01484-25

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(c) An employee may not recover in any action brought claiming a violation of s. 448.102(1), (2), or (3), unless the employee proves, by clear and convincing evidence, that he or she notified a supervisor or an employer about the alleged violation, and the supervisor or employer was afforded a reasonable opportunity to correct the actual or proposed illegal activity.

(d) An employee may not recover in any action brought claiming a violation of this act pursuant to this subsection if he or she failed to notify the employer about the illegal activity, policy, or practice as required by s. 448.102(1) or if the retaliatory personnel action was predicated upon a ground other than the employee's exercise of a right protected by this act. If the employer proffers one or more grounds for its personnel action other than the employee's exercise of a right protected by this act, the employee has the burden to prove each of the employer's proffered reasons are false.

Section 5. Section 448.104, Florida Statutes, is amended to read:

448.104 Attorney ~~Attorney's~~ fees and costs.—A court shall ~~may~~ award reasonable attorney ~~attorney's~~ fees, court costs, and expenses to the prevailing party, pursuant to s. 768.79.

Section 6. Section 448.105, Florida Statutes, is amended to read:

448.105 Existing rights.—If an employer has another available statutory remedy for conduct that would otherwise violate this chapter, the remedies under that statute preclude claims under this chapter ~~This act does not diminish the rights, privileges, or remedies of an employee or employer under any~~

9-01484-25

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~~other law or rule or under any collective bargaining agreement or employment contract.~~

Section 7. For the purpose of incorporating the amendment made by this act to section 448.103, Florida Statutes, in a reference thereto, subsection (2) of section 448.111, Florida Statutes, is reenacted to read:

448.111 Evidentiary standards for actions of a business during an emergency.—

(2) Notwithstanding any other law, the following actions of a business, if taken during a public health emergency declared by the State Health Officer under s. 381.00315 or a state of emergency declared by the Governor under s. 252.36, may not be used as evidence in a civil cause of action brought under s. 440.10, s. 440.192, s. 440.38, s. 440.381, s. 448.103, s. 448.110, s. 448.25, chapter 532, or s. 717.115, or in a civil cause of action, as provided for under general law, to recover lost wages, salary, employment benefits, or other compensation, because an individual has not been properly classified as an employee:

(a) Providing financial assistance to previously engaged individuals who are unable to work because of health and safety concerns.

(b) Directly providing benefits that are related to the health and safety of engaged individuals, including medical or cleaning supplies, personal protective equipment, health checks, or medical testing.

(c) Providing training or information related to the health and safety of engaged individuals or the public.

(d) Taking any action, including action required or

9-01484-25

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175 suggested by any federal, state, or local law, ordinance, order,
176 or directive which is intended to protect public health and
177 safety.

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

The Florida Senate

APPEARANCE RECORD

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Meeting Date

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Phone

Address

Email

Street

City

State

Zip

Speaking:

☐

For

☒

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

Florida AFL-CIO

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

The Florida Senate

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Meeting Date

Commerce and Tourism

Committee

1776

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Chad Kunde

Phone

(850) 766-7896

Address

136 E Bronough St

Email

ckunde@flchamber.com

Street

Tallahassee FL

32308

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☒

In Support

☐

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐

I am appearing without
compensation or sponsorship.

☒

I am a registered lobbyist,
representing:

Florida Chamber
of Commerce

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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Commerce and Tourism

Committee

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SB 1776

Bill Number or Topic

Amendment Barcode (if applicable)

Name Jessica Kraynak Phone 850-222-4082

Address 227 South Adams Street Email jessica@frf.org
Street

Tallahassee Florida 32301
City State Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☒ In Support ☐ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☐ I am appearing without
compensation or sponsorship.

☒ I am a registered lobbyist,
representing:

Florida Retail Federation

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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3.17.2025

Meeting Date

SB1776

Bill Number or Topic

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Committee

Amendment Barcode (if applicable)

Name Tabitha Hunter

Phone 941.730-4552

Address 3102 Bougainvillea St
Street

Email thunter@lbcw91s.org

Sarasota
City

FL
State

34239
Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☒ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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Meeting Date

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SB 1776
Bill Number or Topic

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Committee
Name Nendi McFarland Phone 407-808-1317
Address 711 Siena Palm Dr. Email Whiteach5@gmail
Celebration FL 34747
City State Zip

Speaking: ☐ For ☐ Against ☐ Information

OR

Waive Speaking: ☐ In Support ☒ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

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3/17/25

Meeting Date

SB 1776

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Ross Mullis

Phone

(904) 588-4950

Address

96516 Commodore Port Drive

Email

Street

Yulee

City

FL

State

32097

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☒

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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03/17/25
Meeting Date

SB 1776
Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name Wm Scott Turner

Phone 727 808 0850

Address 128 Shore Dr Pl
Street

Email Joekateboard@gmail.com

Oldsmar FL 34677
City State Zip

Speaking: ☐ For ☐ Against ☐ Information **OR** Waive Speaking: ☐ In Support ☒ Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒ I am appearing without
compensation or sponsorship.

☐ I am a registered lobbyist,
representing:

☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

APPEARANCE RECORD3-17-2025

Meeting Date

Commerce

Committee

Deliver both copies of this form to
Senate professional staff conducting the meetingSB 1776 Employment...

Bill Number or Topic

Amendment Barcode (if applicable)

Name LIZA JUANICHPhone 863-377-0675Address 3601 Kernan Blvd. S
StreetEmail l.olbesjuanich@gmail.comJacksonville

City

FL

State

32224

Zip

Speaking: ☐ For ☐ Against ☐ Information**OR**Waive Speaking: ☐ In Support ☒ Against**PLEASE CHECK ONE OF THE FOLLOWING:**☒ I am appearing without
compensation or sponsorship.☐ I am a registered lobbyist,
representing:☐ I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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3.17.25

Meeting Date

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SB1776

Bill Number or Topic

Committee

Amendment Barcode (if applicable)

Name

Zahira Pena-Ardino

Phone

407-414-2222

Address

1254 Hancock Cr.

Email

Zahira2473@yahoo.com

Street

St. Cloud FL 34769

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☒

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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3/12/25

Meeting Date

Commerce

Committee

SB 1776

Bill Number or Topic

Amendment Barcode (if applicable)

Name

Sybil Faust

Phone

904-403-6725

Address

3019 Lagnay Dr.

Email

sybilfaust66@gmail.com

Street

Jacksonville, FL

32208

City

State

Zip

Speaking:

☐

For

☐

Against

☐

Information

OR

Waive Speaking:

☐

In Support

☒

Against

PLEASE CHECK ONE OF THE FOLLOWING:

☒

I am appearing without
compensation or sponsorship.

☐

I am a registered lobbyist,
representing:

☐

I am not a lobbyist, but received
something of value for my appearance
(travel, meals, lodging, etc.),
sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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